



## GREAT CANADIAN GAMING CORPORATION.

### **GREAT CANADIAN GAMING CORPORATION AND MAGNA ENTERTAINMENT CORP. FINALIZE AGREEMENT FOR PURCHASE OF FLAMBORO DOWNS**

**August 16, 2005 – Richmond, British Columbia and Aurora, Ontario** – Great Canadian Gaming Corporation (“Great Canadian”) [TSX: GCD] and Magna Entertainment Corp. (“MEC”) [NASDAQ: MECA; TSX: MEC.SV.A] today announced that they have entered into a share purchase agreement providing for the acquisition by Great Canadian of all of the outstanding shares of Ontario Racing Inc., a wholly owned subsidiary of MEC, substantially on the terms set forth in the agreement in principle reached between the parties as announced on July 6, 2005. Ontario Racing Inc. owns and operates Flamboro Downs, a standardbred racetrack, and is a siteholder for slot machines operated by the Ontario Lottery and Gaming Corporation, in Flamborough, Ontario. The sale is scheduled to close on September 30, 2005 and remains subject to customary closing conditions, including regulatory approval.

#### **About Flamboro Downs**

Flamboro Downs, located just 45 miles from Toronto, occupies approximately 230 acres in the town of Flamborough, Ontario. Offering year-round live standardbred racing five days a week, and daily simulcast wagering on-track and at 4 teletheatres/off-track betting (OTB) locations, Flamboro Downs boasts the third highest revenues among racetracks in the province of Ontario. The facility has provided its guests with first class entertainment for more than 20 years, and features a complement of 752 slot machines operated by the Ontario Lottery and Gaming Corporation.

#### **About Great Canadian Gaming Corporation**

Great Canadian, home to approximately 5,000 employees, is a multi-jurisdictional gaming and entertainment operator with facilities in British Columbia, Nova Scotia, Ontario and Washington State. Great Canadian operates casinos, thoroughbred and standardbred racecourses, a community gaming centre and various food and beverage and entertainment facilities.

#### **About Magna Entertainment Corp.**

MEC is North America’s largest owner and operator of horse racetracks, based on revenue. It develops, owns and operates horse racetracks and related pari-mutuel wagering operations, including off-track bettering facilities. Additionally, MEC owns and operates XpressBet<sup>®</sup>, a national Internet and telephone account wagering systems, and Horse Racing TV<sup>®</sup>, a 24-hour horse racing television network, as well as RaceONTV<sup>™</sup> and MagnaBet<sup>™</sup> internationally.

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ON BEHALF OF

**GREAT CANADIAN GAMING CORPORATION**

*"Original signed by Thomas Bell"*

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