



GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended
December 31, 2009

As at March 8, 2010

(Dollar amounts expressed in millions, except for per share information)

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
Basis of Discussion and Analysis.....	1
Non-GAAP Measures.....	1
Forward-Looking Information	2
FINANCIAL HIGHLIGHTS	3
BUSINESS DESCRIPTION	5
General.....	5
Business Strategy	5
Operations.....	7
MAJOR DEVELOPMENTS.....	10
MARKET UPDATE.....	13
CONSOLIDATED RESULTS OF OPERATIONS	14
Discussion of Results	15
<i>River Rock Casino Resort</i>	16
<i>Boulevard Casino</i>	18
<i>Vancouver Island Casinos</i>	19
<i>Other BC Casinos</i>	20
<i>Nova Scotia Casinos</i>	21
<i>Great American Casinos</i>	22
<i>Racinos</i>	23
<i>Georgian Downs</i>	25
<i>Flamboro Downs</i>	26
<i>Corporate & Other</i>	27
Discussion of Items Excluded from EBITDA.....	28
CONSOLIDATED QUARTERLY RESULTS TREND	29
LIQUIDITY AND CAPITAL RESOURCES	30
Financial Position	30
Cash Flows.....	31
Capital Resources	32
Capital Spending and Development.....	35
Contingencies.....	36
Litigation	36
Guarantees and Indemnifications	37
Commitments	37
Future Cash Requirements	38
OTHER FINANCIAL INFORMATION	38
SUPPLEMENTAL FINANCIAL INFORMATION	47

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

INTRODUCTION

Basis of Discussion and Analysis

This management's discussion and analysis ("MD&A") of Great Canadian Gaming Corporation (the "Company", "we", "our") is dated as of March 8, 2010. This MD&A should be read in conjunction with our audited consolidated financial statements for the years ended December 31, 2009 and 2008 ("Annual Financial Statements").

The Annual Financial Statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Unless expressly stated otherwise, all financial information is expressed in Canadian dollars.

Capitalized terms are either defined when they first appear or are defined at the end of this MD&A in the section titled "Other Financial Information – Definitions of Other Terms Used in the MD&A".

Non-GAAP Measures

The following non-GAAP definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under Canadian GAAP, do not have standardized meanings prescribed by GAAP, and should not be construed to be alternatives to revenues and net earnings determined in accordance with GAAP or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

EBITDA as defined by the Company means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization, stock-based compensation, restructuring and other costs, foreign exchange gain (loss), and non-controlling interests. EBITDA is derived from the consolidated statements of earnings, and can be computed as revenues less human resources expenses and property, marketing and administration expenses. We believe EBITDA is a useful measure because it provides information to both management and investors with respect to the operating and financial performance of the Company. A reconciliation of EBITDA to net earnings under GAAP is shown in the "Consolidated Results of Operations" section in this MD&A.

Adjusted net earnings, as defined by the Company, means net earnings plus or minus significant items of note that management may reasonably quantify and that it believes will provide the reader with a better understanding of the Company's underlying business performance. Items of note may vary from time to time and in this MD&A include: restructuring and other expenses; the effect of changes in tax rates on future income taxes; stock-based compensation – voluntary forfeiture of stock options; reduction of management bonus; and other future tax changes. A reconciliation between net earnings and adjusted net earnings is presented in the Financial Highlights section of this MD&A.

Gross revenues as defined by the Company means revenues on the consolidated statements of earnings plus the portion of the gaming win and other revenues retained by British Columbia Lottery Corporation ("BCLC") and Nova Scotia Gaming Corporation ("NSGC"); gaming taxes paid to Washington State; accruals for payouts of progressive games; payments to horseracing pools; and promotional allowances. Gross revenues include slot commissions in Ontario which represent 10% of the win from slot machines operated by the Ontario Lottery and Gaming Corporation ("OLG").

The following non-GAAP measures have common definitions in the gaming industry. Table drop means the collective amount of money customers deposit to purchase casino chips to wager on table games, and is commonly computed as the aggregate amount of money counted in the table games' drop boxes. Generally, the table drop is an indicator of our gaming business, however over the short-term, the

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

table drop is subject to shifts in customer behaviour around buying, retaining and cashing-in of casino chips. Table hold is calculated as the table drop plus or minus the net change in casino chip inventory. Table hold percentage is the ratio of table hold divided by table drop. Table hold percentage fluctuates with the statistical variations or volatility inherent in casino games, as well as with changes in customer behaviour around buying, retaining and cashing-in of casino chips. Poker rake is the commission we earn from poker games at our casinos, and is calculated as a fixed percentage of the amount wagered by customers on every hand of poker played. Slot coin-in is the aggregate amount of money customers have wagered on slots and other electronic gaming machines. Slot win is the slot coin-in less amounts cashed out and prizes won by customers. Slot win per machine per day ("Slot Win/Slot/Day") is the average daily slot win earned per slot machine, and is calculated as the slot win divided by the number of days in the period, divided by the average number of slot machines that operated during the period. Slot win percentage is the ratio of slot win divided by slot coin-in.

Forward-Looking Information

This MD&A contains certain "forward-looking information" or statements within the meaning of applicable securities legislation. 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 statements that address expectations, estimates or projections about the future, the Company's strategy for growth, expected future expenditures, costs, operating and financial results and expected impact of future commitments. Such forward-looking information is not a guarantee of future performance and may involve a number of risks and uncertainties. Although forward-looking information is based on information and assumptions that the Company believes are current, reasonable and complete, they are subject to a number of factors that could cause actual results to vary materially from those expressed or implied by such forward-looking information.

Such factors may include, but are not limited to: terms of operational service agreements with lottery corporations; changes to gaming laws that may impact our operational service agreements; pending, proposed or unanticipated regulatory or policy changes; impact of global liquidity and credit availability; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the risk that systems, procedures and controls may not be adequate to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; First Nations claims with respect to some Crown land on which we conduct our operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; demand for new products and services; fluctuations in operating results; and economic uncertainty and financial market volatility.

These factors and other risks and uncertainties are discussed in the Company's continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the "Risk Factors" section of the Company's Annual Information Form for fiscal 2009, and as identified in the Company's disclosure record on SEDAR at www.sedar.com.

The forward-looking information in documents incorporated by reference speak only as of the date of those documents. Readers are cautioned not to place undue reliance on the forward-looking information, as there can be no assurance that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof and is expressly qualified in its entirety by cautionary statements in this MD&A.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

FINANCIAL HIGHLIGHTS

	Fourth Quarter			Twelve Months of				
	2009	2008	% Chg	2009	2008	% Chg	2007	% Chg
Revenues	\$ 96.3	\$ 96.7	0%	\$ 382.2	\$ 403.7	(5%)	\$ 397.2	2%
EBITDA	\$ 33.0	\$ 23.6	40%	\$ 126.6	\$ 107.7	18%	\$ 111.0	(3%)
EBITDA as a % of Revenues	34.3%	24.4%		33.1%	26.7%		27.9%	
Net earnings	\$ 9.8	\$ (1.7)		\$ 23.5	\$ 13.5	74%	\$ 35.8	(62%)
Net earnings per common share:								
Basic	\$ 0.12	\$ (0.02)		\$ 0.29	\$ 0.16		\$ 0.42	
Diluted	\$ 0.12	\$ (0.02)		\$ 0.28	\$ 0.16		\$ 0.41	
Total assets				\$1,004.1	\$1,024.0	(2%)	\$ 957.4	7%
Long-term debt, excluding current portion				\$ 356.9	\$ 440.0	(19%)	\$ 329.4	34%
Derivative liabilities				\$ 50.8	\$ 23.4	117%	\$ 62.8	(63%)

⁽¹⁾ EBITDA is a non-GAAP measure and is defined in the Introduction - Non-GAAP measures section of this MD&A.

For both the three month ("fourth quarter of 2009") and twelve month ("twelve months of 2009") periods ended December 31, 2009, Great Canadian Gaming Corporation ("the Company") implemented improvements in operating efficiency to successfully offset the impacts of a challenging economic environment.

For the fourth quarter of 2009, revenues were \$96.3, a \$0.4 decrease from the fourth quarter of 2008. Revenue declines were most pronounced at Boulevard Casino ("Boulevard"), the Nova Scotia Casinos, and the Great American Casinos, primarily due to the weakened economy. These declines were offset by a revenue increase of \$2.6 at River Rock Casino Resort ("River Rock"). This increase can be attributed to weakness in the comparable period at River Rock, which was impacted by weather and other factors, as well as the recently completed redevelopments, which have significantly improved both visitation and gaming volumes at that property.

For the twelve months of 2009, revenues were \$382.2, a 5% decrease from the twelve months of 2008. This was primarily due to the weakened economy, which impacted nearly all of the Company's facilities. Declines were most pronounced at Boulevard, the Nova Scotia Casinos, and River Rock, which was also impacted by disruption from construction until November 19, 2009.

EBITDA for the fourth quarter of 2009 was \$33.0, a 40% increase from the fourth quarter of 2008. EBITDA for the twelve months of 2009 was \$126.6, an 18% increase from the twelve months of 2008. These improvements, which were most pronounced at River Rock, Boulevard, and the BC Racinos, reflect the benefit of the Company's comprehensive expense reduction initiatives. These initiatives reduced operating expenses for the twelve months of 2009 by \$40.4, when compared to the twelve months of 2008.

EBITDA as a percentage of revenues for the fourth quarter of 2009 was 34.3%, a 9.9 percentage point increase from the fourth quarter of 2008. For the twelve months of 2009, this percentage was 33.1%, a 6.4 percentage point increase from the twelve months of 2008. These improvements were primarily due to the benefit of the expense reduction initiatives, which more than offset the impact of the revenue declines.

Net Earnings

Net earnings increased by \$11.5 in the fourth quarter and by \$10.0 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. The increase was primarily due to improvements in EBITDA associated with the expense reduction initiatives as well as a stock-based

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

compensation charge in the fourth quarter of 2008 from the voluntary forfeiture of stock options. The current and prior periods' net earnings included some items of note, the after-tax effects of which are summarized in the following table:

	Fourth quarter			Twelve months of				
	2009	2008	% Chg	2009	2008	% Chg	2007	% Chg
Net earnings (loss)	\$ 9.8	\$ (1.7)		\$ 23.5	\$ 13.5	74%	\$ 35.8	(62%)
Items of note, net of tax								
Restructuring and other expenses	0.6	1.0		9.5	2.2		0.7	
Effect of changes in tax rates on future income taxes	(3.7)	(0.2)		(6.0)	(1.3)		(11.5)	
Other future tax changes	-	-		-	-		(3.0)	
Reduction of management bonus	-	(2.1)		-	(2.1)		-	
Stock-based compensation - voluntary forfeiture of stock options	-	5.8		-	5.8		-	
Adjusted net earnings ⁽¹⁾	\$ 6.7	\$ 2.8	139%	\$ 27.0	\$ 18.1	49%	\$ 22.0	(18%)

⁽¹⁾ A non-GAAP measure

After adjusting for the above items of note, the Company's adjusted net earnings increased by 139% in the fourth quarter and by 49% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. The increases were primarily due to the improvements in EBITDA associated with the expense reduction initiatives and reduced stock-based compensation expense, which were partially offset by the effect of increased amortization, higher interest and financing costs, and higher income taxes.

For the twelve months of 2008, net earnings decreased to \$13.5 from a net earnings of \$35.8 recorded for the twelve months of 2007. This decrease is mainly the result of a reduction in EBITDA as well as an increase in income tax expense, interest and financing costs, net, and stock-based compensation expense. For the twelve months of 2008, our revenues increased 2% to \$403.7 and EBITDA decreased 3% to \$107.7, when compared to the twelve months of 2007.

Total Assets

Total assets decreased by \$19.9 in 2009 compared to 2008 primarily due to the amortization of property, plant and equipment and intangible assets, a reduction in other assets associated with the derivative asset at 2008 moving to a liability position in 2009, as well as a reduction in non-cash future income tax assets. These decreases were largely offset by the additions to property plant and equipment on the major development projects.

Total assets increased \$66.6 in 2008 compared to 2007 primarily due to a \$136.7 increase in property, plant and equipment net of amortization that was financed by a \$63.5 decrease in cash and cash equivalents and a \$6.6 reduction in other assets.

Long-term Debt and Derivative Liabilities

Long-term debt, excluding current portion, decreased by \$83.1 in 2009, when compared to 2008. This was primarily due to the foreign currency exchange rate's impact on the Canadian dollar carrying values of the U.S. dollar denominated Senior Secured Term Loan B and Senior Subordinated Notes and net repayments of \$28.7 on the Revolving Credit Facility. The changes in the values of the Senior Secured Term Loan B and Senior Subordinated Notes were effectively hedged by the change in value of our cross-currency interest rate swaps.

Long-term debt, excluding current portion, increased \$110.6 in 2008, when compared to 2007. This was primarily due to the foreign currency exchange rate's impact on the Canadian dollar carrying values of the U.S. dollar denominated Senior Secured Term Loan B and Senior Subordinated Notes and net repayments of \$34.1 of net borrowings of long-term debt. The changes in the values of the Senior Secured Term Loan

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

B and Senior Subordinated Notes were effectively hedged by the change in value of our cross-currency interest rate swaps.

BUSINESS DESCRIPTION

General

Great Canadian Gaming Corporation is a multi-jurisdictional gaming and entertainment operator with operations in British Columbia ("BC"), Ontario and Nova Scotia, Canada, and Washington State, United States of America ("Washington"). We operate ten casinos, a thoroughbred racetrack that offers slot machines, three standardbred racetracks (two offer slot machines and one offers both slot machines and table games), a community gaming centre, a hotel & conference centre, two show theatres, a bingo hall, and various associated food and beverage and entertainment facilities. In Canada we operate our casinos in managed markets with high barriers to entry and under long-term agreements as partners with provincial lottery corporations. Under our operating agreements in BC and Nova Scotia we are reimbursed for the majority of our capital projects. As of December 31, 2009 the Company had approximately 4,500 employees.

Information on the Canadian and Washington State gaming industries, regulatory environment and our operating agreements in these jurisdictions are included in our Annual Information Form located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

The Company's principal operating entities as at December 31, 2009 are:

Entity	Ownership interest at December 31, 2009 and 2008
Flamboro Downs Limited	100%
Georgian Downs Limited	100%
Great American Gaming Corporation	100%
Great Canadian Casinos Inc.	100%
Great Canadian Entertainment Centres Ltd.	100%
Hastings Entertainment Inc.	100%
Metropolitan Entertainment Group	100%
Orangeville Raceway Limited	100%
TBC Teletheatre B.C.	50% ⁽¹⁾

⁽¹⁾ On March 18, 2005, the Company increased its ownership interest in TBC to 50% and effectively controlled and consolidated its operating results from that date.

Business Strategy

Our mission is to be the leading gaming and entertainment company in our chosen markets by providing superior destinations, experiences, products and services. To meet this objective, we have adopted the strategies set out below. As a gaming service supplier, we work closely with our Crown corporation partners to develop our business strategy. The agreement of our Crown corporation partners may be necessary to implement certain strategies, and would be required with respect to those strategies that require the deployment of new or expanded gaming assets.

Continuously improve our operating efficiency. We have implemented several initiatives within our business to help maintain and improve profitability. In particular, at our corporate head office and each

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

operating facility we have implemented initiatives to realize operational synergies, workflow efficiencies and business process improvements. We have developed more focused marketing efforts (including joint marketing plans with our provincial Crown corporation partners); adopted more efficient products and technologies used in managing our business; and adjusted staffing levels. We continue to develop a performance based culture that recognizes outstanding service delivery, teamwork and individual achievement.

Drive incremental growth at our existing assets. The provincial Crown corporations responsible for gaming have taken steps to limit the number of gaming facilities in our markets, providing incumbent operators with opportunities to improve their facilities' penetration. As a result of significant capital investment since 2003, we have many assets that are new or newly-renovated and are well positioned to capture benefits in the form of both increased revenues and improved profitability. Subject to Crown corporation approval, we may also seek ways to expand the gaming products and services offered at our facilities.

Evaluate potential opportunities. Although our primary focus is the optimization of our existing assets, we may consider further Canadian expansion or acquisition opportunities.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Operations

The following table summarizes our Canadian casino operations as at December 31, 2009:

Facility and Location	Year Built/ Renovated	Additional Facilities and Activities	Slot Machines	Table Games	Operating Agreements Expiry Date ⁽¹⁾
British Columbia					
River Rock Casino Resort, Richmond, B.C.	2009	202 room hotel, 950 seat show theatre, 7 dining options, conference facilities, pool/spa, Racebook ⁽²⁾ , marina	914	97	June 23, 2014/ June 23, 2024
Boulevard Casino, Coquitlam, B.C.	2005	1,100 seat show theatre, 4 dining options, Racebook ⁽²⁾	1,000	58	November 16, 2015/ November 16, 2025
View Royal Casino, Victoria, B.C.	2009	1 dining option	580	14	February 28, 2011 February 28, 2021 ⁽⁵⁾
Nanaimo Casino, Nanaimo, B.C.	1997	1 dining option	394	8	February 28, 2011 February 28, 2021 ⁽⁵⁾
Chances Gaming Entertainment, Dawson Creek, B.C.	2006	Bingo, 1 dining option, Racebook ⁽²⁾	150	-	June 30, 2016 June 30, 2026
Hastings Racecourse (Thoroughbred Racing), Vancouver, B.C.	2008	3 dining options, concession, Racebook ⁽²⁾	596	-	October 28, 2012/ October 28, 2027
Fraser Downs Racetrack and Casino ⁽³⁾ (Standardbred Racing), Surrey, B.C.	2005	4 dining options, Racebook ⁽²⁾	461	11	March 31, 2014/ March 31, 2024
TBC Teletheatre B.C. ⁽²⁾	various	21 Racebooks ⁽²⁾	-	-	-
Haney Bingo Plex Maple Ridge, B.C.	1985	500 seat bingo hall, concession	-	-	May 1, 2011/ May 1, 2016
Ontario					
Georgian Downs (Standardbred Racing), Innisfil, Ontario	2009	4 dining options, concession	800 ⁽⁴⁾	-	November 30, 2021/ November 30, 2026
Flamboro Downs (Standardbred Racing), Flamborough, Ontario	2001	4 dining options, entertainment lounge, conference facility	800 ⁽⁴⁾	-	October 10, 2010/ October 10, 2015
Nova Scotia					
Casino Nova Scotia Halifax ⁽⁶⁾ , Halifax, Nova Scotia	2006	2 dining options, entertainment lounge, conference facility	655	32	July 1, 2015/ July 1, 2025 ⁽⁶⁾
Casino Nova Scotia Sydney ⁽⁶⁾ , Sydney, Nova Scotia	2006	1 dining option, lounge	300	10	July 1, 2015/ July 1, 2025 ⁽⁶⁾
			6,650	230	

⁽¹⁾ Subject to renewal terms, at the option of Company, for ten years in BC and NS. Subject to renewal terms, at the option of the OLG, for five years in ON.

⁽²⁾ We own or hold an interest in 21 Racebooks in British Columbia. We own and operate three Racebooks; one at each of Hastings Racecourse, Fraser Downs Racetrack and Casino, and one in North Saanich. The remaining 18 Racebooks, including those at River Rock Casino Resort, Boulevard Casino, and Chances Gaming Entertainment are operated by TBC Teletheatre B.C. We own a 50% interest in TBC Teletheatre B.C. and the remaining 50% interest is held by two horsemen's associations, the British Columbia Standardbred Association and the Horsemen's Benevolent and Protective Association.

⁽³⁾ Our Orangeville subsidiary operates Fraser Downs Racetrack and Casino as well as a Racebook in North Saanich, BC.

⁽⁴⁾ Slot machines at Georgian Downs and Flamboro Downs are owned and operated by OLG.

⁽⁵⁾ On December 31, 2009, BCLC accepted our Notice of Exercise of Extension Options for each View Royal and Nanaimo Operational Service Agreements

⁽⁶⁾ The Casino Nova Scotia Halifax and Casino Nova Scotia Sydney operate under a single operating agreement.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The following table summarizes our racetrack operations and the number of actual live race days in 2009 and 2008:

Name	Location	Live Race Days	
		2009	2008
Hastings Racecourse	Vancouver, BC	74	71
Fraser Downs Racetrack and Casino	Surrey, BC	107	110
Georgian Downs	Innisfil, ON	106	108
Flamboro Downs	Flamborough, ON	225	225
		512	514

All of our racetrack operations are outfitted for simulcast wagering. This allows patrons to place wagers on international and domestic live horseracing events.

British Columbia

Regulatory

In British Columbia, gaming activities are managed and conducted by the BCLC. BCLC in turn engages service providers, such as the Company, to operate the gaming activities pursuant to operational services agreements. The Company earns a commission based on the gaming win, but a significant portion of that gaming win is retained by BCLC. The BCLC provides its share of the gaming win to the Province of British Columbia, which then dedicates the funds to many areas including: the consolidated revenue fund for public service programs such as education, the Health Special Account for health care expenditures, and disbursements to charitable organizations.

Since 1997, when BCLC assumed responsibility for casino games and introduced slot machines in the BC marketplace, the casino business has experienced strong growth and is now BCLC's largest revenue stream. We believe the market and regulatory environment favours the incumbent service suppliers in the province.

BCLC's strategy is to continue to develop casino properties that provide players with an exceptional entertainment experience and position casino gaming as a major tourism attraction where market demand allows. BCLC is also working closely with service provider partners to provide players with tournaments and services that provide entertaining gaming experiences. As well, the Facility Development Commission ("FDC") component of the operational services agreements encourages service providers such as the Company to earn additional commissions by investing capital in improving or redeveloping their gaming facilities.

According to BCLC's annual report for its fiscal year ended March 31, 2009, the Company had 42% of the province's casino slot machines, which produced 43% of the province's total win from casino slot machines, and 43% of the province's table games, which produced 51% of the province's win from table games.

Seasonality

While the Company's BC casinos operate year-round, its racetracks are subject to seasonal variations due to planned limited live racing seasons. Live racing operates from April to November at Hastings Racecourse, and from September to June at Fraser Downs. Gaming offerings and Racebooks at both locations operate year-round.

While Metro Vancouver and Vancouver Island, where our BC casinos are located, do not generally experience harsh weather during the summer or winter months like the rest of Canada, extreme weather

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

conditions can have a negative impact on short-term attendance at our BC casinos.

Ontario

Regulatory

In Ontario, gaming activities are managed and conducted by the OLG. The OLG operates three different gaming models: commercial casinos (four sites); racetrack slots and charity casinos (17 racetrack sites and six charity casino sites); and lotteries and bingo. In Ontario, the Company operates two racetracks, with slot operations run by OLG pursuant to siteholder agreements. The Company earns a siteholder payment based on the win generated from the OLG slot machines, but a substantial portion of that win is retained by the OLG. According to the OLG website, it directs gaming proceeds to Ontario's health care, physical fitness, sport, recreation and cultural activities and to charitable organizations and non-profit corporations through the Ontario Trillium Foundation.

Seasonality

The gaming facilities at the Company's Ontario racetracks operate year-round and are typically subject to seasonal variations associated with extreme weather conditions. Live racing operates year-round at Flamboro Downs, and from March to December at Georgian Downs.

Nova Scotia

Regulatory

In Nova Scotia, gaming activities are managed and conducted by the NSGC. The NSGC operates two different gaming models: commercial casinos, of which we operate the only two in the province, and video lottery terminals, which are permitted in licensed liquor establishments, curling clubs and on First Nations' land. The Company is a service supplier to the NSGC and earns a commission based on our casinos' revenues, but a portion of those revenues are retained by NSGC. According to the NSGC's website, revenues retained by it are directed to the provincial government's general revenue account to help pay for programs and services that benefit all Nova Scotians including investments in infrastructure, schools, hospitals, and community outreach and prevention programs.

Seasonality

The gaming industry in Nova Scotia has historically witnessed a slight increase in business volumes during the summer months, primarily as a result of both tourism and weather conditions. Accordingly, revenues in these months are normally higher than in others.

Washington State

The following table summarizes our Washington gaming operations as at December 31, 2009:

Name	Location	Table Games
Great American Casino Everett	Everett, WA	15
Great American Casino Kent	Kent, WA	14
Great American Casino Lakewood	Lakewood, WA	15
Great American Casino Tukwila	Tukwila, WA	15
		<hr/>
		59

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Regulatory

In Washington State, gaming operations are regulated by the Washington State Gambling Commission ("WSGC") and fall into three categories: charitable, commercial and tribal. The Company operates four commercial card rooms in the Greater Seattle area.

The commercial gaming environment in Washington State is highly regulated but does not have the significant barriers to entry associated with our Canadian operations. Washington State card room operations are conducted pursuant to house banked card room licenses which limit the number of table games to fifteen per location. These card room licenses must be renewed annually with WSGC, and the Company's renewals have historically been granted automatically.

MAJOR DEVELOPMENTS

The Canadian economy and the markets in which many of the Company's facilities are located, are experiencing a period of economic weakness, and have witnessed a commensurate decline in consumer spending. The Company believes that this decline impacted its results for both the fourth quarter and twelve months of 2009, and that this impact will continue until consumer spending improves. Given this uncertainty, the Company has taken aggressive steps to reduce its operating expenses.

Beginning in the first quarter of 2009, operating hours were adjusted at several properties, and all properties adjusted their staffing levels. During the fourth quarter and twelve months of 2009, these expense reduction initiatives generated \$0.8 and \$13.4, respectively, of associated restructuring expenses. The Company continues to investigate opportunities to further improve the efficiency of its operations.

The Company has also elected to take a conservative approach toward capital deployment. Certain projects have been deferred, and revised timelines for their development will not be issued until greater clarity is available around future market conditions.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The following table summarizes the major facility development projects undertaken by the Company during 2009:

(\$ in millions)

Property	Development Project	Est. Completion Date	Est. Total Budget	Spend (Accrual Basis)		
				To Dec 31, 2009	In fourth quarter 2009	Est. for 2010
River Rock Casino Resort	Hotel footings and infrastructure; 1,200 stall parking garage; 21,000 sq ft of commercial space and gaming space; 320 hotel and casino parking spaces (\$90.0)	600 stalls completed in September '08, balance completed in August '09	\$124.0	\$122.7	\$2.5	\$2.2
	New gaming capacity; upgraded amenities and VIP facilities; atrium renovation (\$34.0)	Some upgraded VIP facilities completed January '09, balance completed November '09				
View Royal Casino	560 stall parking garage; new gaming capacity (\$25.0)	Parking garage completed in December '08, new gaming capacity completed in August '09	\$25.0	\$25.2	\$0.1	\$0.0
Hastings Racecourse	Installation of 600 slot machines and amenity upgrades	All slots installed in Q3/08	\$40.0	\$31.7	\$0.1	\$4.0
Georgian Downs	550 slot machines of new gaming capacity and facility upgrades	Gaming capacity increased to 800 slots in August '09, increase to 1,000 slots in Q2/10	\$33.6	\$28.8	\$1.5	\$4.8

British Columbia

River Rock Casino Resort

During the twelve months of 2009, the Company completed several enhancements to the River Rock Casino Resort. These enhancements were designed to capitalize on the increased traffic generated by the Canada Line, an extension of Vancouver's mass transit system, which commenced operation on August 17, 2009. The enhancements included additional gaming capacity at the facility, a renovation of the property's grand atrium, the installation of an elevated walkway between the casino and the Canada Line station, and upgrades to both the property's amenities and VIP offerings. All of these enhancements were complete and operational by November 19, 2009.

The Company has also developed approximately 320 additional parking spaces and 21,000 square feet of commercial space, 6,000 square feet of which is now being utilized for gaming purposes. These facilities, which reached completion in August of 2009, form part of the Canada Line Station, and connect to the existing River Rock complex via the elevated walkway.

In 2006, the Company entered into a letter of intent with the South Coast British Columbia Transportation Authority ("TransLink") and Canada Line Rapid Transit Inc. ("Canada Line") to build and operate a 1,200 stall multi-level parking garage at Bridgeport Station, across from River Rock in Richmond, British Columbia. On August 22, 2008, the Company entered into definitive agreements for this transaction. The first 600 stalls of this parking garage were completed in September of 2008. The remaining 600 stalls were completed in August of 2009, and the agreed parking services for Canada Line passengers commenced on August 17, 2009.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Under the terms of the agreements, the Company reserves 1,200 parking stalls for Canada Line passengers on weekdays between 5:30am and 7:00pm and 600 stalls at all other times. As compensation for the cost of providing these parking services, TransLink provided the Company with approximately 5 acres of land (with an estimated market value of \$17.2 as at June of 2008), 2.6 acres of which was used to accommodate the new parking garage, and \$2.5 in cash. The Company also received from TransLink a \$2.0 cash payment for an option to purchase the portion of the parking garage used by the 1,200 stalls. TransLink may only exercise this option if certain events defined in the agreement occur. Examples of these include the relocation of River Rock, or the Company failing to provide Canada Line's passengers access to the parking stalls as set out in the agreement.

The new parking garage addressed River Rock's existing weekend and evening parking shortage, and provides additional capacity for future patron demand. As at December 31, 2009, BCLC has approved \$20.1 of this parking facility's incurred capital expenditures to date for accelerated Facility Development Commission ("FDC") reimbursement. The Company receives incremental revenue from the operation of the parking garage.

View Royal Casino

On August 18, 2009, the Company completed enhancements to View Royal Casino, increasing its capacity by 120 slot machines. These enhancements represented the second part of a redevelopment that also included construction of a 560 stall parking garage. As at December 31, 2009, BCLC has approved approximately \$18.0 of this redevelopment's incurred capital expenditures to date for accelerated FDC reimbursement. The total cost of this redevelopment was \$25.2 to December 31, 2009.

Hastings Racecourse

On August 15, 2008, the Company completed the installation of 600 slot machines at Hastings Racecourse, and thus the gaming component of that facility's redevelopment. The complete redevelopment includes an estimated \$40.0 in capital improvements during the initial five-year term of the Hastings Racecourse operating agreement with the City of Vancouver of which \$31.7 has been spent to the end of December 31, 2009.

Ontario

The Company is expanding Georgian Downs to allow OLG to increase that property's slot capacity. Slot machines at Georgian Downs are owned and operated by OLG. The Company will spend an estimated \$33.6 on this redevelopment, an amount that includes the cost of a mandatory infrastructure upgrade. OLG will bear the costs for upgrades to the slot floor, food and beverage offerings, and various back-of-house operations. On August 26, 2009, OLG increased Georgian Downs' gaming capacity to 800 slot machines. The Company anticipates that OLG will add a further 200 machines during the second quarter of 2010.

In addition, through supplemental agreements, OLG has extended the term and guaranteed the Company's 10% slot machine revenue share at Georgian Downs through to November 30, 2021. The supplemental agreements include a provision for extension until November 30, 2026, at OLG's discretion. The Company continues to investigate opportunities for further development at Georgian Downs.

Construction Considerations

As described above, the Company is in the process of completing several capital projects designed to improve both its facilities and future guest experiences. These necessary developments may have had an unquantifiable impact on attendance in the short-term, as the disruption caused by construction may impact a facilities' appearance and operations. The Company is confident that not only will these redevelopments

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

both increase revenues and allow properties to meet future market demand, but also that any disruption will be more than offset by a commensurate long-term benefit.

Normal Course Issuer Bid

On September 19, 2008, the Company commenced a normal course issuer bid which ended on September 18, 2009. The Company received approval from the TSX to commence another issuer bid on December 15, 2009. This bid will end on December 14, 2010 or earlier if the number of shares sought in the issuer bid have been obtained. Pursuant to TSX policies, daily purchases made by the Company will not exceed 43,197 common shares. The current normal course issuer bid allows the Company to purchase up to 5.8 million of its common shares representing approximately 10% of the public float of the common shares in the Company. Purchases will be by way of open market purchases through the facilities of the TSX, and conducted at the market price at the time of acquisition. All shares purchased by the Company will be subsequently cancelled.

During 2009, the Company did not purchase any shares under either of the normal course issuer bids. During the year ended December 31, 2008, the Company purchased and cancelled 2,747,800 common shares at a cost of \$29.2.

MARKET UPDATE

British Columbia

As required under the terms of its Operating Agreement, Hastings Racecourse closed for the Olympic Games during the period between February 1, 2010 and March 3, 2010. Gaming, racing, and hospitality operations were all suspended for this period, and additional marketing efforts at Hastings Racecourse may be necessary to inform its market that the facility has now recommenced these operations.

Ontario

There have been no significant gaming market developments affecting the Company's operations in Ontario.

Nova Scotia

The Company anticipates that a new gaming facility will open in Moncton, New Brunswick sometime during the second quarter of 2010. Although the Company does not own or operate any facilities within that province, Moncton is approximately 260km north of Halifax, Nova Scotia. The Company does anticipate that the new gaming facility will create increased competition for its Nova Scotia casinos.

Washington State

There have been no significant gaming market developments affecting the Company's operations in Washington State.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the consolidated operating results for the three month and twelve month periods ended December 31, 2009 with comparatives for the prior period.

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 67.9	\$ 67.0	1%	\$ 269.9	\$ 282.3	(4%)
Racetrack revenues	6.6	6.9	(4%)	28.7	31.2	(8%)
Facility Development Commission	7.4	7.1	4%	29.2	29.4	(1%)
Hospitality and other revenues	17.1	18.7	(9%)	65.3	72.3	(10%)
	99.0	99.7	(1%)	393.1	415.2	(5%)
Less: Promotional allowances	(2.7)	(3.0)	(10%)	(10.9)	(11.5)	(5%)
Revenues	96.3	96.7	0%	382.2	403.7	(5%)
Human resources	36.8	42.7	(14%)	155.6	179.0	(13%)
Property, marketing and administration	26.5	30.4	(13%)	100.0	117.0	(15%)
	63.3	73.1	(13%)	255.6	296.0	(14%)
EBITDA	33.0	23.6	40%	126.6	107.7	18%
Human resources as a % of Revenues						
before Promotional allowances	37.2%	42.8%		39.6%	43.1%	
EBITDA as a % of Revenues	34.3%	24.4%		33.1%	26.7%	
Amortization	13.4	11.5	17%	48.5	43.3	12%
Stock-based compensation	0.9	6.1	(85%)	4.9	11.6	(58%)
Restructuring and other	0.8	1.4	(43%)	13.4	3.2	319%
Interest and financing costs, net	7.3	6.8	7%	29.2	27.7	5%
Other expenses	0.3	(0.1)		1.9	0.4	375%
Income taxes	0.5	(0.4)		5.2	8.0	(35%)
Net earnings	\$ 9.8	\$ (1.7)		\$ 23.5	\$ 13.5	74%
Net earnings per common share:						
Basic	\$ 0.12	\$ (0.02)		\$ 0.29	\$ 0.16	
Diluted	\$ 0.12	\$ (0.02)		\$ 0.28	\$ 0.16	
Weighted average number of common shares (in thousands):						
Basic	82,353	82,108		82,183	83,069	
Diluted	84,281	82,108		83,172	83,096	

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Discussion of Results

The Company's operating results are discussed in two sections. Revenues, human resources expenses, property, marketing and administration expenses, and EBITDA are discussed on a property or, where appropriate, group of similar properties basis. Items excluded from EBITDA are discussed on a consolidated basis. The following table reconciles the property results to the consolidated results of operations above.

REVENUES and EBITDA

	Fourth Quarter			Twelve Months of		
	2009	2008	% Change	2009	2008	% Change
REVENUES						
Casinos						
River Rock Casino Resort	\$ 30.6	\$ 28.0	9%	\$ 110.8	\$ 122.2	(9%)
Boulevard Casino	16.5	17.4	(5%)	65.9	69.5	(5%)
Vancouver Island Casinos	10.2	10.1	1%	40.3	42.4	(5%)
Other BC Casinos	1.6	1.4	14%	6.1	6.2	(2%)
Nova Scotia Casinos	10.3	11.0	(6%)	43.2	46.3	(7%)
Great American Casinos	6.0	6.9	(13%)	26.2	25.4	3%
	75.2	74.8	1%	292.5	312.0	(6%)
Racinos						
BC Racinos	12.5	13.2	(5%)	53.9	54.3	(1%)
Georgian Downs	3.9	3.8	3%	15.6	15.6	0%
Flamboro Downs	4.7	4.7	0%	19.7	21.1	(7%)
	21.1	21.7	(3%)	89.2	91.0	(2%)
Corporate & Other	-	0.2	(100%)	0.5	0.7	(29%)
Total Revenues	\$ 96.3	\$ 96.7	0%	\$ 382.2	\$ 403.7	(5%)
EBITDA						
Casinos						
River Rock Casino Resort	\$ 14.1	\$ 8.8	60%	\$ 49.3	\$ 45.7	8%
Boulevard Casino	7.6	7.5	1%	31.0	30.2	3%
Vancouver Island Casinos	6.3	5.5	15%	24.1	22.7	6%
Other BC Casinos	0.5	0.2	150%	1.6	1.7	(6%)
Nova Scotia Casinos	2.6	2.7	(4%)	11.6	10.8	7%
Great American Casinos	1.0	0.6	67%	4.2	3.5	20%
	32.1	25.3	27%	121.8	114.6	6%
Racinos						
BC Racinos	3.1	1.4	121%	13.0	7.5	73%
Georgian Downs	1.8	1.5	20%	7.4	6.2	19%
Flamboro Downs	1.5	1.6	(6%)	7.2	7.3	(1%)
	6.4	4.5	42%	27.6	21.0	31%
Corporate & Other	(5.5)	(6.2)	11%	(22.8)	(27.9)	18%
Total EBITDA	\$ 33.0	\$ 23.6	40%	\$ 126.6	\$ 107.7	18%

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Casinos

River Rock Casino Resort ⁽¹⁾

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 20.4	\$ 18.5	10%	\$ 76.5	\$ 82.4	(7%)
Facility Development Commission	3.1	2.7	15%	11.4	12.2	(7%)
Hospitality and other revenues	8.0	7.6	5%	25.9	30.5	(15%)
Revenues before Promotional allowances	31.5	28.8	9%	113.8	125.1	(9%)
Less: Promotional allowances	(0.9)	(0.8)	13%	(3.0)	(2.9)	3%
Revenues	30.6	28.0	9%	110.8	122.2	(9%)
Human resources	10.0	11.9	(16%)	40.2	49.0	(18%)
Property, marketing and administration	6.5	7.3	(11%)	21.3	27.5	(23%)
EBITDA	\$ 14.1	\$ 8.8	60%	\$ 49.3	\$ 45.7	8%
Human resources as a % of Revenues before Promotional allowances	31.7%	41.3%		35.3%	39.2%	
EBITDA as a % of Revenues	46.1%	31.4%		44.5%	37.4%	

⁽¹⁾ The results of the Racebook at River Rock are included in the results of our BC Racinos as it is operated by TBC Teletheatre B.C.

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 151.7	\$ 129.0	\$ 134.4	\$ 145.5	\$ 137.8	\$ 134.3	\$ 136.5	\$ 147.5	\$ 146.0	
Table Hold	\$ 30.8	\$ 27.9	\$ 24.6	\$ 31.8	\$ 27.8	\$ 33.3	\$ 26.9	\$ 37.3	\$ 30.7	
Table Hold %	20.3%	21.6%	18.3%	21.9%	20.2%	24.8%	19.7%	25.3%	21.0%	21.5%
Poker Rake	\$ 1.4	\$ 1.2	\$ 1.0	\$ 1.1	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7	
Slot Coin-In	\$ 420.6	\$ 391.7	\$ 351.9	\$ 375.1	\$ 351.1	\$ 413.7	\$ 420.8	\$ 401.0	\$ 420.9	
Slot Win	\$ 28.8	\$ 27.7	\$ 25.5	\$ 26.7	\$ 24.8	\$ 28.3	\$ 29.1	\$ 27.9	\$ 29.7	
Slot Win/Slot/Day ⁽²⁾	\$ 362	\$ 350	\$ 324	\$ 342	\$ 308	\$ 341	\$ 354	\$ 335	\$ 351	
Slot Win %	6.8%	7.1%	7.2%	7.1%	7.1%	6.8%	6.9%	7.0%	7.1%	7.0%

⁽²⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues

Gaming revenues at River Rock in the fourth quarter of 2009 increased by 10%, when compared to the fourth quarter of 2008. This increase was primarily due to the comparable period, which was negatively impacted by heavy snowfall, economic uncertainty, and disruption from construction at the property. The increase was also due to both the August 17, 2009 opening of the Canada Line mass transit station at River Rock and the November 19, 2009 completion of various upgrades at the facility. Despite the weakened economy, these redevelopments combined to generate significant improvements in visitation, table drop, and slot coin-in at the facility during the fourth quarter.

Gaming revenues at River Rock in the twelve months of 2009 decreased by 7%, when compared to the twelve months of 2008. This decrease was due to the high table hold percentages recorded during the first and third quarters of 2008, the weakened economy, and disruption from construction at the property during the first eleven months of 2009.

FDC revenues increased by 15% in the fourth quarter of 2009, when compared to the fourth quarter of 2008. This increase was due to the improvement in gaming revenues. FDC revenues decreased by 7% in the twelve months of 2009, when compared to the twelve months of 2008. This decrease was due to both the decline in gaming revenues and a \$0.5 accelerated FDC catch-up payment that River Rock received in the first quarter of 2008. This payment was not repeated during 2009.

Hospitality and other revenues increased by 5% in the fourth quarter of 2009, when compared to the fourth quarter of 2008. This increase was primarily due to the improved visitation generated by River

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Rock's recent redevelopments. Hospitality and other revenues decreased by 15% for the twelve months of 2009, when compared to the twelve months of 2008. This decrease was due to both the weakened economy and disruption from construction, which necessitated the closure or temporary relocation of several food and beverage outlets, as well as a reduction in River Rock's hotel capacity.

River Rock's average daily revenue per available room ("REVPAR") was \$116 dollars in the fourth quarter of 2009, compared to \$129 dollars in the fourth quarter of 2008. This decline was due to a 5.1 percentage point decrease in the average hotel occupancy rate to 71%, which was partially offset by a 1.7 percentage point increase in the average daily room rate to \$171 dollars. The occupancy rate decrease can be attributed to both the weakened economy and disruption from construction at the property.

Expenses

Human resources expenses decreased by 16% in the fourth quarter and by 18% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to staffing level adjustments.

Property, marketing and administration expenses decreased by 11% in the fourth quarter and by 23% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to various expense reduction initiatives, streamlined marketing and entertainment campaigns, and reduced food and beverage costs.

EBITDA

EBITDA increased by 60% in the fourth quarter and by 8% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These increases were primarily due to both the staffing level adjustments and expense reduction initiatives.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Boulevard Casino ⁽¹⁾

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 12.3	\$ 13.1	(6%)	\$ 49.9	\$ 53.4	(7%)
Facility Development Commission	2.0	2.1	(5%)	8.2	8.8	(7%)
Hospitality and other revenues	2.5	2.5	0%	9.1	8.7	5%
Revenues before Promotional allowances	16.8	17.7	(5%)	67.2	70.9	(5%)
Less: Promotional allowances	(0.3)	(0.3)	0%	(1.3)	(1.4)	(7%)
Revenues	16.5	17.4	(5%)	65.9	69.5	(5%)
Human resources	5.5	6.3	(13%)	22.9	26.1	(12%)
Property, marketing and administration	3.4	3.6	(6%)	12.0	13.2	(9%)
EBITDA	\$ 7.6	\$ 7.5	1%	\$ 31.0	\$ 30.2	3%
Human resources as a % of Revenues before Promotional allowances	32.7%	35.6%		34.1%	36.8%	
EBITDA as a % of Revenues	46.1%	43.1%		47.0%	43.5%	

⁽¹⁾ The results of the Racebook at Boulevard are included in the results of our BC Racinos as it is operated by TBC Teletheatre B.C.

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 48.5	\$ 52.9	\$ 50.0	\$ 54.6	\$ 50.9	\$ 52.7	\$ 51.8	\$ 50.9	\$ 50.4	
Table Hold	\$ 9.7	\$ 9.8	\$ 9.6	\$ 10.0	\$ 10.5	\$ 10.2	\$ 9.3	\$ 9.5	\$ 11.2	
Table Hold %	20.0%	18.5%	19.2%	18.3%	20.6%	19.4%	18.0%	18.7%	22.2%	19.4%
Poker Rake	\$ 1.3	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.4	\$ 1.3	\$ 1.2	\$ 1.3	\$ 1.4	
Slot Coin-In	\$ 427.2	\$ 418.5	\$ 426.1	\$ 460.3	\$ 470.5	\$ 521.7	\$ 531.4	\$ 515.9	\$ 504.6	
Slot Win	\$ 30.1	\$ 30.0	\$ 31.5	\$ 31.9	\$ 31.6	\$ 35.1	\$ 35.2	\$ 34.3	\$ 33.8	
Slot Win/Slot/Day ⁽²⁾	\$ 343	\$ 351	\$ 369	\$ 377	\$ 366	\$ 406	\$ 401	\$ 397	\$ 391	
Slot Win %	7.0%	7.2%	7.4%	6.9%	6.7%	6.7%	6.6%	6.6%	6.7%	6.9%

⁽²⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues, Expenses and EBITDA

Revenues at Boulevard decreased by 5% in both the fourth quarter and twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to the weakened economy, which reduced both table drop and slot coin-in in the fourth quarter of 2009, when compared to the fourth quarter of 2008.

Human resource expenses decreased by 13% in the fourth quarter and by 12% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to staffing level adjustments.

Property, marketing, and administration expenses decreased by 6% in the fourth quarter and by 9% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were due to both streamlined marketing and entertainment campaigns and various expense reduction initiatives.

EBITDA increased by 1% in the fourth quarter and by 3% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. For both periods, the impact of the weakened economy on gaming revenues was successfully offset by the staffing level adjustments and various expense reduction initiatives.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Vancouver Island Casinos (View Royal Casino and Nanaimo Casino)

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 8.3	\$ 8.2	1%	\$ 32.7	\$ 35.1	(7%)
Facility Development Commission	1.3	1.3	0%	5.3	4.3	23%
Hospitality and other revenues	0.8	0.9	(11%)	3.2	4.0	(20%)
Revenues before Promotional allowances	10.4	10.4	0%	41.2	43.4	(5%)
Less: Promotional allowances	(0.2)	(0.3)	(33%)	(0.9)	(1.0)	(10%)
Revenues	10.2	10.1	1%	40.3	42.4	(5%)
Human resources	2.6	3.2	(19%)	11.1	13.8	(20%)
Property, marketing and administration	1.3	1.4	(7%)	5.1	5.9	(14%)
EBITDA	\$ 6.3	\$ 5.5	15%	\$ 24.1	\$ 22.7	6%

Human resources as a % of Revenues

before Promotional allowances

EBITDA as a % of Revenues

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 12.6	\$ 13.2	\$ 12.1	\$ 12.4	\$ 13.2	\$ 15.2	\$ 16.3	\$ 16.5	\$ 16.8	
Table Hold	\$ 3.0	\$ 3.1	\$ 2.8	\$ 3.0	\$ 3.4	\$ 3.6	\$ 3.6	\$ 3.7	\$ 3.8	
Table Hold %	23.8%	23.5%	23.1%	24.2%	25.8%	23.7%	22.1%	22.4%	22.6%	23.4%
Slot Coin-In	\$ 384.3	\$ 387.9	\$ 385.1	\$ 392.0	\$ 392.1	\$ 429.4	\$ 433.5	\$ 407.8	\$ 404.4	
Slot Win	\$ 28.5	\$ 29.1	\$ 29.1	\$ 28.3	\$ 27.5	\$ 30.3	\$ 30.9	\$ 30.1	\$ 30.1	
Slot Win/Slot/Day ⁽¹⁾	\$ 322	\$ 351	\$ 374	\$ 374	\$ 371	\$ 418	\$ 419	\$ 405	\$ 414	
Slot Win %	7.4%	7.5%	7.6%	7.2%	7.0%	7.1%	7.1%	7.4%	7.4%	7.3%

⁽¹⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues, Expenses and EBITDA

Revenues at the Company's Vancouver Island Casinos increased by 1% in the fourth quarter of 2009, when compared to the fourth quarter of 2008. This was primarily due to the installation of additional gaming capacity at View Royal during the third quarter of 2009, the benefit of which was partially offset by the impact of the weakened economy. Revenues for the twelve months of 2009 decreased by 5% for the twelve months of 2009, when compared to the twelve months of 2008. This decrease was due to both the weakened economy and disruption from construction, and was partially offset by both the additional gaming capacity and the benefit of accelerated FDC revenues at View Royal, which that property did not receive during the first nine months of 2008.

Human resources expenses decreased by 19% in the fourth quarter and by 20% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to staffing level adjustments.

Property, marketing, and administration expenses decreased by 7% in the fourth quarter and by 14% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were due to various expense reduction initiatives, and were partially offset by increased occupancy costs related to View Royal's redevelopment.

EBITDA increased by 15% in the fourth quarter and by 6% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. For both periods, the benefit of various expense reduction initiatives was partially offset by the impact of the weakened economy.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Other BC Casinos (Chances Gaming Entertainment in Dawson Creek and Haney Bingo Plex)

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 1.2	\$ 1.0	20%	\$ 4.5	\$ 4.6	(2%)
Facility Development Commission	0.1	0.1	0%	0.5	0.4	25%
Hospitality and other revenues	0.3	0.3	0%	1.2	1.3	(8%)
Revenues before Promotional allowances	1.6	1.4	14%	6.2	6.3	(2%)
Less: Promotional allowances	-	-		(0.1)	(0.1)	0%
Revenues	1.6	1.4	14%	6.1	6.2	(2%)
Human resources	0.6	0.7	(14%)	2.7	2.8	(4%)
Property, marketing and administration	0.5	0.5	0%	1.8	1.7	6%
EBITDA	\$ 0.5	\$ 0.2	150%	\$ 1.6	\$ 1.7	(6%)

Human resources as a % of Revenues

before Promotional allowances **37.5%** 50.0% **43.5%** 44.4%

EBITDA as a % of Revenues **31.3%** 14.3% **26.2%** 27.4%

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Slot Coin-In	\$ 54.9	\$ 54.7	\$ 49.9	\$ 55.2	\$ 51.6	\$ 58.5	\$ 54.2	\$ 60.6	\$ 59.1	
Slot Win	\$ 3.0	\$ 3.0	\$ 2.9	\$ 2.8	\$ 3.0	\$ 3.3	\$ 3.1	\$ 3.3	\$ 3.1	
Slot Win/Slot/Day ⁽¹⁾	\$ 217	\$ 220	\$ 212	\$ 207	\$ 217	\$ 239	\$ 227	\$ 242	\$ 225	
Slot Win %	5.5%	5.5%	5.8%	5.1%	5.8%	5.6%	5.7%	5.4%	5.2%	5.5%

⁽¹⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues and EBITDA

Both revenues and EBITDA for the Company's Other BC Casinos were relatively consistent with the prior year's periods.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Nova Scotia Casinos (Casino Nova Scotia Halifax and Casino Nova Scotia Sydney)

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 9.8	\$ 10.1	(3%)	\$ 40.1	\$ 42.9	(7%)
Hospitality and other revenues	1.1	1.5	(27%)	5.5	6.2	(11%)
Revenues before Promotional allowances	10.9	11.6	(6%)	45.6	49.1	(7%)
Less: Promotional allowances	(0.6)	(0.6)	0%	(2.4)	(2.8)	(14%)
Revenues	10.3	11.0	(6%)	43.2	46.3	(7%)
Human resources	3.8	4.3	(12%)	16.9	19.4	(13%)
Property, marketing and administration	3.9	4.0	(3%)	14.7	16.1	(9%)
EBITDA	\$ 2.6	\$ 2.7	(4%)	\$ 11.6	\$ 10.8	7%

Human resources as a % of Revenues

before Promotional allowances **34.9%** 37.1% **37.1%** 39.5%

EBITDA as a % of Revenues **25.2%** 24.5% **26.9%** 23.3%

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 11.9	\$ 12.1	\$ 11.1	\$ 10.4	\$ 11.3	\$ 12.3	\$ 11.8	\$ 10.9	\$ 12.6	
Table Hold	\$ 2.4	\$ 2.2	\$ 1.9	\$ 2.0	\$ 2.3	\$ 2.4	\$ 2.2	\$ 2.0	\$ 2.4	
Table Hold %	20.2%	18.2%	17.1%	19.2%	20.4%	19.5%	18.6%	18.3%	19.0%	19.0%
Poker Rake	\$ 0.4	\$ 0.5	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.4	\$ 0.5	\$ 0.6	\$ 0.4	
Slot Coin-In	\$ 209.6	\$ 246.4	\$ 220.5	\$ 213.9	\$ 219.9	\$ 258.2	\$ 232.5	\$ 218.8	\$ 223.3	
Slot Win	\$ 15.8	\$ 18.8	\$ 17.3	\$ 16.0	\$ 16.5	\$ 20.2	\$ 17.6	\$ 16.7	\$ 17.5	
Slot Win/Slot/Day ⁽¹⁾	\$ 202	\$ 240	\$ 221	\$ 207	\$ 198	\$ 238	\$ 198	\$ 175	\$ 181	
Slot Win %	7.5%	7.6%	7.8%	7.5%	7.5%	7.8%	7.6%	7.6%	7.8%	7.7%

⁽¹⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues

Revenues for the Nova Scotia casinos decreased by 6% in the fourth quarter and by 7% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These declines were due to Canadian economic conditions, and were somewhat mitigated by new revenue initiatives such as increased leased slots, which are more popular among patrons.

Expenses

Human resources expenses decreased by 12% in the fourth quarter and by 13% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to staffing level adjustments.

Property, marketing, and administration expenses decreased by 3% in the fourth quarter and by 9% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were due to various expense reduction initiatives.

EBITDA

EBITDA decreased by 4% in the fourth quarter of 2009, when compared to the fourth quarter of 2008. This decline was due to the reduction in revenues, the impact of which more than offset various expense reduction initiatives. EBITDA increased by 7% in the twelve months of 2009, when compared to the twelve months of 2008. This increase was due to the benefit of numerous operational improvements, which had not yet been implemented during the first quarter of 2008.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Great American Casinos

Results in US Dollars

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 4.9	\$ 4.8	2%	\$ 19.8	\$ 20.4	(3%)
Hospitality and other revenues	1.1	1.1	0%	4.3	4.3	0%
Revenues before Promotional allowances	6.0	5.9	2%	24.1	24.7	(2%)
Less: Promotional allowances	(0.3)	(0.3)	0%	(1.2)	(1.0)	20%
Revenues	5.7	5.6	2%	22.9	23.7	(3%)
Human resources	3.2	3.3	(3%)	13.2	13.3	(1%)
Property, marketing and administration	1.6	1.8	(11%)	6.1	7.1	(14%)
EBITDA	\$ 0.9	\$ 0.5	80%	\$ 3.6	\$ 3.3	9%

Human resources as a % of Revenues

before Promotional allowances

EBITDA as a % of Revenues

(in US dollars)	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 27.2	\$ 25.9	\$ 27.5	\$ 29.1	\$ 25.0	\$ 24.9	\$ 25.8	\$ 24.7	\$ 23.1	
Table Hold	\$ 5.5	\$ 5.1	\$ 5.9	\$ 5.9	\$ 5.5	\$ 5.8	\$ 6.0	\$ 5.7	\$ 5.7	
Table Hold %	20.2%	19.7%	21.5%	20.3%	22.0%	23.3%	23.3%	23.1%	24.7%	21.9%
Poker Rake	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 0.1	\$ 0.1	

Results in Canadian Dollars

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Revenues	\$ 6.0	\$ 6.9	(13%)	\$ 26.2	\$ 25.4	3%
EBITDA	\$ 1.0	\$ 0.6	67%	\$ 4.2	\$ 3.5	20%

Revenues and EBITDA in US Dollars

Revenues at the Company's Great American Casinos increased by 2% in the fourth quarter of 2009, when compared to the fourth quarter of 2008. This increase was due to a 9% improvement in table drop. Revenues decreased by 3% in the twelve months of 2009, when compared to the twelve months of 2008. This decrease was due to declines in table hold percentage, which more than offset increases in table drop.

EBITDA increased by 80% in the fourth quarter and by 9% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These improvements can be attributed to various expense reduction initiatives, in combination with relatively stable revenues.

The changing value of the Great American Casinos' functional currency, the US dollar, in comparison to the Company's reporting currency, the Canadian dollar, impacted the reported results of the American casinos. The average value of the US dollar increased 13% against the Canadian dollar during the fourth quarter of 2009 and declined 7% during the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Racinos

BC Racinos (Fraser Downs Racetrack and Casino, Hastings Racecourse and TBC Teletheatre B.C.)

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 4.9	\$ 4.8	2%	\$ 19.9	\$ 18.6	7%
Facility Development Commission	0.9	0.9	0%	3.8	3.7	3%
Racetrack revenues	5.3	5.8	(9%)	23.4	25.4	(8%)
Hospitality and other revenues	1.7	2.1	(19%)	8.0	7.9	1%
Revenues before Promotional allowances	12.8	13.6	(6%)	55.1	55.6	(1%)
Less: Promotional allowances	(0.3)	(0.4)	(25%)	(1.2)	(1.3)	(8%)
Revenues	12.5	13.2	(5%)	53.9	54.3	(1%)
Human resources	4.8	6.0	(20%)	21.0	24.3	(14%)
Property, marketing and administration	4.6	5.8	(21%)	19.9	22.5	(12%)
EBITDA	\$ 3.1	\$ 1.4	121%	\$ 13.0	\$ 7.5	73%

Human resources as a % of Revenues

before Promotional allowances **37.5%** 44.1% **38.1%** 43.7%

EBITDA as a % of Revenues **24.8%** 10.6% **24.1%** 13.8%

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Average
Table Drop	\$ 7.4	\$ 6.0	\$ 7.0	\$ 6.6	\$ 5.6	\$ 4.8	\$ 4.7	\$ 4.2	\$ 1.8	
Table Hold	\$ 1.5	\$ 1.2	\$ 1.4	\$ 1.5	\$ 1.3	\$ 1.3	\$ 1.0	\$ 1.0	\$ 0.3	
Table Hold %	20.3%	20.0%	20.0%	22.7%	23.2%	27.1%	21.3%	23.8%	16.7%	21.8%
Slot Coin-In	\$ 217.4	\$ 234.6	\$ 244.6	\$ 235.4	\$ 235.0	\$ 239.4	\$ 214.9	\$ 224.2	\$ 222.3	
Slot Win	\$ 17.6	\$ 18.8	\$ 18.8	\$ 18.4	\$ 17.7	\$ 18.5	\$ 15.8	\$ 17.1	\$ 16.8	
Slot Win/Slot/Day ⁽¹⁾	\$ 184	\$ 197	\$ 197	\$ 194	\$ 184	\$ 234	\$ 266	\$ 283	\$ 293	
Slot Win %	8.1%	8.0%	7.7%	7.8%	7.5%	7.7%	7.4%	7.6%	7.6%	7.7%

⁽¹⁾ Slot Win/Slot/Day is an average, presented in dollars.

Revenues

Revenues at the Company's BC Racinos decreased by 5% in the fourth quarter and by 1% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. Increases in gaming revenues were offset by the weakened economy, which caused a reduction in racetrack revenues for both periods.

Expenses

Human resources expenses decreased by 20% in the fourth quarter and by 14% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were primarily due to staffing level adjustments.

Property, marketing, and administration expenses decreased by 21% in the fourth quarter and by 12% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These decreases were due to various expense reduction initiatives.

EBITDA

EBITDA at the BC Racinos increased by 121% in the fourth quarter and by 73% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These improvements were primarily due to the benefit of both staffing level adjustments and various expense reduction initiatives, as well as a full year's benefit from the additional gaming capacity at Hastings Racecourse, which was installed during the third quarter of 2008.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Labour Relations

A collective agreement between Hastings Entertainment Inc. and Canadian Office and Professional Employees Union, Local 378, ("COPE") with a term covering August 1, 2005 through July 31, 2008 governed the wages and working conditions of approximately 260 employees at Hastings Racecourse. Collective bargaining for the renewal of this agreement commenced on November 14, 2008, and concluded December 23, 2009. The parties have ratified a new collective agreement that is effective retroactive to August 1, 2008 through July 31, 2011.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Georgian Downs

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 2.9	\$ 2.4	21%	\$ 10.9	\$ 10.1	8%
Racetrack revenues	0.4	0.4	0%	1.7	1.9	(11%)
Hospitality and other revenues	0.6	1.2	(50%)	3.4	4.3	(21%)
Revenues before Promotional allowances	3.9	4.0	(3%)	16.0	16.3	(2%)
Less: Promotional allowances	-	(0.2)	100%	(0.4)	(0.7)	(43%)
Revenues	3.9	3.8	3%	15.6	15.6	0%
Human resources	0.7	0.9	(22%)	3.2	3.8	(16%)
Property, marketing and administration	1.4	1.4	0%	5.0	5.6	(11%)
EBITDA	\$ 1.8	\$ 1.5	20%	\$ 7.4	\$ 6.2	19%

Human resources as a % of Revenues						
before Promotional allowances	17.9%	22.5%		20.0%	23.3%	
EBITDA as a % of Revenues	46.2%	39.5%		47.4%	39.7%	

Revenues, Expenses, and EBITDA

Revenues at Georgian Downs increased by 3% in the fourth quarter and were unchanged in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was primarily due to the installation of additional gaming capacity during the third quarter of 2009, the benefit of which was partially offset by both the weakened economy and the OLG assuming control of certain food and beverage outlets at the property.

EBITDA increased by 20% in the fourth quarter and by 19% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These increases were due to staffing level adjustments and various expense reduction initiatives, as well as the benefit of the additional gaming capacity.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Flamboro Downs

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Gaming revenues	\$ 2.9	\$ 3.0	(3%)	\$ 12.5	\$ 13.1	(5%)
Racetrack revenues	0.9	0.7	29%	3.6	3.9	(8%)
Hospitality and other revenues	1.0	1.1	(9%)	3.9	4.4	(11%)
Revenues before Promotional allowances	4.8	4.8	0%	20.0	21.4	(7%)
Less: Promotional allowances	(0.1)	(0.1)	0%	(0.3)	(0.3)	0%
Revenues	4.7	4.7	0%	19.7	21.1	(7%)
Human resources	1.6	1.5	7%	6.3	6.9	(9%)
Property, marketing and administration	1.6	1.6	0%	6.2	6.9	(10%)
EBITDA	\$ 1.5	\$ 1.6	(6%)	\$ 7.2	\$ 7.3	(1%)

Human resources as a % of Revenues						
before Promotional allowances	33.3%	31.3%		31.5%	32.2%	
EBITDA as a % of Revenues	31.9%	34.0%		36.5%	34.6%	

Revenues and EBITDA

Revenues at Flamboro Downs were unchanged in the fourth quarter and decreased by 7% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was primarily due to the weakened economy, as well as the temporary closure of a competing facility in the second quarter of 2008, which positively impacted Flamboro Downs' visitation.

EBITDA decreased by \$0.1 for the fourth quarter and twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was due to the revenues decreases, which were only partially offset by the benefit of various expense reduction initiatives.

Labour Relations

A collective agreement between Flamboro Downs Limited and Service Employees International Union, Local 2, with a term covering January 1, 2007 through December 31, 2009, governed the wages and working conditions of approximately 150 employees at Flamboro Downs. The parties have ratified an agreement to extend the duration of the current collective agreement until December 31, 2010.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Corporate & Other

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Revenues	\$ -	\$ 0.2	(100%)	\$ 0.5	\$ 0.7	(29%)
Human resources	3.8	3.5	9%	16.2	18.7	(13%)
Property, marketing and administration	1.7	2.9	(41%)	7.1	9.9	(28%)
EBITDA	\$ (5.5)	\$ (6.2)	11%	\$ (22.8)	\$ (27.9)	18%

EBITDA

EBITDA from Corporate & Other improved by 11% in the fourth quarter and by 18% in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These improvements were primarily due to reductions in staff, legal, and head office lease expenses, and were partially offset by the fourth quarter 2008 reduction of an accrual related to management bonuses.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Discussion of Items Excluded from EBITDA

Amortization

Amortization increased by \$1.9 in the fourth quarter and by \$5.2 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008 primarily due to increased amortization resulting from the major development projects completed in 2009 and the September 2008 revision to the estimated useful lives of the building and intangible assets associated with the Nova Scotia casinos. These increases were partially offset by property, plant and equipment items that were fully amortized or sold for a gain during the year.

Stock-Based Compensation

Stock-based compensation decreased by \$5.2 in the fourth quarter and by \$6.7 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was primarily due to the voluntary forfeiture of 2.3 million stock options in the fourth quarter of 2008 that resulted in a \$5.8 stock-based compensation charge to expense the remaining unvested portion.

Restructuring and Other

Restructuring and other costs in the fourth quarter and twelve months of 2009 primarily related to severance associated with staff reductions made at the Company's gaming properties and at the head office location that totalled \$0.8 and \$13.4, respectively. In the first quarter of 2009, the Company vacated a portion of its leased head office and recorded \$4.2 of associated restructuring expenses.

Interest and Financing Costs, net

Interest and financing costs, net of interest income, increased by \$0.5 in the fourth quarter and by \$1.5 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. These increases were primarily the result of lower interest income earned in 2009 due to a lower average level of short-term investments and interest bearing receivables, as well as lower associated interest rates. The first quarter of 2008 also included a \$1.3 write-down of the fair value of the embedded derivative associated with the early redemption option on the Subordinated Notes (as described in our 2009 Annual Financial Statements).

Other Expenses

Other expenses, including foreign exchange gains and losses and non-controlling interests, increased by \$0.4 in the fourth quarter and by \$1.5 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. The increase in other expenses during the twelve months of 2009 was primarily due to the realization of \$1.4 in non-cash foreign exchange losses arising from the receipt of principal payments on a US dollar denominated debt due from one of the Company's US based subsidiaries.

Income Taxes

Income taxes increased by \$0.9 in the fourth quarter and decreased by \$2.8 in the twelve months of 2009, compared to the fourth quarter and twelve months of 2008, respectively. The following table reconciles the expected income tax provision to the actual income tax expense (recovery) for each period presented:

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

	Fourth Quarter		Twelve Months of	
	2009	2008	2009	2008
Basic federal and provincial statutory income tax rate	30%	31%	30%	31%
Expected income tax provision for the period	\$ 3.1	\$ (0.5)	\$ 8.9	\$ 7.1
Effect of:				
Non-deductible stock-based compensation	0.3	1.8	1.5	3.5
Changes in tax rates on future income taxes	(3.7)	(0.2)	(6.0)	(1.3)
Change in valuation allowance on future income tax assets	0.4	(1.6)	0.4	(1.6)
Other items	0.4	0.1	0.4	0.3
Income tax expense (recovery)	\$ 0.5	\$ (0.4)	\$ 5.2	\$ 8.0

As described above, income taxes decreased primarily as a result of non-cash future income tax recoveries arising from decreases in enacted tax rates in the fourth quarter and twelve months of 2009 and by lower non-deductible stock-based compensation. These decreases were offset by higher earnings before income taxes for the fourth quarter and twelve months of 2009 compared to the fourth quarter and twelve months of 2008.

Net earnings

Net earnings increased by \$11.5 in the fourth quarter and by \$10.0 in the twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was primarily due to EBITDA improvements related directly to the expense reduction initiatives implemented by the Company and the stock-based compensation charge for the voluntary forfeiture of stock options in the fourth quarter of 2008 that were partially offset by the decline in revenues.

CONSOLIDATED QUARTERLY RESULTS TREND

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Revenues	\$ 96.3	\$ 96.0	\$ 93.8	\$ 96.1	\$ 96.7	\$ 105.1	\$ 101.6	\$ 100.3	\$ 100.7
EBITDA	\$ 33.0	\$ 34.2	\$ 30.1	\$ 29.3	\$ 23.6	\$ 29.5	\$ 27.7	\$ 26.9	\$ 27.9
EBITDA as a % of Revenues	34.3%	35.6%	32.1%	30.5%	24.4%	28.1%	27.3%	26.8%	27.7%
Net earnings (loss)	\$ 9.8	\$ 9.5	\$ 6.2	\$ (2.0)	\$ (1.7)	\$ 5.7	\$ 4.1	\$ 5.4	\$ 13.0
Net earnings (loss) per common share:									
Basic	\$ 0.12	\$ 0.12	\$ 0.08	\$ (0.02)	\$ (0.02)	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.15
Diluted	\$ 0.12	\$ 0.11	\$ 0.07	\$ (0.02)	\$ (0.02)	\$ 0.07	\$ 0.05	\$ 0.06	\$ 0.15

Financial results for the fourth quarter of 2009 continued to reflect the benefits of the Company's expense reduction initiatives. Revenues for the fourth quarter of 2009 were relatively unchanged, while EBITDA increased by 40%, when compared to the fourth quarter of 2008. This translated to a 9.9 percentage point increase in EBITDA as a percentage of revenues for the fourth quarter of 2009, when compared to the fourth quarter of 2008. Fourth quarter of 2009 revenues were relatively unchanged from the fourth quarter of 2008 primarily because improved performance at River Rock successfully offset the widespread impact of the weakened economy. The EBITDA increase reflects the benefit of the Company's recent expense reduction initiatives, which reduced operating expenses by \$9.8, when compared to the fourth quarter of 2008.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

LIQUIDITY AND CAPITAL RESOURCES

The Company manages the risks of the weakened Canadian economy by closely monitoring its capital structure and operating costs, regularly monitoring forecast and actual cash flows, taking a conservative approach to capital investment, managing the maturity profiles of financial assets and financial liabilities and maintaining credit capacity within its Revolving Credit Facility.

At December 31, 2009, the Company had:

- No exposure to asset backed commercial paper or sub-prime mortgage-backed investments;
- Relatively low levels of receivables of which the majority of these are due from: the Nova Scotia Gaming Corporation (a branch of that province's government) and other provincial gaming corporations, sales tax rebates from the federal and provincial governments, racetrack operators, and financial institutions;
- Low exposure to foreign currency exchange rate movements and low exposure to floating interest rate changes since it has cross-currency interest rate swaps that hedge the cash flows associated with its U.S. dollar denominated Term Loan B and Subordinated Notes and has relatively low levels of foreign denominated assets and liabilities;
- \$152.9 of available credit on its Revolving Credit Facility;
- Additional debt capacity within the limitations established by the covenants on its existing credit and debt facilities; and
- Counterparties to its existing debt and credit facilities and cross-currency interest rate swaps that are primarily major financial institutions that have minimum grade "A" credit ratings.

Financial Position

	As at December 31, 2009	As at December 31, 2008	%
Cash and cash equivalents	\$ 34.6	\$ 43.6	(21%)
Due from Nova Scotia Gaming Corporation	1.7	3.7	(54%)
Other current assets	20.1	35.0	(43%)
Property, plant and equipment	735.6	704.0	4%
Other long-term assets	212.1	237.7	(11%)
	\$ 1,004.1	\$ 1,024.0	(2%)
Current liabilities	66.4	77.1	(14%)
Long-term debt (excluding current portion)	356.9	440.0	(19%)
Other long-term liabilities	146.4	114.2	28%
Shareholders' equity	434.4	392.7	11%
	\$ 1,004.1	\$ 1,024.0	(2%)

Cash and cash equivalents have decreased since December 31, 2008 primarily due to the purchase of property, plant and equipment associated with development projects at existing properties and repayments on the revolving credit facility. These decreases were partially offset by cash generated from operations.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The decrease in other current assets is primarily due to decreases in restricted cash associated with construction holdbacks and reductions in accounts receivable.

The additions to property, plant and equipment in the twelve months of 2009 were primarily related to improvements of our existing properties as described in the Major Developments section of this MD&A, partially offset by amortization expense.

The decrease in other long-term assets was due to the amortization of intangible assets, a decrease in future income tax assets and a decrease in fair value of the cross-currency interest rate swap on the Subordinated Notes.

Current liabilities decreased since December 31, 2008, primarily due to lower construction-related accounts payable.

Long-term debt, excluding current portion, includes the Company's Term Loan B, Revolving Credit Facility and Subordinated Notes. This balance decreased by \$83.1 from 2008 primarily due to the strengthening Canadian dollar's effect on the underlying U.S. dollar debt and net repayments against the Revolving Credit Facility.

The other long-term liabilities have increased since December 31, 2008 primarily due to a decrease in the fair value of the Company's cross-currency interest rate swaps relating to the Term Loan B and Subordinated Notes as at December 31, 2009.

During the twelve months of 2009, shareholders' equity increased as a result of \$23.5 in net earnings, a \$12.3 decrease in accumulated other comprehensive loss, a \$4.9 increase in stock-based compensation and \$1.0 in proceeds received on the exercise of incentive stock options.

Cash Flows

	Fourth Quarter			Twelve Months of		
	2009	2008	% Chg	2009	2008	% Chg
Cash generated by operating activities	\$ 35.5	\$ 14.7	141%	\$ 93.8	\$ 65.0	44%
Cash used in investing activities	(9.7)	(50.3)	81%	(75.4)	(135.9)	45%
Cash (used in) provided by financing activities	(28.5)	0.4		(27.3)	2.9	
Effect of foreign exchange on cash and cash equivalents	0.1	3.6	(97%)	(0.1)	4.5	
Cash Outflow	\$ (2.6)	\$ (31.6)	92%	\$ (9.0)	\$ (63.5)	86%

Cash generated by operating activities were higher during the fourth quarter and twelve months of 2009, when compared to the fourth quarter and twelve months of 2008. This was primarily due to higher EBITDA during the fourth quarter and twelve months of 2009 as well as changes in non-cash working capital related to the timing of settling receivables and operating accounts payable and accrued liabilities.

Cash used in investing activities decreased in the fourth quarter and twelve months of 2009, when compared to the fourth quarter and twelve months of 2008 primarily due to the completion of several major development projects in 2009 (as described in the "Major Developments" section of this MD&A). The main construction projects underway in the twelve months of 2008 were the multi-level parking garage and upgraded VIP facilities at River Rock, phase two of the Hastings redevelopment, the Georgian Downs redevelopment, and the View Royal parking garage.

Cash used in financing activities in the fourth quarter and twelve months of 2009 related to the net repayment of long-term debt. Cash provided by financing activities in the fourth quarter and twelve months of 2008 were primarily due to the net borrowings under the Revolving Credit Facility, partially offset by the purchase of the Company's common shares.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Capital Resources

Long-Term Debt and Equity

	December 31, 2009	December 31, 2008
Term Loan B, net of unamortized transaction costs of \$2.0 (2008 - \$2.5)	\$ 171.3	\$ 200.6
Senior Secured Revolving Credit Facility	12.0	38.0
Senior Subordinated Notes and unamortized premium of \$1.3 (2008 - \$1.6) net of unamortized transaction costs of \$4.4 (2008 - \$5.3)	175.6	203.4
Other	0.1	0.1
	359.0	442.1
Less: current portion	2.1	2.1
	\$ 356.9	\$ 440.0

Subsequent to December 31, 2009, the Company repaid \$7.0 of borrowings on the Revolving Credit Facility.

The Company monitors its capital structure and must comply with certain financial covenants (that are defined in the underlying debt agreements) related to its long-term debt. The Company intends to manage its capital by operating at a level that provides a conservative margin compared to the limits of its covenants.

At December 31, 2009 the Company is in compliance with its financial covenants as shown below:

Covenant test	Related long-term debt	Required ratio	Actual ratio
Total Debt to Adjusted EBITDA ratio	Term Loan B & Revolving Credit Facility	< 5.00	3.14
Senior Debt to Adjusted EBITDA ratio	Term Loan B	< 3.50	1.60
Interest Coverage ratio	Term Loan B	> 2.00	4.54
Fixed Charge Coverage ratio ⁽¹⁾	Subordinated Notes	> 2.00	4.49

⁽¹⁾ Tested on specified events.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The Company and its debt facilities are rated as follows:

	Moody's	Standard & Poor's
Corporate	Ba3 Stable	BB Stable
Term Loan B and Revolving Credit Facility	Ba2	BBB-
Subordinated Notes	B2	BB-

a) *Term Loan B and Revolving Credit Facility*

The Term Loan B is denominated in U.S. dollars (US\$170.0 initial principal; US\$165.3 at December 31, 2009) and bears interest at a floating rate (U.S. LIBOR plus 1.50%), payable quarterly. The Company has hedged both the currency risk and the floating interest rate risk to effectively result in a principal of \$200.8 in Canadian dollars and a fixed interest rate of 6.1% per annum. The Term Loan B has a term of 7 years and is repayable without premium or penalty, subject to customary costs, at any time. Principal repayments of \$0.5 in Canadian dollars are required quarterly, with the balance due at maturity on February 13, 2014.

The Revolving Credit Facility is denominated in Canadian dollars and has a five-year term that expires in February 2012. The interest rate on advanced amounts and the commitment fee on the unused facility are based on the Company's Total Debt to Adjusted EBITDA ratio, which is calculated quarterly.

The following table summarizes the interest rate and commitment fee on the Revolving Credit Facility that apply, depending on the Company's quarterly Total Debt to Adjusted EBITDA ratio calculated for the most recent trailing twelve months:

Total Debt / Adjusted EBITDA	Margin on Bankers' Acceptances or Eurodollar Rate Advances & Letters of Credit	Margin on Canadian Prime Rate or U.S. Base Rate Advances	Commitment Fee
>= 4.50	2.25%	1.00%	0.50%
4.00 to < 4.50	1.88%	0.63%	0.40%
3.50 to < 4.00	1.63%	0.38%	0.35%
3.00 to < 3.50	1.38%	0.13%	0.30%
2.50 to < 3.00	1.13%	0.00%	0.25%
2.00 to < 2.50	0.88%	0.00%	0.20%
< 2.00	0.75%	0.00%	0.18%

The Term Loan B and the Revolving Credit Facility are guaranteed and secured by substantially all of the assets of the Company and its subsidiaries. Both the Term Loan B and the Revolving Credit Facility require the Company to comply with operational and financial covenants (which are tested quarterly and defined in the underlying agreements).

After deducting outstanding letters of credit and borrowings on the Revolving Credit Facility, at December 31, 2009 the Company had \$152.9 (2008 – \$117.1) remaining credit available on the Revolving Credit Facility. The counter-parties to this facility are major financial institutions with minimum "A" credit ratings.

b) *Subordinated Notes*

The Subordinated Notes are unsecured and guaranteed by the Company and substantially all of its subsidiaries. The Subordinated Notes are denominated in U.S. dollars (US\$170.0) and bear interest at a rate of 7.25%, payable semi-annually. The Company has hedged the currency risk to effectively result in a principal of \$201.1 in Canadian dollars at a fixed interest rate of 6.6% per

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

annum. The Subordinated Notes have a term of 8 years with the principal amount of the notes repayable at maturity on February 15, 2015. There are provisions for early redemptions of the Subordinated Notes at the Company's option during defined periods prior to maturity with payment of defined premiums. On February 14, 2007 these provisions for early redemption were recorded at their fair value as a derivative asset and as a premium on the Subordinated Notes.

The Subordinated Notes require the Company to comply with operational and financial covenants. The financial covenant requires the Company to maintain a Fixed Charge Coverage Ratio, as defined in the underlying note agreement, of greater than 2.0 and is tested on the occurrence of specified events.

The Subordinated Notes have been structured so that interest payments are not subject to Canadian withholding taxes. To the extent that Canadian tax regulations change to impose a withholding tax on the interest payments, the Company has agreed to gross-up the interest payments to ensure the holder of the Subordinated Notes receives the same amount in the absence of the withholding tax, subject to certain requirements and limitations.

All the debt facilities have: (i) mandatory repayments in the case of proceeds from certain asset sales or receipt of insurance proceeds that are not re-invested in the Company within certain time limits; (ii) restrictions on certain asset sales, acquisitions, and distributions; (iii) limitations on the incurrence of additional debt or indebtedness or liens; and (iv) provisions for the Company to re-purchase and re-issue portions of the Term Loan B and/or Subordinated Notes should the holder be required to register with a gaming authority having jurisdiction over the Company and either refuses or is found to be unsuitable for registration.

The transaction costs of establishing the Term Loan B and the Subordinated Notes were \$10.5 and were recorded as a reduction of the balance of the related debt, and are expensed to interest and financing costs, net on the consolidated statements of earnings over the term of the related debt using the effective interest method. The transaction costs of establishing the Revolving Credit Facility were \$2.7 and are recorded as a component of other assets on the consolidated statements of financial position, and are expensed to interest and financing costs, net on the consolidated statements of earnings over the term of the Revolving Credit Facility.

Cross-Currency Interest Rate and Currency Swap Agreements & Hedge Accounting

In anticipation of issuance of the Company's debt refinancing in February 2007, the Company entered into a series of cross-currency interest rate and principal swaps that effectively converted both the U.S. dollar floating interest rate Term Loan B and the U.S. dollar fixed interest rate Subordinated Notes into Canadian dollar fixed interest rate debt. As at December 31, 2009 the cross-currency interest rate swap agreements are:

Debt	Notional Principal		Interest Rate		Maturity Date
	Receive (USD)	Pay (CAD)	Receive (USD)	Pay (CAD)	
Term Loan B	\$165.3 ⁽¹⁾	\$195.3 ⁽¹⁾	US LIBOR+1.50%	6.1%	February 13, 2014
Subordinated Notes	\$170.0	\$201.1	7.25%	6.6%	February 15, 2015

⁽¹⁾ The Term Loan B cross-currency interest rate swap's notional principal reduces by 0.25% of the original principal of \$170.0 USD quarterly to match the scheduled principal reductions on the Term Loan B.

At December 31, 2009, the Company's swap associated with the Term Loan B was in a \$35.1 liability position (December 31, 2008 - \$23.4 liability) and is recorded in derivative liabilities on the consolidated

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

statements of financial position. The swap associated with the Subordinated Notes was in a \$15.7 liability position (December 31, 2008 - \$7.4 asset) and is recorded in derivative liabilities on the consolidated statements of financial position at December 31, 2009, and in other assets at December 31, 2008.

The Company has evaluated these cross-currency interest rate swaps and designated them as effective hedges of the cash flows associated with the Term Loan B and the Subordinated Notes. The Company has applied hedge accounting to these swaps as it believes hedge accounting best represents the economic substance of the underlying transactions. Accordingly, the changes in fair values of the swaps, net of income taxes, have been recorded in other comprehensive income (loss).

The fair values of the Company's cross-currency interest rate swaps at December 31, 2009 and at December 31, 2008 were determined based on a discounted cash flow model. This model makes assumptions regarding the U.S. dollar exchange rate and discount rates, which are based on the prevailing U.S. dollar exchange rates and prevailing interest rates in Canada and the U.S. at the respective period ends.

Outstanding Share Data

As at December 31, 2009 there were 82,374,058 common shares issued and outstanding as compared to 82,086,526 as at December 31, 2008. As at December 31, 2009, there were 6,025,082 stock options outstanding at a weighted average exercise price of \$7.12.

As at March 5, 2010, there were 82,384,058 common shares outstanding and 7,942,582 stock options outstanding.

Capital Spending and Development

The majority of our capital expenditures on gaming operations in British Columbia and Nova Scotia are eligible for reimbursement by the provincial gaming authorities. In British Columbia the BCLC's FDC program permits a capital expenditure reimbursement commission of 3% of gross gaming win from casinos, racetracks and community gaming centres. In addition, the BCLC introduced an accelerated FDC program in 2006 that provides an additional 2% of gross gaming win towards site-specific reimbursements of new gaming redevelopments.

Approved expenditures incurred to improve or maintain the two Nova Scotia casinos facilities are reimbursed by the NSGC from a Capital Reserve Account ("CRA"). We are required to make contributions to the CRA equal to 5% of the annual gross operation revenues from the two Nova Scotia casinos with a minimum contribution of \$5.0 per year beginning in April of 2009. If the CRA is in a deficit balance, the amount owed to us accrues interest at a rate of bank prime plus 2% per annum.

During the fourth quarter and twelve months of 2009, our capital expenditures net of related accounts payable totalled \$10.4 and \$86.7 respectively. Maintenance capital expenditures primarily related to various property upgrades and information technology. Development capital expenditures primarily related to the major development projects in 2009 (described in the "Major Developments" section of this MD&A). For the upcoming twelve months of 2010, we estimate that development capital expenditures and maintenance capital expenditures net of related accounts payable will total approximately \$15 and \$10, respectively.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The following table summarizes the changes in the Company's Approved Amounts (a term defined in the Company's casino operating service agreements with the BCLC) to be recovered by future FDC receipts from BCLC:

	2009	2008
Opening Approved Amounts at January 1,	\$ 357.3	\$ 342.3
Additional Approved Amounts	57.6	44.4
FDC receipts	(29.2)	(29.4)
Closing Approved Amounts at December 31,	\$ 385.7	\$ 357.3

The majority of the Company's additions to property, plant and equipment in 2009 were related to its B.C. gaming operations and consequently may be eligible for FDC reimbursement. FDC Approved Amounts during 2009 were lower than the additions to property, plant and equipment primarily due to the difference in timing between when the expenditures are incurred, when the invoices are received, and when they are submitted to BCLC for approval.

Contingencies

We have issued letters of credit to guarantee performance, primarily under construction contracts and gaming cash floats, in the aggregate amount of \$35.1 at December 31, 2009 (December 31, 2008 - \$44.9). As part of certain acquisition agreements including those entered into on the acquisition of Bear Mountain Community Gaming Centre (now "Chances Dawson Creek") and Haney Bingo Plex, we have agreed to make future contingent payments dependent on operations at these locations.

Litigation

In 2005, as part of the acquisition of Georgian Downs, the Company entered into an agreement that provided a consultant a deemed contribution for a notional equity interest in Georgian Downs as consideration for certain consulting services for its operations in the Province of Ontario. The notional equity interest entitled the consultant to future remuneration depending on the operating results of Georgian Downs provided that certain services were performed. The consultant had an option to sell his notional equity interest in Georgian Downs to the Company for consideration calculated using a predefined formula based on Georgian Downs' operating results for the twelve month period preceding the option's exercise. The Company had a call option to purchase the consultant's notional equity interest from June 2012 for consideration calculated using the same predefined formula. On July 30, 2007, the Company terminated the agreement and tendered the sum of \$1.6 being the full amount that the Company determined to be validly due and payable to the consultant. The consultant and the Company have significantly different views as to the consultant's monetary entitlement under the agreement. The consultant filed an application in the Ontario Superior Court of Justice that disputes the validity of the termination of the agreement. The Company also filed a suit in the Ontario Superior Court of Justice seeking a declaration that the agreement has been properly terminated by the Company. Management believes that the Company has acted appropriately with respect to both the termination and the tendering of payment to the consultant and intends to vigorously defend its position. On January 9, 2009, the Ontario Superior Court of Justice (Commercial List) granted an Endorsement which ordered that the consultant's application be converted into an action and be consolidated with the Company's action. At this stage, liability or quantum with respect to this litigation cannot be reasonably determined.

The Company is involved in various other disputes, claims and litigation. Management believes the amount of the ultimate liability for these will not materially affect the financial position of the Company.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Guarantees and Indemnifications

The Company may provide guarantees and indemnifications in conjunction with transactions in the normal course of operations. These are recorded as liabilities when reasonable estimates of the obligations can be made. Guarantees and indemnifications that the Company has provided include obligations to indemnify:

- directors and officers of the Company and its subsidiaries for potential liability while acting as a director or officer of the Company, together with various expenses associated with defending and settling such suits or actions due to association with the Company, the risk of which is mitigated by the Company's directors' and officers' liability insurance;
- certain vendors of acquired companies or properties for obligations that may or may not have been known at the date of the transaction;
- certain financial institutions for costs that they may incur as a result of representations made in our debt and equity offering documents; and
- lessors of leased properties for personal injury claims that may arise at the facilities we operate.

Commitments

The Company expects the following maturities of its financial liabilities (including interest), operating leases and other contractual commitments:

	Expected payments by period as at December 31, 2009					Total
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years		
Accounts payable and accrued liabilities	\$ 63.4	\$ -	\$ -	\$ -	\$ 63.4	
Payments related to cross-currency interest rate swaps	27.6	54.7	230.7	207.9	520.9	
Receipts related to cross-currency interest rate swaps	(18.0)	(36.0)	(198.5)	(185.3)	(437.8)	
Term Loan B and Subordinated Notes	18.0	36.0	198.5	185.3	437.8	
Revolving Credit Facility	0.2	12.3	-	-	12.5	
Operating leases	3.6	5.4	2.5	3.5	15.0	
Income taxes payable	0.1	-	-	-	0.1	
Capital leases	0.1	-	-	-	0.1	
Other contractual commitments	2.9	4.8	2.7	0.3	10.7	
Total	\$ 97.9	\$ 77.2	\$ 235.9	\$ 211.7	\$ 622.7	

The expected payments related to the cross-currency interest rate swaps represent the Canadian dollar fixed interest and principal payments we are required to make under these contracts.

The expected receipts related to the cross-currency interest rate swaps represent the U.S. dollar interest and principal payments due on the Term Loan B and Subordinated Notes, converted to Canadian dollars at the December 31, 2009 foreign currency exchange rate.

The Term Loan B and the Subordinated Notes amounts represent interest and principal payments, converted to Canadian dollars at the September 30, 2009 foreign currency exchange rate. Similarly, as the Term Loan B bears interest at a floating rate (U.S. LIBOR plus 1.50%), the interest rate applicable at December 31, 2009 of 1.77% has been applied to all future periods in the above table. The Subordinated

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Notes bear interest at a fixed rate of 7.25%.

The Revolving Credit Facility amounts represent expected interest and principal payments of the Company's drawings at December 31, 2009 and assumes full repayment of the Revolving Credit Facility borrowings on February 14, 2012 when that facility matures. The interest rates applicable at December 31, 2009 to the various drawings, which range between 2.02% and 2.06%, have been applied to all future periods in the above table.

Operating leases include property leases for our head office, a ground lease with the City of Surrey, BC for Fraser Downs, a ground lease with the City of Sydney, NS for our Casino Nova Scotia Sydney, and an operating agreement with the City of Vancouver, BC for Hastings Racecourse.

Other contractual commitments include amounts committed to the NSGC to fund responsible gaming programs.

Expected payments related to facility development projects are not reflected in this table unless they are contractually committed.

Future Cash Requirements

We believe that our current approved capital plans and operational requirements can be funded from existing cash, cash generated from operations, proceeds from the exercise of stock options, and our existing credit and debt facilities. If we have increased cash requirements and do not want to delay, limit, or eliminate some of our plans, we may raise additional funds through the refinancing of existing debt, the issuance of additional debt that fits within the limitations established by the covenants on our existing credit and debt facilities, the issuance of hybrid debt-equity securities, or additional equity securities. If the Company needs to access the capital markets for additional financial resources, we believe we will be able to do so at prevailing market rates. If we raise additional funds through the issuance of equity securities or the exercise of stock options, the current shareholders' ownership percentages will be reduced and such equity securities may have rights, preferences, or privileges senior to our common shares.

OTHER FINANCIAL INFORMATION

Related Party Transactions

On March 31, 2009, the Company acquired 100% of the outstanding common shares of the Canadian Gaming Institute Inc. ("CGI"), a casino dealer training company controlled by a director of the Company. The total cash purchase price for the common shares was \$0.6. This related party transaction was recorded at the exchange amount, which is the amount of consideration paid or received as negotiated by the related parties. In 2009, there were no transactions with CGI prior to the date of acquisition. Included in human resources expense for the year ended December 31, 2008 is \$0.8 in costs associated with CGI.

On May 1, 2009, the Company's Chairman and Chief Executive Officer entered into a shareholder agreement with Ridge Capital Amalgamated Corp. ("Ridge Capital"), which owns four million common shares in Great Canadian Gaming Corporation. Through this agreement, the Company's Chairman and Chief Executive Officer acquired the right to exercise the votes attached to these shares in return for indemnifying Ridge Capital in certain circumstances should the shares lose value. Ownership of the shares remains with Ridge Capital, subject to the terms of the shareholder agreement.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

The Company has engaged the services of a company ("the Consulting company") whose shareholder was, until May 1, 2009, the sole director and officer of Ridge Capital. Human resources expenses for 2009 includes \$0.3 in fees for the Consulting company's advice on the Company's strategic and operational efficiency initiatives. On May 13, 2009, the Company issued to the Consulting company options to acquire 280,000 common shares of the Company at an exercise price of \$4.40 per option. As these transactions were in the normal course of operations, they were measured at the exchange amount agreed to by the Consulting company and the Company.

Changes in Accounting Policies

On January 1, 2009, the Company adopted the following new accounting standard of the Canadian Institute of Chartered Accountants ("CICA"): Handbook Section 3064 - Goodwill and Intangible Assets, which replaced Section 3062. The new section provides additional guidance on measuring the cost of goodwill, intangible assets and research and development costs. The new standard had no material impact on the financial statements and has been applied retrospectively without prior period restatement.

On January 20, 2009, the Company adopted the new accounting abstract EIC-173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This abstract requires that an entity's own credit risk and the credit risk of the counterparty be taken into account when determining the fair value of financial assets and liabilities, including derivative instruments. This standard affects the fair value of the Company's long-term debt financial liabilities. As a result of this change, at December 31, 2009, Derivative liabilities decreased by \$7.9, Future income tax liabilities increased by \$2.2 and Other comprehensive income (loss) increased by \$5.7. This standard has no impact on the effectiveness of the Company's cross-currency interest rate swaps. The abstract has been applied retrospectively without prior period restatement.

Recent Accounting Pronouncements

In January 2009, the CICA issued new accounting standards entitled Business Combinations, Section 1582; Consolidated Financial Statements, Section 1601; and Non-Controlling Interests, Section 1602. These standards replace the existing guidance and correspond to similar provisions of International Financial Reporting Standards. The three standards must be adopted concurrently and are effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Earlier application is permitted at the beginning of a fiscal year. The Company will early adopt the new standards effective January 1, 2010. The Company's future consolidated financial statements may be materially affected by the Business Combinations standard.

Transition to International Financial Reporting Standards

The Canadian Institute of Chartered Accountants has announced a plan which requires the transition to International Financial Reporting Standards ("IFRS") as replacement guidance for Canadian generally accepted accounting principles ("GAAP") currently employed by Canadian public companies. The changeover will occur no later than fiscal years beginning January 1, 2011. As a result of this announcement, the Company is planning and preparing for the coming changes in financial reporting requirements. Based on its initial assessments, the Company currently believes its transition to IFRS will not materially affect the manner in which its revenues and EBITDA are currently recognized and measured. The Company's first financial statements presented in accordance with IFRS will be for the three-month period ended March 31, 2011.

The Company's IFRS implementation plan addresses project management, accounting policy changes, reporting and disclosure changes, training and communication and business impacts. The following progress has been made in these areas:

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

a) *Project management*

The Company has formed an IFRS Steering Committee to provide guidance during the IFRS implementation project and has developed a timeline for key project milestones and deliverables. A detailed project plan with assigned responsible sub-project owners and deadlines is being followed to ensure IFRS readiness for 2011;

b) *Accounting policy changes*

The Company has completed its research and documentation of expected differences between its current accounting policies that are in accordance with Canadian GAAP and those to be adopted under IFRS. The Company is in the process of finalizing its future accounting policies that will be required under current IFRS standards. The areas with the most potential for future impact on the Company's financial statements are expected to be the recognition, measurement and disclosure of: property, plant & equipment; intangible assets; business combinations; impairments; stock-based compensation; and income taxes.

The IFRS standard setter, the International Accounting Standards Board, has activities currently underway which are expected to change certain IFRS standards, including those standards relating to *Income Taxes* and *Provisions, Contingent Liabilities and Contingent Assets*. These changes may impact the Company. The Company will assess any changes in all IFRS standards as part of its continuous IFRS implementation plan.

c) *Reporting and disclosure changes*

The Company is considering the financial statement presentation and disclosure options available to it upon initial changeover to IFRS and is developing ongoing reporting mechanisms to capture future IFRS disclosure information. At the date of transition to IFRS the Company has the option to adopt certain exemptions from the full retrospective application, presentation and disclosure requirements of certain IFRS. Of the available exemptions, the Company currently expects to only apply the following:

- It will not restate the accounting of past business combinations;
- It will reset its foreign currency translation account to nil; and
- It will only make the required restatements for stock options that have not vested at the Transition Date.

The calculation of the Company's debt covenants will not be affected by the transition to IFRS since they are structured to use Canadian GAAP that was effective at February 14, 2007, the date the Company entered into agreements for its Term Loan B, Revolving Credit Facility and Subordinated Notes.

The transition to IFRS will affect the presentation and measurement of balances and transactions included in the Company's interim and annual consolidated financial statements and related notes.

d) *Training and communication*

The Company's plans are to ensure that its key stakeholders remain informed about the anticipated effects of the IFRS transition. IFRS training for relevant finance staff is ongoing, while targeted staff trainings have been held to raise awareness of the accounting impact that future business decisions may potentially have under IFRS reporting standards. Investor relations' representation on the project's steering committee has enabled that department to address shareholder questions and concerns about the IFRS transition's impact on our financial reporting. The Audit, Risk and Finance Committee of the Company's Board has received quarterly presentations and project status updates from management.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

e) *Business impacts*

The Company is considering what effects the IFRS transition will have on our business policies and activities. The following key areas are likely to be affected:

- Internal controls over financial reporting with respect to the IFRS transition project;
- Dual reporting obligation for the year 2010 because statements are required under both Canadian GAAP and IFRS for that year; and
- Budgeting and forecasting activities during the IFRS transition year, 2010.

f) *IFRS transitional opening balance sheet*

The Company is quantifying each of its measurement differences identified between Canadian GAAP and IFRS as at January 1, 2010 in order to prepare its opening IFRS balance sheet. Once each adjustment is finalized and assurance from external auditors is obtained, the Company plans to communicate the impact of these adjustments on its opening Total Assets, Total Liabilities, and Shareholders' Equity. Anticipated adjustments to date are summarized below:

Impairment of non-financial assets

- Under IFRS, for assets other than financial assets that are tested for impairment based on their estimated future cash flows, an impairment is required when the discounted estimated future cash flows from a long-lived asset are less than its respective carrying amount. Under Canadian GAAP, impairment of long-lived assets is determined when its undiscounted estimated future cash flows are less than its carrying value. The Company anticipates that the impact of discounting on future cash flows on its impairment testing methodology may potentially result in IFRS transition impairments of its long-lived non-financial assets.

Share-based payments

- The Company currently measures stock-based compensation at the fair value of the options granted using the Black-Scholes option pricing formula and recognizes the expense equally over the vesting term of the options. IFRS requires the fair value of options granted to be expensed using a graded vesting schedule which effectively recognizes the fair value of options granted into income sooner. In determining the fair value of options granted, IFRS also requires an adjustment for expected forfeitures. These GAAP differences are expected to result in an adjustment within Shareholders' Equity on transition to IFRS.
- Under IFRS, the definition of an employee versus a contractor or consultant ("non-employee") is broader than currently applied by the Company and it is anticipated that this broader definition will require the reclassification of certain non-employees to employees on transition to IFRS. The Company is currently recognizing the fair value of options granted to non-employees based on the date the services are completed and re-measures the fair value of the options granted at each reporting period until that time. Options granted to employees are based on fair value at the date of the grant and are not adjusted in subsequent periods. This classification difference is expected to result in an adjustment to reverse any fair value re-measurements on options granted to non-employees under Canadian GAAP, that are determined to be employees under IFRS. The adjustment will recognize the fair value of these options as at the grant date.

Currency translation adjustment ("CTA")

- Under Canadian GAAP, the functional currency of the Company is the Canadian dollar. IFRS requires the functional currency of each entity within the consolidated Company to be determined separately. As such, it has provided the Company an election to reset the cumulative translation adjustment account to nil at the date of the transition and record

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

any potential foreign exchange measurement differences between Canadian GAAP and IFRS prospectively. The Company has taken the election and will record a \$5.8 IFRS transition adjustment in its Accumulated other comprehensive loss to eliminate the December 31, 2009 balance of the unrealized effect of foreign currency translation of foreign operations.

This disclosure reflects expectations based on information available at the time of reporting. Changes in circumstances may cause the Company to revise its IFRS opening balance sheet and policy choices before the changeover date.

Critical Accounting Estimates

Our reported financial position and results of operations are dependent on our selection of accounting policies that are based on Canadian generally accepted accounting principles and accounting estimates that underlie the preparation of our consolidated financial statements. Our consolidated financial statements contain a summary of our significant accounting policies and accounting estimates. Estimates by their nature are subject to risks, uncertainties and assumptions, which could cause our financial position and operating results to differ materially from those presented in our consolidated financial statements. Future changes in accounting estimates will be applied on a prospective basis.

The critical accounting estimates that we believe are the most judgmental or are material to our consolidated financial statements are those relating to business combinations, value of assets acquired in business transactions with non-monetary consideration, long-lived asset and goodwill impairment tests, estimated useful lives of property, plant and equipment and intangible assets, stock-based compensation, determination of fair value of derivatives, income taxes, and contingencies.

Business Combinations

The cost of an acquired company ("purchase price") is assigned to the identifiable tangible and intangible assets purchased and liabilities assumed on the basis of their fair values at the date of acquisition. The identification of assets purchased and liabilities assumed and the valuation thereof is specialized and judgmental. Where appropriate, the Company engages business valuers to assist in the valuation of tangible and intangible assets acquired. Any excess of purchase price over the fair value of the identifiable tangible and intangible assets purchased and liabilities assumed is allocated to goodwill.

When a business combination involves contingent consideration, an amount equal to management's estimate of the contingent consideration that will become due beyond a reasonable doubt is recognized as a liability at the time of acquisition. When the contingency is resolved and the consideration is issued or becomes issuable, any difference in the fair value of the contingent consideration issued or issuable over the amount initially recognized will be recognized as an adjustment to the cost of the purchase.

Value of Assets Acquired in Business Transactions With Non-monetary Consideration

The Company measures non-monetary consideration received acquired in a business transaction at the more reliably measureable of the fair value of the asset given up and the fair value of the asset received. Measurement of fair value is based on an analysis of pertinent information that may include third-party asset appraisals, market values evidenced from similar transactions, and discounted cash flows.

Long-Lived Assets and Goodwill Impairment Tests

Long-lived assets and intangible assets are tested for impairment whenever management believes events or circumstances indicate that the carrying values of those assets may not be fully recoverable (a

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

“triggering event”). A long-lived asset or intangible asset impairment loss is recognized when the carrying value of that asset exceeds our estimate of the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the excess of the carrying value of the asset over its estimated fair value.

Goodwill is tested for impairment at least annually, at year-end, and whenever a triggering event indicates that the carrying values of goodwill may not be fully recoverable. The impairment test consists of allocating goodwill to the Company's reporting units and then comparing the carrying value of the reporting units, including goodwill, to their fair values. The Company determines fair value using price-to-earnings multiples or discounted cash flows, whichever is the most appropriate under the circumstances. The excess of the carrying value amount over the fair value of goodwill, if any, is charged to operations in the period the impairment occurred.

Estimated Useful Lives of Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are amortized in the consolidated statements of earnings over the estimated useful lives of the assets. Judgment is used to estimate an asset's useful life and is based on an analysis of all pertinent factors including, amongst others, our expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of asset's legal or contractual life without substantial cost, and renewal history.

Stock-Based Compensation

Companies that issue equity based compensation, such as options, are required to record the fair value of the options granted as an operating expense in the consolidated statements of earnings (loss) over the expected life of the option. At the date of the option grant, the Company estimates the fair value of the option using the Black-Scholes pricing model. That model takes into account the exercise price of the option, an estimate of the expected life of the option, the current price of the underlying stock, an estimate of the stock's volatility, an estimate of future dividends on the underlying stock and the risk-free rate of return expected for an instrument with a term equal to the expected life of the option. The Company re-measures non-employee stock option awards at each reporting period and on the settlement date and recognizes the compensation expense over the contract life of the options or the option settlement date, whichever is earlier. Once the fair value is determined and the period of expensing established, the charge is not adjusted for subsequent changes in the original assumptions unless the terms of the original stock option grant terms has been modified.

Determination of Fair Value of Derivatives

The fair values of our cross-currency interest rate swaps are based on credit risk adjusted discounted cash flow models that make assumptions regarding the U.S. dollar exchange rate and discount rates, which are based on the prevailing U.S. dollar exchange rates and prevailing interest rates in Canada and the U.S.

Income Taxes

Our future income tax assets and liabilities are due to temporary differences between the carrying amount and tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based upon amounts recorded in the financial statements and are subject to any accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based upon the applicable income tax legislation, regulations and

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based upon estimations of our future financial results.

If future operating results differ from our current expectations, if enacted tax rates change, if tax legislation or regulations change, or if our interpretations of income tax legislation change, then our expectations of future timing difference reversals may also change and require material future income tax adjustments.

Contingencies

Amounts are accrued for the financial resolution of contingent liabilities if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the financial statements and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, we may be party to legal proceedings which include claims for monetary damages asserted against the Company and its subsidiaries. The adequacy of contingent liability accruals are regularly assessed as new information becomes available.

The Company does not record contingent assets.

Financial Instruments and Other Instruments

The Company's risk management strategy is to minimize exposure to currencies other than the Canadian dollar and, with the exception of revolving lines of credit, to fix substantially all of its floating interest rate debt. The financial instruments that give rise or may give rise to the most significant exposure to foreign currency and floating interest rate risk are the Term Loan B, the Subordinated Notes, and the Revolving Credit Facility.

The Company entered into a series of cross-currency interest rate swaps to hedge the currency and interest rate risks associated with the Term Loan B and the Subordinated Notes. Refer to the "Capital Resources" section of this MD&A for information on our long-term debt and the hedging activities used to manage the foreign currency and interest rate risks associated therewith.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance a) that material information about the Company and its subsidiaries would have been made known to them and b) regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Chief Executive Officer and Chief Financial Officer have evaluated and conclude that the Company's disclosure controls and procedures are adequately designed and effective for providing reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would have been made known to them as of the end of the fiscal year ended December 31, 2009.

As well, as of the end of the fiscal year ended December 31, 2009, the Chief Executive Officer and Chief Financial Officer have evaluated and conclude that the Company's internal controls over financial reporting, designed under the Committee of Sponsoring Organization's internal control integrated framework, are adequately designed and effective for providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During 2009, there was neither material weakness nor change in our disclosure controls and procedures or our internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, these controls.

Definitions of Other Terms Used in the MD&A

Racebook – an off-racetrack wagering facility (previously described as a teletheatre).

Revenues – means the sum of the following:

- Casino gaming in BC – gaming revenues are net of commissions paid to BCLC (commissions are 60% of the win on most table games and 75% of the slot machine win) and are net of accruals for anticipated payouts of progressive slot machine jackpots and progressive table game payouts.
- Bingo and slots at a community gaming centre in BC – gaming revenues are net of commissions paid to BCLC (commissions are 75% of the win on slots, and 40% to 75% of the weekly bingo win) and are net of prizes.
- Horseracing in BC and Ontario – racino revenues represent total wagering less amounts returned as winning wagers, provincial and federal taxes, and includes the host track share of wagering on the Company's races simulcast to other associations.
- Casino gaming in Washington – gaming revenues are net of county gaming taxes at various rates ranging from 10% to 11% for card and progressive jackpot games, 5% on pull-tabs and 2% on amusement games.
- Casino gaming in Nova Scotia – gaming revenues are approximately equal to 52.725% of the gaming win.
- Slot commissions in Ontario – slot machine commissions represent 10% of the win from slot machines, all of which are operated by OLG.
- Facility Development Commission ("FDC") – revenues earned from BCLC as a fixed percentage of gross gaming win, subject to the Company incurring sufficient Approved Amounts (a defined term in the casino operating service agreements and generally consists of approved capital and operating expenditures related to the development or improvement of gaming properties). Specifically, BCLC's program permits a 3% FDC commission on gross gaming win from casinos, racetracks and community gaming centres and provides an additional, accelerated 2% of gross gaming win towards site-specific reimbursements of new gaming redevelopments.
- Hospitality and other revenues:
 - Food and beverage revenues – revenues are recorded at the retail price at the time of service. Food and beverage revenues in Nova Scotia are generally recorded at retail price less the 47.275% of revenues retained by the NSGC.
 - Hotel revenues – revenues are recognized as services are performed.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

- Other revenues – ATM commissions, theatre revenues, advertising revenues, and other income from ancillary services.
- Promotional allowances – the retail value of promotional allowances furnished to guests without charge, which have been included in food and beverage revenues, are deducted.

Win – the amount wagered on gaming activities, less the payout or prizes to winning customers. Win, as a percentage of the slot coin in or drop, can fluctuate with the statistical variations of casino games.

Additional Information

Additional information relating to the Company, including the Company's latest Interim Financial Statements, Annual Financial Statements, and Annual Information Form, can be located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

Shareholders of the Company may obtain a copy of the Company's TSX Form 12 Notice of Intention to Make a Normal Course Issuer Bid as filed with and as accepted by the TSX, at no charge, by contacting the Company.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Gaming Revenues					
River Rock Casino Resort	\$ 20.4	\$ 19.0	\$ 16.9	\$ 20.2	\$ 18.5
Boulevard Casino	12.3	12.2	12.5	12.9	13.1
Vancouver Island Casinos	8.3	8.2	8.2	8.0	8.2
Other BC Casinos	1.2	1.1	1.1	1.1	1.0
Nova Scotia Casinos	9.8	10.9	10.0	9.4	10.1
Great American Casinos	5.2	4.8	6.0	6.6	5.9
BC Racinos	4.9	5.0	5.1	4.9	4.8
Georgian Downs	2.9	3.0	2.6	2.4	2.4
Flamboro Downs	2.9	3.2	3.3	3.1	3.0
Corporate & Other	-	0.3	-	-	-
	67.9	67.7	65.7	68.6	67.0
Racetrack Revenues					
BC Racinos	5.3	6.0	6.4	5.7	5.8
Georgian Downs	0.4	0.5	0.5	0.3	0.4
Flamboro Downs	0.9	0.9	0.9	0.9	0.7
	6.6	7.4	7.8	6.9	6.9
Facility Development Commission					
River Rock Casino Resort	3.1	2.8	2.7	2.8	2.7
Boulevard Casino	2.0	2.0	2.1	2.1	2.1
Vancouver Island Casinos	1.3	1.3	1.3	1.4	1.3
Other BC Casinos	0.1	0.1	0.1	0.2	0.1
BC Racinos	0.9	1.0	1.0	0.9	0.9
	7.4	7.2	7.2	7.4	7.1
Hospitality and Other Revenues					
River Rock Casino Resort	8.0	6.2	5.9	5.8	7.6
Boulevard Casino	2.5	2.2	2.1	2.3	2.5
Vancouver Island Casinos	0.8	0.8	0.8	0.8	0.9
Other BC Casinos	0.3	0.3	0.3	0.3	0.3
Nova Scotia Casinos	1.1	1.4	1.2	1.8	1.5
Great American Casinos	1.1	1.1	1.2	1.5	1.3
BC Racinos	1.7	2.4	2.2	1.7	2.1
Georgian Downs	0.6	0.9	1.0	0.9	1.2
Flamboro Downs	1.0	1.0	1.0	0.9	1.1
Corporate & Other	-	-	0.1	0.1	0.2
	17.1	16.3	15.8	16.1	18.7
Promotional Allowances	(2.7)	(2.6)	(2.7)	(2.9)	(3.0)
Revenues	\$ 96.3	\$ 96.0	\$ 93.8	\$ 96.1	\$ 96.7
EBITDA					
River Rock Casino Resort	\$ 14.1	\$ 13.2	\$ 9.7	\$ 12.3	\$ 8.8
Boulevard Casino	7.6	7.7	7.8	7.9	7.5
Vancouver Island Casinos	6.3	6.0	6.1	5.7	5.5
Other BC Casinos	0.5	0.4	0.4	0.3	0.2
Nova Scotia Casinos	2.6	4.0	2.9	2.1	2.7
Great American Casinos	1.0	0.5	1.4	1.3	0.6
BC Racinos	3.1	3.5	3.6	2.8	1.4
Georgian Downs	1.8	2.1	1.9	1.6	1.5
Flamboro Downs	1.5	2.1	1.9	1.7	1.6
Corporate & Other	(5.5)	(5.3)	(5.6)	(6.4)	(6.2)
	\$ 33.0	\$ 34.2	\$ 30.1	\$ 29.3	\$ 23.6

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Year Ended December 31, 2009

(Dollar amounts expressed in millions, except for per share information)

Presentation of Gross Revenues

Gross revenues, a non-GAAP measure, is revenue on the consolidated statements of earnings plus the portion of gaming win and other revenues retained by BCLC and NSGC, gaming taxes paid to Washington State, accruals for payouts of progressive games, payments to horseracing purse pools and promotional allowances. Gross revenues include slot commissions in Ontario, which represent 10% of the win from slot machines operated by the OLG. A reconciliation of gross revenues to revenues is presented below.

	Fourth Quarter			Twelve Months of		
	2009	2008	%Chg	2009	2008	%Chg
Gross table win	\$ 56.7	\$ 55.5	2%	\$ 218.5	\$ 231.9	(6%)
Gross slot win	130.5	126.3	3%	524.6	541.4	(3%)
Gross racetrack revenues	34.6	33.4	4%	142.5	145.4	(2%)
Hospitality and other revenues	19.9	21.4	(7%)	76.5	83.3	(8%)
FDC revenues	7.4	7.1	4%	29.2	29.4	(1%)
Gross revenues (a non-GAAP measure)	249.1	243.7	2%	991.3	1,031.4	(4%)
Less:						
Gaming commissions, taxes and other	(122.1)	(117.5)	4%	(484.4)	(502.0)	(4%)
Racetrack purses	(28.0)	(26.5)	5%	(113.8)	(114.2)	(0%)
Promotional allowances	(2.7)	(3.0)	(8%)	(10.9)	(11.5)	(5%)
Revenues	\$ 96.3	\$ 96.7	(0%)	\$ 382.2	\$ 403.7	(5%)