



# GREAT CANADIAN GAMING CORPORATION

TSX: GCD

## ACQUISITION OF METROPOLITAN ENTERTAINMENT GROUP

**May 17, 2005 Halifax, N.S.** – Great Canadian Gaming Corporation (the “Company”) is pleased to announce that yesterday it entered into two separate agreements to acquire 100% of Metropolitan Entertainment Group (“MEG”), a Nova Scotia Partnership which owns and operates the Casino Nova Scotia Sydney and the Casino Nova Scotia Halifax, pursuant to an operating agreement with the Nova Scotia Gaming Corporation (“NSGC”).

Pursuant to a Partnership Acquisition Agreement dated May 16, 2005 among 6364951 Canada Inc, a wholly owned subsidiary of the Company, and Park Place Entertainment Scotia Limited, a wholly owned subsidiary of Caesar’s Entertainment Inc., the Company agreed to the purchase of 95% in the MEG Partnership for USD \$70 million (the “PPESL Purchase”). Pursuant to a Partnership Acquisition Agreement dated May 16, 2005 among 6364942 Canada Inc., also a wholly owned subsidiary of the Company, and East Port Properties Ltd., a Nova Scotia corporation, the Company agreed to the purchase of the remaining 5% interest in the MEG Partnership (the “East Port Purchase”). The consideration for the East Port Purchase is USD \$3.7 million.

The Halifax and Sydney Casinos operate pursuant to an operating agreement between MEG and NSGC. NSGC is a Crown corporation governed by the *Gaming Control Act* (Nova Scotia). The NSGC is responsible for the conduct and management of gaming in the province of Nova Scotia. Under the operating agreement, MEG is paid a fee for providing operational services for the NSGC at the Halifax and Sydney Casinos. Following the closing, MEG will continue to carry on the business under the operating agreement. The operating agreement expires in 2015. The operating agreement includes an approximate CDN \$52 million receivable to MEG from NSGC related to the recovery of capital expenditures of the two casino facilities. The amount is repayable over the next 3 years.

Conditions to closing of the PPESL Purchase and the East Port Purchase include applicable regulatory approvals, third party consents and clearance by the Competition Bureau of Canada. Closing of the East Port Purchase is conditional upon the Company closing the PPESL Purchase. The transactions are expected to close by the end of the second quarter of 2005.

Casino Nova Scotia Halifax is a full-service gaming facility featuring 750 slot machines and 40 table games. Amenities include three licensed restaurants, a bar, conference facilities and high limit gaming. The casino facility is adjacent to the Casino Nova Scotia Hotel, a 352 room hotel

which is owned and operated by PPESL. Casino Nova Scotia Sydney is a full-service gaming facility within walking distance of all major downtown Sydney hotels. The facility features 387 slot machines and 11 table games. The facility features a licensed restaurant, a bar and a high limit gaming area. Combined, the Halifax and Sydney Casinos employ approximately 1,100 persons.

“The Company is extremely pleased with the agreements to acquire Metropolitan Entertainment Group and looks forward to developing the Halifax and Sydney properties within the objectives of the Nova Scotia Gaming Corporation. The scope of the operations and regulatory environment of Nova Scotia is one in which we are both familiar and comfortable and believe our expertise will greatly benefit the two properties” stated Company President and Chief Operating Officer, Anthony Martin.

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

Great Canadian Gaming Corporation, home to more than 3,500 employees, is a multi-jurisdictional gaming and entertainment operator. Within British Columbia, the Corporation operates six casinos, a thoroughbred racecourse, two standardbred racecourses, a community gaming centre, numerous licensed restaurants and a marina operation. In Washington State, through Great American Gaming Corporation, the Corporation operates four gaming and restaurant / entertainment facilities.

As a follow-up to this news release, the Company will hold a conference call for analysts to discuss the MEG acquisition. The conference call will take place at 9:00 AM ADT (8:00 AM EDT/5:00 AM PDT) on Tuesday May 17, 2005.

To participate in the conference call, please dial 416-695-5259 or toll free 1-877-888-3490. The call will also be available for replay until May 24, 2005 by calling 416-695-5275 or toll free 1-888-509-0082 or on our website at [www.gcgaming.com](http://www.gcgaming.com).

### **Great Canadian Gaming Corporation**

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### **ON BEHALF OF GREAT CANADIAN GAMING CORPORATION**

*“Original signed by Thomas N. Bell”*

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Thomas N. Bell  
Vice President  
Corporate Development and Investor Relations