



GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month and Nine Month Periods Ended
September 30, 2007

As at November 9, 2007

(Expressed in millions, except per share information)

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

INTRODUCTION

Basis of Discussion and Analysis

This management's discussion and analysis ("MD&A") of the financial highlights and recent developments, consolidated results of operations, consolidated quarterly results trend, liquidity and capital resources, and other financial information of Great Canadian Gaming Corporation (the "Company", "we", "our") is dated as of November 9, 2007. This MD&A should be read in conjunction with our unaudited interim consolidated financial statements for the three month and nine month periods ended September 30, 2007 and the accompanying notes ("Interim Financial Statements") and our audited consolidated financial statements for the year ended December 31, 2006 and the accompanying notes ("Annual Financial Statements").

Our discussion in this MD&A is based on the Interim Financial Statements. The Interim Financial Statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") for interim financial statements and accordingly, certain information and note disclosures normally included in the Annual Financial Statements are omitted. Unless expressly stated otherwise, all financial information is expressed in Canadian dollars.

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 net earnings determined in accordance with GAAP or as indicators of performance or 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.

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 costs, goodwill impairment, 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 (loss) under GAAP is shown in the "Consolidated Results of Operations" section in this MD&A.

Gross revenues 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 horse racing 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 definition in the gaming industry. Table drop means the collective amount of money customers wager on table games against the casino, and is commonly computed as the aggregate of money counted in the casino drop boxes. Table hold is calculated as the table drop plus or minus the net change in table 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. 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 of money customers have placed into slots or electronic machines. Slot win

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

is the slot coin in less the payout or prizes to winning customers. Slot win per machine per day ("Slot Win/Slot/Day") is the average daily slot win earned by one 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 Statements

This MD&A contains forward-looking statements which reflect management's current expectations regarding the Company's objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are not guarantees, but only predictions. Although the Company believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a number of factors that could cause actual results to vary significantly from current expectations.

Such differences may be caused by factors which include, but are not limited to, limited terms of operational service agreements with gaming regulators, pending and proposed legislative or regulatory developments, competition from established competitors and new entrants in the gaming business, dependence on key personnel, no assurance that systems, procedures and controls will be adequate to support expanding operations, potential undisclosed liabilities and capital expenditures associated with acquisitions, negative connotations linked to the gaming industry, First Nations claims with respect to public lands on which we conduct our operations, impact of legal proceedings, impact of smoking bans, ongoing requirements to comply with financial covenants associated with credit facilities and long-term debt, interest and exchange rate fluctuations, non-realization of cost reductions and synergies, acceptance and demand for new products and services, fluctuations in operating results and general economic conditions.

The Company cautions that this list of factors is not exhaustive. 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 2006, and as identified in the Company's disclosure record on www.sedar.com.

The forward-looking statements contained herein are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Readers should not place undue reliance on the forward-looking statements, which reflect management's plans, estimates, projections and views only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

FINANCIAL HIGHLIGHTS AND RECENT DEVELOPMENTS

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Revenues	\$ 103.2	\$ 100.2	3%	\$ 296.5	\$ 287.1	3%
EBITDA ⁽¹⁾	\$ 30.9	\$ 27.0	14%	\$ 83.1	\$ 72.8	14%
Human resources as a % of Revenues before promotional allowances	42.6%	44.4%		44.2%	45.4%	
EBITDA as a % of Revenues	29.9%	26.9%		28.0%	25.4%	
Net earnings (loss)	\$ 12.6	\$ (14.1)		\$ 22.8	\$ (7.1)	
Earnings(loss) per common share:						
Basic	\$ 0.15	\$ (0.16)		\$ 0.26	\$ (0.08)	
Diluted	\$ 0.15	\$ (0.16)		\$ 0.26	\$ (0.08)	
Total assets	\$ 962.9	\$ 948.5	2%	\$ 962.9	\$ 948.5	2%
Long-term debt, excluding current portion	\$ 330.8	\$ 368.8	(10%)	\$ 330.8	\$ 368.8	(10%)

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

Financial Highlights

Great Canadian Gaming Corporation continued to realize improvements in operating efficiencies and value from prior expansions and acquisitions in the three month period ("third quarter of 2007") and nine month period ("first nine months of 2007") ended September 30, 2007. Our revenues for the third quarter and first nine months of 2007 increased 3% and 3% over the third quarter and first nine months of 2006, respectively. EBITDA for the same periods increased 14% and 14% respectively.

EBITDA as a percentage of revenues for the third quarter of 2007 improved to 29.9% compared to 26.9% in the third quarter of 2006. Over a year ago, we set a goal to improve EBITDA as a percentage of revenues to the 29% to 34% range and this marks the first quarter that we have achieved this goal. We continue to look for opportunities to improve our financial performance both by growing revenues and realizing cost efficiencies. EBITDA as a percentage of revenues increased in the first nine months of 2007 to 28.0% compared to 25.4% in the first nine months of 2006.

Net earnings increased \$26.7 in the third quarter and \$29.9 in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively. After excluding the unusual charge in the third quarter of 2006 for the redemption of our Series A and Series B Senior Secured Notes and the non-cash future income tax expense recoveries affecting various quarters in 2006 and 2007 (see Income Taxes (Recovery) on page 25), our net earnings increased \$1.4 or 23% in the third quarter and \$8.8 or 110% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively. These increases in our consolidated net earnings (loss) reflect a continued trend towards improved operating results driven by revenue growth and operational efficiencies.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Recent Developments – British Columbia

We recently announced plans to expand and develop new gaming options at several of our British Columbia properties, and such plans are consistent with the BCLC's vision for higher quality properties with exceptional entertainment amenities that are appropriately sized to serve the marketplaces in British Columbia.

Later this quarter, we plan to increase the gaming supply at Fraser Downs Racetrack and Casino ("Fraser Downs") in Surrey, British Columbia by more than 30%.

We expect to introduce shortly 150 slot machines at Hastings Racecourse ("Hastings") in the City of Vancouver, which will be the first phase of a re-development of the facility that we expect to ultimately house a total of 600 slot machines.

In connection with the expansions at Fraser Downs and Hastings, we will receive BCLC service fees of 28% from slot win and 43% from table win, inclusive of Facility Development Commission ("FDC"), representing an increase of 3 percentage points and thereby making our British Columbia racetrack service fee compensation consistent with other British Columbia casinos.

In October, we announced that we have commenced the formal planning phase, subject to local government and BCLC approval, to redevelop our View Royal Casino, with the goal of meaningfully increasing the supply of gaming offerings and level of entertainment and food and beverage options at the property.

In July 2007, River Rock Casino and Resort ("River Rock") achieved a prestigious Four Diamond rating from the American Automobile Association and Canadian Automobile Association ("AAA/CAA").

Recent Developments – Ontario

In July, we reached an agreement with OLG pursuant to which we plan to construct space that will permit OLG to more than double the number of slot machines at Georgian Downs to 1,000 units. Construction on the expansion of the facility to house the additional slot machines is expected to be completed by early 2009. With an extension of our siteholder agreement for the property, we are moving forward with drafting of a master plan for further development at Georgian Downs.

Normal Course Issuer Bid

Pursuant to the normal course issuer bid we commenced on July 23, 2007, during the third quarter of 2007 we repurchased 772,200 of our common shares for an aggregate consideration of \$9.0. Subsequent to the end of the third quarter of 2007, we purchased an additional 424,300 common shares at a cost of \$5.8. The repurchases were financed through existing cash balances. We can purchase up to an additional 5.2 million of our common shares under our issuer bid through July 22, 2008 or earlier if the number of shares sought in the issuer bid have been obtained.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes our consolidated operating results for the three and nine-month periods ended September 30, 2007 with comparatives to prior periods.

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 72.8	\$ 72.4	1%	\$ 212.5	\$ 207.2	3%
Racetrack revenues	8.5	8.4	1%	23.4	22.9	2%
Facility Development						
Commission	6.9	4.9	41%	16.9	14.2	19%
Hospitality and other revenues	17.7	17.1	4%	51.3	50.0	3%
	105.9	102.8	3%	304.1	294.3	3%
Less: Promotional allowances	(2.7)	(2.6)	4%	(7.6)	(7.2)	6%
Revenues	103.2	100.2	3%	296.5	287.1	3%
Human resources	45.1	45.6	(1%)	134.5	133.5	1%
Property, marketing and administration	27.2	27.6	(1%)	78.9	80.8	(2%)
	72.3	73.2	(1%)	213.4	214.3	0%
EBITDA	30.9	27.0	14%	83.1	72.8	14%
Human resources as a % of Revenues before promotional allowances	42.6%	44.4%		44.2%	45.4%	
EBITDA as a % of Revenues	29.9%	26.9%		28.0%	25.4%	
Amortization	9.9	9.7	2%	28.3	30.1	(6%)
Stock-based compensation	1.8	1.3	38%	5.2	5.0	4%
Restructuring costs	0.6	0.4	50%	0.6	3.0	(80%)
Interest and financing costs, net	5.5	34.8	(84%)	18.9	44.4	(57%)
Other expenses	0.7	0.5	40%	1.6	2.9	(45%)
Income taxes (recovery)	(0.2)	(5.6)	(96%)	5.7	(5.5)	
Net earnings (loss)	\$ 12.6	\$ (14.1)		\$ 22.8	\$ (7.1)	
Earnings (loss) per common share:						
Basic	\$ 0.15	\$ (0.16)		\$ 0.26	\$ (0.08)	
Diluted	\$ 0.15	\$ (0.16)		\$ 0.26	\$ (0.08)	
Weighted average number of common shares (in thousands):						
Basic	86,434	86,087		86,502	83,911	
Diluted	86,793	86,087		86,896	83,911	

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Discussion of Results

Our operating results are discussed in two sections. Revenues, human resources, property, marketing and administration, 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

	Third Quarter			First Nine Months of		
	2007	2006	% Change	2007	2006	% Change
REVENUES						
Casinos						
River Rock Casino Resort	\$ 27.2	\$ 29.3	(7%)	\$ 83.2	\$ 83.2	0%
Boulevard Casino	18.7	14.2	32%	50.1	43.6	15%
Vancouver Island Casinos	10.6	10.6	0%	31.5	31.0	2%
Other BC Casinos	4.4	3.8	16%	13.0	10.7	21%
Nova Scotia Casinos	13.6	14.6	(7%)	36.3	38.4	(5%)
Great American Casinos	6.3	6.0	5%	20.5	19.0	8%
	80.8	78.5	3%	234.6	225.9	4%
Racinos						
BC Racinos	12.7	11.6	9%	34.6	31.5	10%
Georgian Downs	4.2	4.2	0%	11.1	12.8	(13%)
Flamboro Downs	5.2	5.6	(7%)	15.7	16.6	(5%)
	22.1	21.4	3%	61.4	60.9	1%
Corporate & Other	0.3	0.3	0%	0.5	0.3	67%
Total Revenues	\$ 103.2	\$ 100.2	3%	\$ 296.5	\$ 287.1	3%
EBITDA						
Casinos						
River Rock Casino Resort	\$ 10.2	\$ 11.0	(7%)	\$ 31.8	\$ 31.2	2%
Boulevard Casino	9.1	5.5	65%	21.9	17.5	25%
Vancouver Island Casinos	5.9	5.8	2%	17.3	17.2	1%
Other BC Casinos	1.1	0.6	83%	3.2	2.0	60%
Nova Scotia Casinos	3.4	4.1	(17%)	7.1	7.5	(5%)
Great American Casinos	1.2	1.1	9%	4.3	3.7	16%
	30.9	28.1	10%	85.6	79.1	8%
Racinos						
BC Racinos	3.6	2.8	29%	9.3	6.2	50%
Georgian Downs	1.6	1.5	7%	3.9	4.9	(20%)
Flamboro Downs	1.7	1.9	(11%)	5.3	5.5	(4%)
	6.9	6.2	11%	18.5	16.6	11%
Corporate & Other	(6.9)	(7.3)	5%	(21.0)	(22.9)	8%
Total EBITDA	\$ 30.9	\$ 27.0	14%	\$ 83.1	\$ 72.8	14%

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Casinos

River Rock Casino Resort ⁽¹⁾

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 19.0	\$ 20.9	(9%)	\$ 58.6	\$ 58.5	0%
Facility Development Commission	1.7	1.8	(6%)	5.1	5.1	0%
Hospitality and other revenues	6.9	7.0	(1%)	21.0	20.9	0%
Revenues before promotional allowances	27.6	29.7	(7%)	84.7	84.5	0%
Less: Promotional allowances	(0.4)	(0.4)	0%	(1.5)	(1.3)	15%
Revenues	27.2	29.3	(7%)	83.2	83.2	0%
Human resources	11.5	11.1	4%	34.6	32.6	6%
Property, marketing and administration	5.5	7.2	(24%)	16.8	19.4	(13%)
EBITDA	\$ 10.2	\$ 11.0	(7%)	\$ 31.8	\$ 31.2	2%
Human resources as a % of Revenues before promotional allowances	41.7%	37.4%		40.9%	38.6%	
EBITDA as a % of Revenues	37.5%	37.5%		38.2%	37.5%	

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

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 121.7	\$ 119.9	\$ 134.2	\$ 122.0	\$ 122.7	\$ 116.6	\$ 115.7	\$ 107.0	
Table Hold	\$ 25.8	\$ 24.2	\$ 32.8	\$ 27.3	\$ 30.7	\$ 26.8	\$ 26.7	\$ 26.6	
Table Hold %	21.2%	20.2%	24.4%	22.4%	25.0%	23.0%	23.1%	24.9%	23.0%
Poker Rate	\$ 1.5	\$ 1.7	\$ 1.9	\$ 2.1	\$ 1.8	\$ 1.6	\$ 1.7	\$ 1.9	
Slot Coin In	\$ 429.3	\$ 400.8	\$ 374.0	\$ 363.4	\$ 378.8	\$ 374.3	\$ 342.6	\$ 355.9	
Slot Win	\$ 30.3	\$ 27.9	\$ 27.3	\$ 27.1	\$ 28.8	\$ 27.8	\$ 26.0	\$ 26.4	
Average # Slots	921	921	920	920	920	918	918	1,000	
Slot Win/Slot/Day ⁽²⁾	\$ 358	\$ 333	\$ 330	\$ 320	\$ 340	\$ 333	\$ 315	\$ 287	
Slot Win %	7.1%	7.0%	7.3%	7.5%	7.6%	7.4%	7.6%	7.4%	7.3%

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

Revenues

Gaming revenues for the River Rock in the third quarter decreased by 9% compared to the third quarter of 2006. The table drop and table hold decline was offset by improved slot performance. The decrease in table game performance was, in part, attributable to the volatility of high limit baccarat. Slot coin in increased by \$50.5 compared to the third quarter of 2006. The continued improvement in slot coin in reflects the benefit of additional entertainment offerings including the hotel and show theatre that opened in the third quarter of 2005. The increased slot coin in in the third quarter of 2007 compared to the third quarter of 2006 was partly offset by a 0.5 percentage point decrease in slot win percentage and resulted in a \$1.5 increase in slot win. The decrease in slot win percentage arose partly from the increased popularity of our one-dollar machines that have a lower slot win percentage than our other machines. Although resulting in a lower slot win percentage, the increased popularity of these higher limit games helped contribute to the higher slot coin in and slot win.

Gaming revenues in the first nine months of 2007 remained consistent with the first nine months of 2006.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Hospitality and other revenues in the third quarter and first nine months of 2007 remained consistent compared to the third quarter and first nine months of 2006, respectively. In July 2007, River Rock achieved a prestigious Four Diamond rating from the American Automobile Association and Canadian Automobile Association ("AAA/CAA") and opened the new River Rock Conference Centre, featuring six flexible, multi-purpose meeting and social function rooms totaling 5,314 square feet. We believe that the achievement of the AAA/CAA Four Diamond rating and the new Conference Centre will help generate additional gaming, hospitality and other revenues for River Rock.

River Rock's average daily revenue per available room ("REVPAR") was \$136 in the third quarter of 2007 compared to \$134 in the third quarter of 2006. The year-over-year increase in REVPAR is primarily due to a 0.3 percentage point increase to 81% in the average hotel occupancy rate, coupled with a \$2 increase to \$168 in the average daily room rate. REVPAR in the first nine months of 2007 was \$124 compared to \$113 in the first nine months of 2006, due to a 2.0 percentage point increase to 76% in the average hotel occupancy rate, coupled with an \$11 increase to \$163 in the average daily room rate.

Expenses

Human resources expenses increased 4% in the third quarter and 6% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily from market-driven compensation increases and increased hourly labour in response to the higher gaming activity. Human resources expenses as a percentage of revenues before promotional allowances increased by 4.3 percentage points in the third quarter and by 2.3 percentage points in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily due to the compensation increases mentioned above and lower gaming revenues in the third quarter of 2007 resulting from our reduced table hold and slot win percentages during the third quarter of 2007.

Property, marketing and administration expenses decreased by 24% in the third quarter and by 13% in the first nine months of 2007 compared to the third quarter and first nine months of 2006. The decreases were primarily due to reduced food and beverage costs due to the more efficient in-house management of our hospitality operations and reduced marketing spend by focusing on more targeted initiatives. In addition, we recorded a \$0.6 property tax refund during the second quarter of 2007 that related to 2006. The \$0.6 property tax refund was the result of a reduction in the facility's assessed value for the prior year, and arose from our continuing search for cost efficiencies. The 2007 property tax assessment was also lower than in 2006 and resulted in \$0.4 lower property tax expense for the first nine months of 2007.

EBITDA

EBITDA decreased by 7% in the third quarter of 2007 compared to the third quarter of 2006, primarily due to decreased gaming revenues that resulted from lower table hold and slot win percentages during the third quarter of 2007 that were only partially offset by lower aggregate human resources and property, marketing and administration expenses. EBITDA increased by 2% in the first nine months of 2007 over the first nine months of 2006 due to 1% lower aggregate human resources and property, marketing and administration expenses. EBITDA as a percentage of revenues for the third quarter of 2007 remained consistent with the third quarter of 2006. EBITDA as a percentage of revenues for the first nine months of 2007 improved by 0.7 percentage points over the first nine months of 2006, despite consistent revenues over these comparable periods.

Recent Developments

As previously announced, we are developing a new 1,200 space multi-level parking garage adjacent to River Rock that will address the current peak-period guest parking shortage and are reviewing opportunities to further expand our flagship property. We expect approximately 600 of these spaces to be available to our customers during the third quarter of 2008, with the remainder completed by the fourth quarter of 2009.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Boulevard Casino ⁽¹⁾

	Third Quarter			%	First Nine Months of			%
	2007	2006	Chg		2007	2006	Chg	
Gaming revenues	\$ 13.7	\$ 12.1	13%	\$ 39.5	\$ 36.6	8%		
Facility Development Commission	3.2	1.2	167%	5.7	3.6	58%		
Hospitality and other revenues	2.1	1.3	62%	5.9	4.5	31%		
Revenues before promotional allowances	19.0	14.6	30%	51.1	44.7	14%		
Less: Promotional allowances	(0.3)	(0.4)	(25%)	(1.0)	(1.1)	(9%)		
Revenues	18.7	14.2	32%	50.1	43.6	15%		
Human resources	6.4	5.9	8%	19.1	17.8	7%		
Property, marketing and administration	3.2	2.8	14%	9.1	8.3	10%		
EBITDA	\$ 9.1	\$ 5.5	65%	\$ 21.9	\$ 17.5	25%		

Human resources as a % of

Revenues before promotional allowances

33.7% 40.4%

37.4% 39.8%

EBITDA as a % of Revenues

48.7% 38.7%

43.7% 40.1%

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

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 48.6	\$ 50.4	\$ 47.1	\$ 51.4	\$ 51.9	\$ 52.2	\$ 58.6	\$ 43.9	
Table Hold	\$ 9.9	\$ 10.8	\$ 9.5	\$ 11.5	\$ 10.3	\$ 9.0	\$ 11.8	\$ 9.4	
Table Hold %	20.4%	21.4%	20.2%	22.4%	19.8%	17.2%	20.1%	21.4%	20.3%
Poker Rake	\$ 1.2	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.3	\$ 1.1	\$ 1.2	\$ 0.5	
Slot Coin In	\$ 512.1	\$ 493.0	\$ 443.3	\$ 404.7	\$ 405.2	\$ 405.0	\$ 398.5	\$ 319.8	
Slot Win	\$ 35.0	\$ 33.1	\$ 30.7	\$ 28.9	\$ 28.8	\$ 28.5	\$ 28.8	\$ 23.3	
Average # Slots	919	939	938	939	949	986	986	963	
Slot Win/Slot/Day ⁽²⁾	\$ 414	\$ 387	\$ 364	\$ 335	\$ 330	\$ 318	\$ 325	\$ 263	
Slot Win %	6.8%	6.7%	6.9%	7.1%	7.1%	7.0%	7.2%	7.3%	7.0%

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

Revenues

Gaming revenues for the Boulevard Casino in the third quarter of 2007 increased by 13% compared to the third quarter of 2006. This increase is primarily attributable to an increase in the slot win of \$6.2, that was driven by an increase of \$106.9, or 26% in slot coin in. For the first nine months of 2007, gaming revenues increased by 8% compared to the first nine months of 2006 driven primarily by the \$239.7 increase in slot coin in compared to the first nine months of 2006. Red Robinson Show Theatre, which opened in September 2006, has become increasingly popular with the local market as it is the only major venue for live entertainment in the eastern suburbs of the Greater Vancouver area. As with the River Rock Show Theatre, it is proving to be an excellent entertainment option to draw customers to the property. During the third quarter of 2007, we presented 22 live shows and events at the Red Robinson Show Theatre compared to 5 in the third quarter of 2006 since it was officially opened on September 13 last year. In addition, we believe our expanded on-floor food and beverage services and the public's greater awareness of our entertainment offerings have helped to drive the growth in slot play at the Boulevard Casino.

During the third quarter of 2007, BCLC approved our Accelerated Facility Development Commission ("AFDC") application, for an additional 2% of gaming revenues, retroactive to April 1, 2007, to reimburse

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

the \$32.0 of capital costs previously incurred to build the Red Robinson Show Theatre. As a result, FDC revenue increased by 167% in the third quarter and by 58% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily reflecting the benefit of \$1.8 or two quarters contribution of AFDC revenue recorded in the third quarter of 2007.

Hospitality and other revenues increased by 62% in the third quarter and by 31% in the first nine months of 2007 compared to the third quarter and first nine months of 2006. The improvements reflect the increased visitation to the property driven by the Red Robinson Show Theatre, combined with our continued efforts to expand our food and beverage and other service offerings at Boulevard Casino.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances for the third quarter of 2007 declined by 6.7 percentage points compared to the third quarter of 2006. This improvement is due to the 30% increase in revenues before promotional allowance generated at the property and continued efforts to improve labour efficiency. Human resources expenses as a percentage of revenues before promotional allowances in the first nine months of 2007 declined by 2.4 percentage points compared to the first nine months of 2006.

Property, marketing and administration expenses in the third quarter of 2007 increased by \$0.4 or 14% compared with the third quarter of 2006. We incurred higher food and beverage related expenses as a result of an increase in hospitality and other revenues that were partially offset by various expense reductions arising from ongoing expense reduction initiatives. Primarily due to the opening of the Red Robinson Show Theatre in September 2006, property, marketing and administration expenses in the first nine months of 2007 increased by 10% over the first nine months of 2006.

EBITDA

EBITDA increased by 65% in the third quarter and by 25% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily due to the above-mentioned revenue increases.

EBITDA as a percentage of revenues improved by 10.0 percentage points in the third quarter of 2007 compared to the third quarter of 2006 and by 3.6 percentage points in the first nine months of 2007 compared to the first nine months of 2006. These increases reflect a continued trend towards improved operating results driven by revenue growth and operational efficiencies.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Vancouver Island Casinos (View Royal Casino and Nanaimo Casino)

	Third Quarter			%	First Nine Months of			%
	2007	2006	Chg		2007	2006	Chg	
Gaming revenues	\$ 8.8	\$ 8.9	(1%)	\$ 26.1	\$ 26.1	0%		
Facility Development Commission	1.0	1.0	0%	3.0	2.9	3%		
Hospitality and other revenues	1.1	0.9	22%	3.2	2.7	19%		
Revenues before promotional allowances	10.9	10.8	1%	32.3	31.7	2%		
Less: Promotional allowances	(0.3)	(0.2)	50%	(0.8)	(0.7)	14%		
Revenues	10.6	10.6	0%	31.5	31.0	2%		
Human resources	3.4	3.5	(3%)	10.2	10.1	1%		
Property, marketing and administration	1.3	1.3	0%	4.0	3.7	8%		
EBITDA	\$ 5.9	\$ 5.8	2%	\$ 17.3	\$ 17.2	1%		

Human resources as a % of
Revenues before promotional
allowances

31.2% 32.4%

31.6% 31.9%

EBITDA as a % of Revenues

55.7% 54.7%

54.9% 55.5%

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 14.9	\$ 15.4	\$ 15.3	\$ 15.5	\$ 16.6	\$ 16.4	\$ 15.6	\$ 16.2	
Table Hold	\$ 3.3	\$ 3.6	\$ 3.7	\$ 3.7	\$ 3.7	\$ 4.0	\$ 3.5	\$ 3.7	
Table Hold %	22.1%	23.4%	24.2%	23.9%	22.3%	24.4%	22.4%	22.8%	23.2%
Slot Coin In	\$ 418.1	\$ 403.9	\$ 393.3	\$ 399.4	\$ 412.0	\$ 408.2	\$ 382.2	\$ 378.3	
Slot Win	\$ 30.8	\$ 30.2	\$ 29.0	\$ 29.2	\$ 30.1	\$ 29.7	\$ 28.6	\$ 27.4	
Average # Slots	811	812	817	817	817	817	805	805	
Slot Win/Slot/Day ⁽¹⁾	\$ 413	\$ 409	\$ 394	\$ 388	\$ 400	\$ 399	\$ 395	\$ 370	
Slot Win %	7.4%	7.5%	7.4%	7.3%	7.3%	7.3%	7.5%	7.2%	7.4%

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

Revenues

Revenues for the Vancouver Island casinos in the third quarter and first nine months of 2007 remained consistent with the third quarter and first nine months of 2006.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances in the third quarter and first nine months of 2007 declined slightly compared to the third quarter and first nine months of 2006.

Property, marketing and administration expenses in the third quarter of 2007 have remained consistent with the third quarter of 2006. Property, marketing and administration expenses for the first nine months of 2007 increased over the first nine months of 2006 due to slot coupons issued to potential customers of our Vancouver Island casinos.

EBITDA

EBITDA and EBITDA as a percentage of revenues remained relatively consistent in the third quarter and first nine months of 2007 compared to the third quarter and first nine months of 2006.

Recent Developments

As evidenced by the relatively consistent quarterly levels of table drop and slot coin in during the past two

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

years, our Vancouver Island Casinos are capacity constrained and we believe limited in terms of the additional revenues they can generate.

On September 27, 2007 we announced the commencement of the formal planning phase for the redevelopment of the View Royal Casino. View Royal currently has 437 slot machines and 24 table games. The redevelopment plans include increasing the existing floor area by approximately 37,000 square feet or 115% to accommodate new amenities including additional slot machines, a poker room, a Racebook where patrons can watch sporting events and wager on live horse racing, a live-entertainment lounge, new food and beverage offerings, and additional back-of-house operations support space. We also entered into an agreement to acquire approximately 1.5 acres of commercial property adjacent to the casino that will permit us to increase our parking capacity to accommodate an additional 380 vehicles. The redevelopment of the View Royal Casino and any change to the gaming facility are subject to local government and BCLC approvals. A development permit application has been submitted to the View Royal planning department.

Other BC Casinos (Casino on Broadway and Chances Gaming Entertainment in Dawson Creek)

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 3.7	\$ 3.3	12%	\$ 11.1	\$ 9.4	18%
Facility Development Commission	0.3	0.3	0%	1.0	0.8	25%
Hospitality and other revenues	0.5	0.4	25%	1.3	1.0	30%
Revenues before promotional allowances	4.5	4.0	13%	13.4	11.2	20%
Less: Promotional allowances	(0.1)	(0.2)	(50%)	(0.4)	(0.5)	(20%)
Revenues	4.4	3.8	16%	13.0	10.7	21%
Human resources	2.5	2.4	4%	7.7	6.8	13%
Property, marketing and administration	0.8	0.8	0%	2.1	1.9	11%
EBITDA	\$ 1.1	\$ 0.6	83%	\$ 3.2	\$ 2.0	60%

Human resources as a % of
Revenues before promotional
allowances

	55.6%	60.0%	57.5%	60.7%
EBITDA as a % of Revenues	25.0%	15.8%	24.6%	18.7%

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 30.9	\$ 32.1	\$ 33.3	\$ 31.0	\$ 29.6	\$ 29.7	\$ 29.6	\$ 29.3	
Table Hold	\$ 6.1	\$ 5.7	\$ 6.6	\$ 6.2	\$ 5.3	\$ 5.7	\$ 5.9	\$ 5.7	
Table Hold %	19.7%	17.8%	19.8%	20.0%	17.9%	19.2%	19.9%	19.5%	19.2%
Poker Rake	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	
Slot Coin In	\$ 66.6	\$ 70.0	\$ 63.4	\$ 55.6	\$ 54.0	\$ 22.6	\$ 23.0	\$ 18.3	
Slot Win	\$ 3.7	\$ 3.9	\$ 3.7	\$ 3.1	\$ 3.3	\$ 1.7	\$ 1.8	\$ 1.4	
Average # Slots	150	150	150	139	129	79	80	66	
Slot Win/Slot/Day ⁽¹⁾	\$ 268	\$ 286	\$ 274	\$ 242	\$ 278	\$ 236	\$ 250	\$ 231	
Slot Win %	5.6%	5.6%	5.8%	5.6%	6.1%	7.5%	7.8%	7.7%	6.1%

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

Revenues

Gaming revenues for our other BC casinos improved by 12% in the third quarter and by 18% in the first nine months of 2007 over the third quarter and first nine months of 2006, primarily due to the newly

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

developed Chances Gaming Entertainment in Dawson Creek ("Chances") that was completed in early July of 2006. The decline in slot win percentage since the opening of Chances is a reflection of new, popular one-dollar slot machines and automated blackjack games offered at the facility, which are programmed to have a lower slot win percentage than our other offerings. However, the popularity of these games with players in this market has resulted in a meaningfully higher slot coin in and as a result, slot win has increased at the property since their introduction. Table hold at the Casino on Broadway increased by \$0.8 or 15% in the third quarter and by \$1.5 or 9% in the first nine months of 2007 over the third quarter and first nine months of 2006, respectively, primarily due to a higher table hold percentage in the third quarter of 2007 and increased table drops.

Hospitality and other revenues in the third quarter of 2007 increased by \$0.1 or 25% compared to the third quarter of 2006. Hospitality and other revenues for the first nine months of 2007 increased by \$0.3 or 30% compared to the first nine months of 2006 driven by expanded food and beverage offerings at Chances.

Expenses

Human resources expenses increased by 4% in the third quarter and by 13% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, reflecting the opening of the newly developed Chances in July 2006. Human resources expenses as a percentage of revenues before promotional allowances improved by 4.4 percentage points in the third quarter and by 3.2 percentage points in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively. This was the result of increased revenues and improved labour efficiencies created by the newly developed facilities at Chances, combined with our continued efforts to manage staffing levels to meet customer demand.

Property, marketing and administration expenses in the third quarter of 2007 remained consistent with the third quarter in 2006 but increased by \$0.2 or 11% in the first nine months of 2007 compared to the first nine months of 2006, primarily due to increased operating supplies expenses associated with the newly developed Chances.

EBITDA

EBITDA increased by \$0.5 or 83% in the third quarter and by \$1.2 or 60% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily due to increased slot and food and beverage revenues generated by the newly developed facilities at Chances. EBITDA as a percentage of revenues increased by 9.2 percentage points in the third quarter and by 5.9 percentage points in the first nine months of 2007, compared to the third quarter and first nine months of 2006. The improvement is primarily the result of increased gaming revenues and efficiencies related to the opening of the facilities at Chances.

Outlook

In conjunction with the addition of gaming activities at Hastings and Fraser Downs Racetrack and Casino, we will close Casino on Broadway in November 2007. Casino on Broadway offers only 36 table games, has limited on-site amenities available to customers and has potential zoning impediments. Accordingly, closing Casino on Broadway is consistent with BCLC's vision for higher quality properties with exceptional entertainment amenities sized to fit the marketplace. We have made provisions to transfer the casino's staff to other Company locations and have implemented customer loyalty programs to encourage visitation at our other properties. The incremental gaming expansions and related revenues arising from new arrangements with BCLC for several of our British Columbia properties (as described elsewhere in this MD&A) are expected to more than offset the foregone EBITDA generated by Casino on Broadway and any incremental costs associated with the property closing. We will apply to BCLC to recover the modest closing costs associated with Casino on Broadway once these costs are determined.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

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

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 12.9	\$ 13.5	(4%)	\$ 34.0	\$ 35.6	(4%)
Hospitality and other revenues	1.7	1.7	0%	4.6	4.5	2%
Revenues before promotional allowances	14.6	15.2	(4%)	38.6	40.1	(4%)
Less: Promotional allowances	(1.0)	(0.6)	67%	(2.3)	(1.7)	35%
Revenues	13.6	14.6	(7%)	36.3	38.4	(5%)
Human resources	5.6	6.0	(7%)	16.3	17.8	(8%)
Property, marketing and administration	4.6	4.5	2%	12.9	13.1	(2%)
EBITDA	\$ 3.4	\$ 4.1	(17%)	\$ 7.1	\$ 7.5	(5%)

Human resources as a % of Revenues before promotional allowances

Human resources as a % of Revenues before promotional allowances	38.4%	39.5%	42.2%	44.4%
EBITDA as a % of Revenues	25.0%	28.1%	19.6%	19.5%

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 13.9	\$ 13.5	\$ 13.0	\$ 14.9	\$ 17.0	\$ 13.2	\$ 14.6	\$ 15.7	
Table Hold	\$ 2.8	\$ 2.8	\$ 2.5	\$ 2.9	\$ 3.2	\$ 2.7	\$ 2.4	\$ 3.1	
Table Hold %	20.1%	20.7%	19.2%	19.5%	18.8%	20.5%	16.4%	19.7%	19.3%
Poker Rake	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.4	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.3	
Slot Coin In	\$ 276.9	\$ 234.3	\$ 217.7	\$ 247.7	\$ 288.8	\$ 256.2	\$ 226.7	\$ 237.4	
Slot Win	\$ 21.6	\$ 17.6	\$ 16.6	\$ 18.9	\$ 21.9	\$ 18.8	\$ 16.7	\$ 17.2	
Average # Slots	1,051	1,052	1,052	1,053	1,070	1,120	1,129	1,133	
Slot Win/Slot/Day ⁽¹⁾	\$ 223	\$ 184	\$ 175	\$ 195	\$ 222	\$ 184	\$ 164	\$ 165	
Slot Win %	7.8%	7.5%	7.6%	7.6%	7.6%	7.3%	7.4%	7.2%	7.5%

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

Revenues

Gaming revenues for the Nova Scotia casinos decreased by 4% in both the third quarter and in the first nine months of 2007 compared to the third quarter and first nine months of 2006, primarily due to a decrease in table drop and slot coin in during the third quarter and the first nine months of 2007. Table drop decreased in the third quarter primarily due to the ongoing impact of the province-wide smoking ban that came into effect on December 1, 2006.

We have enacted several marketing initiatives at the Nova Scotia casinos to help counter the effects of the smoking ban such as additional slot and table game tournaments, prize giveaways, high-end room promotions, new player programs, stay and play promotions with local hotels, and increased bus tour marketing to increase visits to the casinos. We believe these new programs are helping to offset the effects of the smoking ban since the percentage decline in slot coin in for the third quarter of 2007 compared to the third quarter of 2006 was approximately half of the percentage decline experienced for the comparable second quarter periods.

Despite the declines in gaming revenues, hospitality and other revenues in the third quarter and first nine months of 2007 remained consistent compared to the third quarter and first nine months of 2006, due to a greater amount of banquet, buffet and restaurant sales, upgrades to the casinos entertainment outlets, a

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

new outdoor smoking section and improved guest service.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances improved by 1.1 percentage points in the third quarter of 2007 and by 2.2 percentage points in the first nine months of 2007 relative to the third quarter and first nine months of 2006, respectively. We were able to achieve this improvement despite the reduced gaming revenues by managing our staffing levels and labour costs to meet customer demand.

Property, marketing and administration expenses in the third quarter of 2007 increased by 2% over the third quarter of 2006, due primarily to the implementation of initiatives aimed at countering the impact from the smoking ban and increases in food and beverage expenses related to higher levels of hospitality and other revenues. Property, marketing and administration expenses in the first nine months of 2007 decreased by 2% compared to the first nine months of 2006 due to lower professional fees, more targeted promotions, and our continued focus on expense reductions. We will continue our efforts to control property, marketing and administration expenses and improve efficiencies.

EBITDA

EBITDA decreased by \$0.7 or 17% in the third quarter of 2007 compared to the third quarter of 2006, primarily due to lower revenues that resulted from the smoking ban. EBITDA as a percentage of revenues for the third quarter of 2007 decreased by 3.1 percentage points relative to the third quarter of 2006, primarily due to lower revenues and higher marketing expenses, both of which are driven by the factors noted above. EBITDA decreased by \$0.4 or 5% in the first nine months of 2007 over the first nine months of 2006 due to lower revenues that were only partially offset by reductions in both human resources expenses and property, marketing and administration expenses. EBITDA as a percentage of revenues for the first nine months of 2007 were relatively consistent compared to the first nine months of 2006 since the reduced revenues for this period was offset by greater percentage declines in human resources expenses and property, marketing and administration expenses.

Union Certification Update

On April 27, 2007, the Service Employees International Union, Local 902 ("SEIU") applied to the Nova Scotia Labour Relations Board ("NS LRB") to certify a bargaining unit consisting of various employee classifications at CNS Halifax. Following a representation vote in May 2007, the ballot boxes were sealed. The NS LRB held hearings during September 2007 to determine the appropriate bargaining unit membership, and ballots were counted, the result of which was in favour of union representation. On November 1, 2007, the NS LRB issued an order, effective September 7, 2007, certifying the SEIU as the bargaining agent for the bargaining unit, consisting of all full-time and regular part-time employees of Casino Nova Scotia Halifax excluding office and clerical workers, human resource employees, management information services employees, surveillance employees, security employees, supervisors and those above the rank of supervisor.

On May 31 2007, the SEIU applied to the NS LRB to certify a bargaining unit consisting of security workers located at CNS Halifax. Following a representation vote held in June 2007, the ballot boxes were sealed. The NS LRB held hearings in October 2007. As of this date, the vote has not been counted, and no formal certification of a security worker bargaining unit has been issued by the NS LRB.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Great American Casinos

	Third Quarter			%	First Nine Months of			%
	2007	2006	Chg		2007	2006	Chg	
Gaming revenues	\$ 5.4	\$ 5.4	0%	\$ 17.6	\$ 16.8	5%		
Hospitality and other revenues	1.1	1.1	0%	3.6	3.4	6%		
Revenues before promotional allowances	6.5	6.5	0%	21.2	20.2	5%		
Less: Promotional allowances	(0.2)	(0.5)	(60%)	(0.7)	(1.2)	(42%)		
Revenues	6.3	6.0	5%	20.5	19.0	8%		
Human resources	3.5	3.5	0%	11.0	10.6	4%		
Property, marketing and administration	1.6	1.4	14%	5.2	4.7	11%		
EBITDA	\$ 1.2	\$ 1.1	9%	\$ 4.3	\$ 3.7	16%		
Human resources as a % of Revenues before promotional allowances	53.8%	53.8%		51.9%	52.5%			
EBITDA as a % of Revenues	19.0%	18.3%		21.0%	19.5%			

The following data is presented in Canadian dollars, translated from U.S. dollars at the average exchange rate for the third quarter of 2007.

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Table Drop	\$ 25.7	\$ 29.5	\$ 28.4	\$ 27.7	\$ 24.6	\$ 24.9	\$ 25.2	\$ 26.6	
Table Hold	\$ 6.4	\$ 6.7	\$ 7.3	\$ 6.9	\$ 5.9	\$ 6.4	\$ 6.0	\$ 6.3	
Table Hold %	24.9%	22.7%	25.7%	24.9%	24.0%	25.7%	23.8%	23.7%	24.4%
Poker Rake	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	

Revenues

Gaming revenues for Great American Casinos in the third quarter of 2007 remained consistent compared to the third quarter of 2006. Gaming revenues for the first nine months of 2007 increased compared to the first nine months of 2006 reflecting higher levels of table drop in the first nine months of 2007 arising from VIP parties held at our Washington casinos during the first quarter of 2007 and several successful promotions held during the second quarter of 2007.

Hospitality and other revenues remained consistent in the third quarter compared to the third quarter of 2006 and increased by 6% for the first nine months of 2007 over the first nine months of 2006, which is reflective of the increased table drop at our Washington casinos.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances in the third quarter of 2007 remained consistent compared with the third quarter of 2006. Human resources expenses as a percentage of revenues before promotional allowances improved by 0.6 percentage points in the first nine months of 2007 over the first nine months of 2006, due to a stronger ratio achieved in the first quarter of 2007 as a result of the increase in gaming revenues.

Property, marketing and administration expenses increased by \$0.2 or 14% in the third quarter and by \$0.5 or 11% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, due to increased marketing expenses for the promotions which contributed to the 4% increase in table drop in the third quarter and 12% increase in table drop in the first nine months of 2007 compared to the

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

third quarter and first nine months of 2006. We will continue our efforts to use cost-efficient targeted marketing initiatives.

EBITDA

Our improved operational performance during the third quarter and first nine months of 2007 more than offset the effect that the recent strengthening of the Canadian dollar relative to the US dollar had on our Great American Casinos' results.

EBITDA in the third quarter and the first nine months increased by \$0.1 or 9% and \$0.6 or 16%, respectively, compared with the third quarter of 2006 and the first nine months of 2006 as a result of higher gaming revenues which more than offset increases in expenses for the period. EBITDA as a percentage of revenues for the third quarter of 2007 increased by 0.7 percentage points compared to the third quarter of 2006, primarily due to lower promotional allowance cost. EBITDA as a percentage of revenues for the first nine months of 2007 improved by 1.5 percentage points over the first nine months of 2006, due to higher table hold and gaming revenues in the first quarter of 2007 that resulted from the successful VIP parties and other promotions held in the first and second quarters of 2007.

Racinos

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

	Third Quarter			%	First Nine Months of			%
	2007	2006	Chg		2007	2006	Chg	
Gaming revenues	\$ 3.1	\$ 2.5	24%	\$ 8.7	\$ 7.5	16%		
Facility Development Commission	0.7	0.6	17%	2.1	1.8	17%		
Racetrack revenues	7.0	6.5	8%	19.0	17.2	10%		
Hospitality and other revenues	2.2	2.3	(4%)	5.5	5.6	(2%)		
Revenues before promotional allowances	13.0	11.9	9%	35.3	32.1	10%		
Less: Promotional allowances	(0.3)	(0.3)	0%	(0.7)	(0.6)	17%		
Revenues	12.7	11.6	9%	34.6	31.5	10%		
Human resources	4.6	4.5	2%	12.3	12.6	(2%)		
Property, marketing and administration	4.5	4.3	5%	13.0	12.7	2%		
EBITDA	\$ 3.6	\$ 2.8	29%	\$ 9.3	\$ 6.2	50%		

Human resources as a % of Revenues before promotional allowances

	35.4%	37.8%	34.8%	39.3%
EBITDA as a % of Revenues	28.3%	24.1%	26.9%	19.7%

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Average
Slot Coin In	\$ 209.7	\$ 207.3	\$ 185.6	\$ 173.5	\$ 169.6	\$ 168.2	\$ 164.0	\$ 158.6	
Slot Win	\$ 15.8	\$ 15.5	\$ 13.7	\$ 13.0	\$ 13.2	\$ 13.0	\$ 12.0	\$ 11.5	
Average # Slots	439	437	436	437	434	421	421	415	
Slot Win/Slot/Day ⁽¹⁾	\$ 391	\$ 390	\$ 349	\$ 323	\$ 331	\$ 339	\$ 317	\$ 301	
Slot Win %	7.5%	7.5%	7.4%	7.5%	7.8%	7.7%	7.3%	7.3%	7.5%

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

Revenues

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Gaming revenues for the BC Racinos increased by 24% in the third quarter and by 16% for the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively, due primarily to the strong performance of slot machines at Fraser Downs. Slot coin in at Fraser Downs increased by \$40.1 and slot win increased by \$2.6 in the third quarter of 2007 compared to the third quarter of 2006.

Racetrack revenues increased 8% in the third quarter of 2007 and 10% in the first nine months of 2007 compared to the third quarter and first nine months of 2006 primarily due to increased phone and internet wagering and revenues generated by TBC Teletheatres B.C. following the expansion of the Racebooks at our River Rock and Boulevard casinos in 2006. The third quarter of 2007 increases were partly offset by declines in wagering at Fraser Downs and at Hastings compared to 2006 due to increased off-track wagering at our River Rock and Boulevard Racebooks.

Hospitality and other revenues for the third quarter decreased by \$0.1 or 4% and by \$0.1 or 2% for the first nine months of 2007 compared to the third quarter and the first nine months of 2006 respectively.

Expenses

Human resources expenses in the third quarter and first nine months of 2007 were consistent compared to the third quarter and first nine months of 2006. Human resources expenses as a percentage of revenues before promotional allowances improved by 2.4 percentage points in the third quarter and by 4.5 percentage points in the first nine months of 2007 compared to the third quarter and first nine months of 2006. This resulted from our continued efforts to improve labour efficiency at the BC Racinos, higher gaming revenues at Fraser Downs, and a higher proportion of revenue from TBC Teletheatres B.C. which has lower human resources costs as a percentage of revenues before promotional allowances than our traditional live racetrack operations.

Property, marketing and administration expenses increased by \$0.2 or 5% for the third quarter and by \$0.3 or 2% for the first nine months of 2007 compared with the third quarter and first nine months of 2006. The increases were primarily due to higher property lease costs for Fraser Downs since they are adjusted for increased gaming revenues. In addition, the third quarter of 2007 had increased marketing spend on customer rewards programs that were only partly offset by reduced food and beverage costs that arose from more efficient in-house management of our hospitality operations.

EBITDA

EBITDA increased by 29% in the third quarter and 50% in the first nine months of 2007 relative to the third quarter and first nine months of 2006. These increases were primarily due to increased slot revenue at Fraser Downs and increased off track wagering from the addition of Racebooks at River Rock and the Boulevard Casino. EBITDA as a percentage of revenues improved by 4.2 percentage points in the third quarter and by 7.2 percentage points in the first nine months of 2007 over the third quarter and first nine months of 2006. The BC Racinos have benefited from increased slot revenue from Fraser Downs, increased racetrack revenues from our racetracks, Racebook, telephone and internet wagering, and improved labour efficiencies.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Recent Developments

We believe the strength of the slot operations at Fraser Downs results from its strategic location in Surrey, B.C., one of the fastest growing cities in Canada. According to Statistics Canada, Surrey experienced a 14% growth in population over a five-year period from approximately 348,000 residents in 2001 to 395,000 residents in 2006. To meet the current high level of demand at Fraser Downs, later this quarter we plan to install approximately 90 new slot machines and 12 live table games at the property. These additions will increase the gaming positions there by more than 30%. We expect to invest approximately \$8.0 in capital improvements in connection with these upgrades for which we will apply to BCLC to receive an AFDC of 2% of gaming revenues generated at Fraser Downs. In connection with this increased gaming supply, Fraser Downs will receive a BCLC service fee of 28% from slot win and 43% from table win (inclusive FDC), representing an increase of 3% and thereby making its service fee compensation consistent with other British Columbia casinos. The increased slot win service fee revenue formula will apply to both the existing and additional planned electronic gaming devices at Fraser Downs. Concurrent with this upgrade, we will cease operations at our Casino on Broadway in Vancouver in November 2007.

We expect to introduce shortly 150 slot machines at Hastings in the City of Vancouver, which will be the first phase of a re-development of the facility that we expect to ultimately house a total of 600 slot machines. Consistent with other British Columbia casinos, Hastings will receive a BCLC service fee of 28% on slot win (inclusive of FDC). We are also currently preparing to execute plans for the second phase of expansion at Hastings that we believe will be completed by early 2009 with an estimated \$40.0 in capital improvements during the initial five-year term of the operating agreement with the City of Vancouver. The fifteen-year renewal term of the operating agreement provides for the construction of additional parking and backstretch facilities. In order to recover our investment in the redevelopments, we will apply to BCLC for an additional commission of 2% on slot win pursuant to BCLC's policy for AFDC. The redevelopment of Hastings and proposed installation of slot machines is subject to the conclusion of a definitive Casino Operating Services Agreement ("COSA") with BCLC. Litigation brought against the City of Vancouver by the Hastings Park Conservancy related to the City of Vancouver rezoning by-law remains outstanding in the British Columbia Court of Appeal. We are confident that the appeal will not be successful and although not party to the appeal, we are monitoring the litigation closely.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Georgian Downs

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 2.6	\$ 2.4	8%	\$ 7.0	\$ 7.5	(7%)
Racetrack revenues	0.6	0.7	(14%)	1.3	2.0	(35%)
Hospitality and other revenues	1.0	1.1	(9%)	2.8	3.3	(15%)
Revenues before promotional allowances	4.2	4.2	0%	11.1	12.8	(13%)
Revenues	4.2	4.2	0%	11.1	12.8	(13%)
Human resources	1.0	1.3	(23%)	2.7	3.5	(23%)
Property, marketing and administration	1.6	1.4	14%	4.5	4.4	2%
EBITDA	\$ 1.6	\$ 1.5	7%	\$ 3.9	\$ 4.9	(20%)

Human resources as a % of
Revenues before promotional
allowances

	23.8%	31.0%	24.3%	27.3%
--	-------	-------	-------	-------

EBITDA as a % of Revenues

	38.1%	35.7%	35.1%	38.3%
--	-------	-------	-------	-------

Revenues

Gaming revenues for Georgian Downs increased by 8% in the third quarter and decreased by 7% in the first nine months of 2007 relative to the third quarter and first nine months of 2006. During the first quarter of 2007, our Georgian Downs horse racing contract with the Ontario Harness Horseman's Association ("OHHA") expired without being renewed, resulting in the cessation of live and simulcast racing at the property until March 10, 2007, when a new agreement was reached and racing resumed. During that time, the slot floor operated by OLG remained open, but the absence of live racing, combined with protests by members of OHHA resulted in significantly lower customer visitation and lower gaming revenues during the first quarter of 2007. Gaming revenues for the third quarter of 2007 are 8% higher than the second quarter of 2007, thus showing signs of recovery from the racing stoppage.

Racetrack revenues, hospitality and other revenues for the third quarter of 2007 are 100% higher than the first quarter of 2007 and only \$0.2 or 11% lower than the third quarter of 2006, which we believe is another indication that Georgian Downs is recovering from the racing stoppage.

Gaming revenues, racing revenues, and hospitality and other revenues for the first nine months of 2007 decreased relative to the first nine months of 2006 as a result of the racing stoppage.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances in the third quarter of 2007 have improved 7.2 percentage points compared to the third quarter of 2006 as a result of controlling our staffing levels and related costs as demonstrated by the 23% decline in human resources expenses for that period. Human resources expenses as a percentage of revenues before promotional allowances in the first nine months of 2007 improved by 3.0 percentage points relative to the first nine months of 2006, as we managed our human resources costs by temporarily reducing our level of racing staff during the racing stoppage in the first quarter of 2007 and further managing staffing levels when live racing resumed.

Property, marketing and administration expenses in the third quarter and first nine months of 2007 have increased slightly from the third quarter and first nine months of 2006. The third quarter of 2007 increase was primarily related to increased janitorial costs and additional marketing for food and beverage service

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

offerings that were partly offset by reduced food supply costs.

EBITDA

EBITDA has increased by 7% in the third quarter and decreased by 20% in the first nine months of 2007 compared to the third quarter and first nine months of 2006. The decrease is primarily due to the impact of the racing stoppage. EBITDA as a percentage of revenues decreased by 3.2 percentage points in the first nine months of 2007 compared to the first nine months of 2006 as a result of the racing stoppage. EBITDA as percentage of revenues increased by 2.4 percentage points in the third quarter of 2007 compared to the third quarter of 2006, primarily due to the above-mentioned reduction in human resources expenses.

Recent Developments

In July, we entered into new Supplemental Agreements with the OLG that will allow for the redevelopment of Georgian Downs and more than double the property's slot capacity to 1,000 machines from the 451 currently installed. Slot machines at Georgian Downs are owned and operated by OLG.

In addition, through the Supplemental Agreements, OLG has extended the term and guaranteed our 10% slot machine revenue share through to November 30, 2021. The Supplemental Agreements include a provision for extension until November 30, 2026, at OLG's discretion. With the extension of our siteholder agreement secured, we are moving forward with the drafting of a master plan for further development at Georgian Downs.

We will spend an estimated \$30.3 to expand our existing Georgian Downs building to accommodate the increased gaming capacity. The OLG has estimated it will spend \$45.7 for the slot floor, food and beverage and back-of-house areas, bringing the total estimated project costs to \$76.0. The total construction timeline is expected to span approximately 18 months and is expected to be completed by early 2009.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Flamboro Downs

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Gaming revenues	\$ 3.3	\$ 3.1	6%	\$ 9.6	\$ 8.9	8%
Racetrack revenues	0.9	1.2	(25%)	3.1	3.7	(16%)
Hospitality and other revenues	1.1	1.3	(15%)	3.2	4.1	(22%)
Revenues before promotional allowances	5.3	5.6	(5%)	15.9	16.7	(5%)
Less: Promotional allowances	(0.1)	-		(0.2)	(0.1)	100%
Revenues	5.2	5.6	(7%)	15.7	16.6	(5%)
Human resources	1.7	1.9	(11%)	5.3	6.0	(12%)
Property, marketing and administration	1.8	1.8	0%	5.1	5.1	0%
EBITDA	\$ 1.7	\$ 1.9	(11%)	\$ 5.3	\$ 5.5	(4%)

Human resources as a % of Revenues before promotional allowances	32.1%	33.9%
EBITDA as a % of Revenues	32.7%	33.9%

	33.3%	35.9%
	33.8%	33.1%

Revenues

Gaming revenues for Flamboro Downs increased by 6% in the third quarter and by 8% in the first nine months of 2007 relative to the third quarter and first nine months of 2006. We are encouraged by the strength of slots activity in the market, as growth in slot revenue has occurred despite a decrease in racetrack revenues.

Racetrack revenues in the third quarter of 2007 decreased by 25% relative to the third quarter of 2006 due to seventeen fewer live racing days in the third quarter of 2007 compared to the third quarter of 2006. Racetrack revenues in the first nine months of 2007 decreased by 16% relative to the first nine months of 2006 primarily due to 32 fewer live race days compared to the first nine months of 2006.

Hospitality and other revenues decreased by 15% in the third quarter and by 22% in the first nine months of 2007 compared to the third quarter and first nine months of 2006. The decrease is primarily due to a reduction in OLG promotions directly linked to food and beverage offerings, as well as the closure of our less profitable food and beverage outlets at the property and fewer live racing days.

We are also pursuing opportunities to improve visitation at Flamboro Downs, including upgrades to Racebook and food and beverage outlets that could improve the facility's customer draw and increase on-track wagering and hospitality and other revenues.

Expenses

Human resources expenses as a percentage of revenues before promotional allowances improved by 1.8 percentage points in the third quarter and by 2.6 percentage points in the first nine months of 2007 compared to the third quarter and first nine months of 2006. This improvement reflects our continuing efforts to improve labour efficiency at the property as well as fewer live racing days in the second and third quarters of 2007 compared to the second and third quarters of 2006.

Property, marketing and administration expenses for the third quarter and first nine months of 2007 have

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

remained relatively consistent with the third quarter and first nine months of 2006.

EBITDA

EBITDA in the third quarter and first nine months of 2007 has decreased by \$0.2 or 11% in the third quarter and by \$0.2 or 4% in the first nine months of 2006. EBITDA as a percentage of revenues decreased by 1.2 percentage points in the third quarter and increased by 0.7 percentage points in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively.

Corporate & Other

Corporate and Other

	Third Quarter			First Nine Months of		
	2007	2006	% Chg	2007	2006	% Chg
Other Revenues	\$ 0.3	\$ 0.3	0%	\$ 0.5	\$ 0.3	67%
Human resources	4.9	5.5	(11%)	15.3	15.7	(3%)
Property, marketing and administration	2.3	2.1	10%	6.2	7.5	(17%)
EBITDA	\$ (6.9)	\$ (7.3)	5%	\$ (21.0)	\$ (22.9)	8%

Human Resources

Human resources expenses for the third quarter of 2007 have decreased by 11% relative to the third quarter of 2006 primarily due to our continued efforts to improve labour efficiency.

Property, Marketing and Administration

Property, marketing and administration expenses in the third quarter of 2007 increased by \$0.2 or 10% compared to the third quarter of 2006, primarily due to increased professional fee accruals but improved for the first nine months of 2007 compared to 2006 due primarily to decreases in general and administration expenses such as professional fees and discretionary travel. We will continue to make efforts to monitor and maintain control over our corporate expenses.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Discussion of Items Excluded from EBITDA

Amortization

Amortization increased by \$0.2 in the third quarter and decreased by \$1.8 in the first nine months of 2007 relative to the third quarter and first nine months of 2006. Amortization in the third quarter and first nine months of 2006 included \$0.2 and \$2.5, respectively, in impairments of long-lived assets. Amortization in the first nine months of 2007 included a \$0.4 gain on the disposal of long-lived assets. After adjusting for these items, amortization increased by \$0.4 in the third quarter and by \$1.1 in the first nine months of 2007 compared to the third quarter and first nine months of 2006 due to the addition of property, plant and equipment in 2007.

Stock-Based Compensation

Stock-based compensation increased by \$0.5 or 38% in the third quarter of 2007 and by \$0.2 or 4% for the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively, due primarily to the annual grant of options at the end of the first quarter of 2007.

Restructuring Costs

Restructuring costs in the third quarter and first nine months of 2007 related primarily to costs associated with the upcoming November 2007 closure of our Casino on Broadway in Vancouver, B.C.. In the third quarter and first nine months of 2006, restructuring costs consisted of severances, and other obligations associated with departed employees

Interest and Financing Costs, net

In February 2007, as part of our debt refinancing we entered into a US\$170.0 Senior Secured Term Loan B and US\$170.0 Senior Subordinated Notes (described in the "Capital Resources" section of this MD&A). As this debt is denominated in U.S. dollars and our revenues are primarily in Canadian dollars, the Company entered into cross-currency interest rate swap agreements to effectively convert this debt into Canadian dollar fixed interest rate debt.

Interest and financing costs, net of interest income decreased by \$29.3 in the third quarter of 2007 compared to the third quarter of 2006. The decrease related primarily to the third quarter 2006 \$30.9 one-time payments associated with the early redemption of the Company's Series A and Series B Senior Secured Notes and the write-off of associated deferred transaction costs. In addition, interest expense increased \$1.7, primarily from higher average debt levels and higher interest rates on the Company's Senior Secured Term Loan B and Senior Subordinated Notes, which was partly offset by \$0.4 increased interest income due to higher average levels of cash equivalent investments.

Interest and financing costs, net of interest income, decreased by \$25.5 in the first nine months of 2007 compared to the first nine months of 2006. The decrease primarily related to the above-mentioned Series A and Series B Senior Secured Notes early redemption costs and write-off of associated deferred transaction costs in the third quarter of 2006. Interest expense increased \$5.1 in the first nine months of 2007 compared to the first nine months of 2006 due to higher average debt levels and higher interest rates on the Company's Senior Secured Term Loan B and Senior Subordinated Notes. In addition, the first quarter of 2007 included \$1.6 in underwriting fees and amortized transaction costs related to the Bridge Credit Facility was offset by \$1.5 increased interest income due to higher average levels of short-term cash equivalent investments.

Other Expenses

Other expenses in the third quarter increased \$0.2 in 2007 due to a non-cash foreign exchange loss compared to a non-cash foreign exchange gain in the third quarter of 2006. The \$1.3 decrease in other expenses for the first nine months of 2007 relative to the first nine months of 2006 was primarily due to a decreased non-cash foreign exchange loss.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Income Taxes (Recovery)

Income taxes increased \$5.4 in the third quarter of 2007 and \$11.2 in the first nine months of 2007, respectively. Several items affected the comparability of income taxes over these periods: the third quarter of 2006 income tax benefit of \$10.6 on the \$30.9 in costs associated with the redemption of our Series A and Series B Senior Secured Notes; the non-cash future income tax recoveries of \$5.2 and \$1.0 in the second quarter of 2006 and second quarter of 2007, respectively, arising from decreases in enacted tax rates and the \$5.0 non-cash future income tax recoveries in the third quarter of 2007 due to the effect of tax rate differentials on and adjustments related to prior years' income tax provisions.

Net Earnings (Loss)

Net earnings increased \$26.7 in the third quarter and \$29.9 in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively. After excluding the after-tax costs associated with the redemption of our Series A and Series B Senior Secured Notes in the third quarter of 2006 and the non-cash future income tax recoveries recorded in the second quarter of 2006, the second quarter of 2007 and the third quarter of 2007, our net earnings increased \$1.4 or 23% in the third quarter and \$8.8 or 110% in the first nine months of 2007 compared to the third quarter and first nine months of 2006, respectively. These increases in our consolidated net earnings reflect a continued trend towards improved operating results driven by revenue growth and operational efficiencies.

CONSOLIDATED QUARTERLY RESULTS TREND

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Revenues	\$ 103.2	\$ 97.7	\$ 95.6	\$ 98.1	\$ 100.2	\$ 95.6	\$ 91.3	\$ 89.5
EBITDA	\$ 30.9	\$ 26.8	\$ 25.4	\$ 25.4	\$ 27.0	\$ 24.1	\$ 21.7	\$ 14.9
EBITDA as a % of Revenues	29.9%	27.4%	26.6%	25.9%	26.9%	25.2%	23.8%	16.6%
Net earnings (loss)	\$ 12.6	\$ 5.9	\$ 4.3	\$ (11.5)	\$ (14.1)	\$ 6.1	\$ 0.9	\$ (9.1)
Earnings (loss) per common share:								
Basic	\$ 0.15	\$ 0.07	\$ 0.05	\$ (0.13)	\$ (0.16)	\$ 0.07	\$ 0.01	\$ (0.11)
Diluted	\$ 0.15	\$ 0.07	\$ 0.05	\$ (0.13)	\$ (0.16)	\$ 0.07	\$ 0.01	\$ (0.11)

The third quarter of 2007 showed continued progress towards our goals of driving better efficiencies and increased value from our past expansions and acquisitions. Our revenues increased 3% and our EBITDA increased 14% over the third quarter of 2006. This translated to an increase in our EBITDA as a percentage for revenues for the third quarter of 2007 to 29.9% compared to 26.9% in the third quarter of 2006. The increase in our consolidated EBITDA over the third quarter of 2006 reflects a continued trend towards improved operating results driven by revenue growth and the continued realization of efficiencies at both the site and head office levels.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

MARKET UPDATE

British Columbia

We expect additional gaming capacity in the metro Vancouver area to come on line at the Starlight Casino in New Westminster in December 2007 and the Villa Casino in Burnaby in mid-2008. We expect these openings will help to grow the under-penetrated gaming market in the province as a whole. Although our properties are not in the same cities as these two casinos, we will begin a targeted marketing campaign in order to minimize any short-term impact that they may have on our existing River Rock (Richmond), Boulevard (Coquitlam) and Fraser Downs (Surrey) properties.

Community gaming centers have recently opened on Vancouver Island in Duncan and Port Alberni. Duncan is 50 km south of our Nanaimo casino and 53 km north of our View Royal Casino. Port Alberni is 81 km north of our Nanaimo casino and 184 km north of our View Royal Casino. Each of these community gaming centres currently house 75 slot machines, but do not have table games that our full-service Nanaimo and View Royal casinos offer. We believe our expansion plans for View Royal will help us to better serve our gaming capacity constrained market and therefore allow us to maintain our reputation as the premier gaming and entertainment destination on Vancouver Island.

A community gaming centre in Fort St. John, British Columbia housing 142 slots opened on September 21, 2007. While this new facility is approximately 72 km north-west of our Chances Gaming Entertainment Centre at Dawson Creek, it may have some competitive impact on our facility.

Ontario

There have been no recent gaming market developments affecting our operations in Ontario.

Nova Scotia

In Nova Scotia, we are noticing increased competition in the Sydney gaming market due to the expansion of and the allowance for smoking at the Membertou Entertainment Complex operated by the Membertou First Nation. The Membertou Entertainment Complex is 5km south-west of our Casino Nova Scotia Sydney facility.

Washington State

The Washington State gaming market is experiencing a shift from the lottery, charitable bingo and commercial house-banked card room segments to Tribal gaming facilities given their ability to offer a broader array of games such as slot machines, electronic gaming devices and table games with higher betting limits. We believe our house-banked card rooms in Washington State appeal to local customers that are not regularly attracted to the Tribal gaming facilities. Although three competing Tacoma casinos closed in late 2006, a new competitor's casino opened in the second quarter of 2007 near our Lakewood property. We continue to explore opportunities to improve both revenues and EBITDA in this market given the evolving market trends.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	As at September 30, 2007	As at December 31, 2006	% Change
Cash and cash equivalents	\$ 107.8	\$ 56.8	90%
Other current assets	47.2	55.8	(15%)
Property, plant and equipment	562.5	565.8	(1%)
Due from Nova Scotia Gaming Corporation	6.3	17.7	(64%)
Other long-term assets	239.1	244.6	(2%)
	\$ 962.9	\$ 940.7	2%
Current liabilities	75.4	65.7	15%
Long-term debt, excluding current portion	330.8	390.3	(15%)
Other long-term liabilities	143.2	89.8	59%
Shareholders' equity	413.5	394.9	5%
	\$ 962.9	\$ 940.7	2%

Cash and cash equivalents have increased since December 31, 2006 primarily due to cash inflows from operations and from the issuance of the Term Loan B and the Senior Subordinated Notes offset partly by the repayment of long-term debt including \$41.7 repaid on July 3, 2007 to settle the Flamboro Promissory Note. Cash equivalents at September 30, 2007 were \$55.2 and comprised \$25.0 invested in Canadian treasury bills, \$23.5 invested in bearer deposit notes, and \$6.7 in bank term certificates of deposit. As a result, at the end of the third quarter of 2007, the Company had no exposure to asset backed commercial paper.

Other current assets have decreased since December 31, 2006 primarily due to the reduction of income tax receivables to a net payable position at September 30, 2007.

The long-term balance due from Nova Scotia Gaming Corporation has decreased from December 31, 2006 due to payments received from NSGC.

Current liabilities have increased since December 31, 2006, primarily due to increases in taxes payable and current portion of long-term debt.

As at December 31, 2006, long-term debt, excluding current portion, consisted primarily of the Company's former Bridge Credit Facility and Flamboro Promissory Note. As at September 30, 2007 long-term debt, excluding current portion consists primarily of the Company's Term Loan B and Senior Subordinated Notes that replaced our former Bridge Credit Facility on February 14, 2007. The Flamboro Promissory Note was repaid during the third quarter of 2007.

Other long-term liabilities have increased since December 31, 2006 due primarily to increases in the Company's derivative liabilities, which represents the fair value of the Company's cross currency interest rate swaps as at September 30, 2007.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Changes in Cash Flows

	Third Quarter		%	First Nine Months of		%
	2007	2006	Chg	2007	2006	Chg
Cash inflow from operating activities	\$ 35.4	\$ (8.0)		\$ 72.3	\$ 12.1	498%
Cash outflow from investing activities	(10.1)	(10.8)	(6%)	(16.8)	(41.7)	(60%)
Cash inflow (outflow) from financing activities	(51.1)	63.7		(2.5)	46.7	
Effect of foreign exchange on cash and cash equivalents	(0.9)	0.1		(2.0)	(0.1)	
Increase (decrease) in cash	\$ (26.7)	\$ 45.0		\$ 51.0	\$ 17.0	200%

The increase in the cash inflow from operating activities in the third quarter and first nine months of 2007 relative to the third quarter and first nine of 2006 was primarily due to increased EBITDA and reductions in non-cash working capital, particularly income taxes.

The decrease in the cash outflow from investing activities in the third quarter and first nine months of 2007 relative to the third quarter and first nine months of 2006 was primarily due to the significant construction projects that were in progress in the prior year. These included the renovations at the Nova Scotia casinos, the new Chances in Dawson Creek, and the Red Robinson Show Theatre at the Boulevard Casino.

Cash outflow from financing activities in the first nine months of 2007 relates to the net cash flows from the debt refinancing that was completed in the first quarter of 2007, the repayment of the Flamboro Promissory Note and the purchase of the Company's common shares. Cash outflows from financing activities in the third quarter and first nine months of 2006 relate to principal repayments of long-term debt.

Capital Resources

Long-Term Debt and Equity Transactions

	September 30, 2007	December 31, 2006
Term Loan B, net of unamortized transaction costs of \$3.2	\$ 165.1	\$ -
Senior Subordinated Notes and \$1.9 unamortized premium net of unamortized transaction costs of \$6.7	164.6	-
Hastings Promissory Note	3.0	3.4
Obligations under capital leases and other debt	1.3	1.4
Bridge Credit Facility - Revolving Credit Facility	-	95.0
Bridge Credit Facility - Non-Revolving Credit Facility	-	250.0
Flamboro Promissory Note	-	41.7
	\$ 334.0	\$ 391.5

Debt Refinancing

On February 14, 2007, the Company completed its debt refinancing to retire the Bridge Credit Facility. This debt refinancing was the final step of a restructuring process that began last year with the establishment of a Bridge Credit Facility that we used to redeem the former Series A and Series B Senior Secured Notes. We believe the long-term debt structure provides us with enhanced flexibility to pursue value-creating growth opportunities in our chosen markets. Details of the covenants and conditions of our debt financing are disclosed in the notes to the Annual Financial Statements.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

The debt refinancing consisted of three components: (i) an undrawn \$200.0 Senior Secured Revolving Credit Facility (the "Revolving Credit Facility") with a term of 5 years; (ii) a US\$170.0 Senior Secured Term Loan B (the "Term Loan B") with a term of 7 years; and (iii) US\$170.0 Senior Subordinated Notes (the "Subordinated Notes") with a term of 8 years. The Company has the option to increase the Revolving Credit Facility or issue additional term loans by up to \$150.0 on the same terms and conditions in the case of the Revolving Credit Facility and on the same terms and conditions except with limitations on the market interest rate margin applicable at the time in the case of the term loans. The gross proceeds of the Term Loan B and the Subordinated Notes were \$401.9. The three components of the debt facilities are guaranteed by the Company and its principal subsidiaries. Substantially all the assets of the Company and its principal subsidiaries are security for the Revolving Credit Facility and the Term Loan B.

Our risk management strategy is to minimize exposure to currencies other than Canadian dollars, and with the exception of revolving lines of credit, to fix substantially all of our floating interest rate debt. As a result, we have entered into cross-currency interest rate swap agreements with creditworthy financial institutions to effectively convert both the \$170.0 U.S. dollar floating interest rate Term Loan B and the \$170.0 U.S. dollar fixed interest rate Senior Subordinated Notes into Canadian dollar fixed interest rate debt.

The Revolving Credit Facility has a term of 5 years. 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 as defined in the underlying debt agreements, which is calculated quarterly.

The Term Loan B is denominated in US dollars (US\$170.0) and bears interest at a floating rate (LIBOR plus 1.5%), 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 Senior Subordinated Notes (the "Subordinated Notes") are guaranteed by the Company and substantially all of its subsidiaries, and are unsecured. The Subordinated Notes are denominated in US 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 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 during defined periods prior to maturity with payment of defined premiums. These provisions for early redemption were recorded at their \$2.1 fair value on February 14, 2007 as a derivative asset and as a premium on the Subordinated Notes.

The debt facilities provide the Company with a more flexible debt structure and leverage more typical of the industry, the opportunity to lower our overall cost of capital, and the capacity to fund future growth and expansion opportunities.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

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

We have entered into cross-currency interest rate swap agreements with creditworthy financial institutions to effectively convert both the \$170.0 U.S. dollar floating interest rate Term Loan B and the \$170.0 U.S. dollar fixed interest rate Senior Subordinated Notes into Canadian dollar fixed interest rate debt.

The cross-currency interest rate agreements are:

Debt	Notional Principal		Interest Rate		Maturity Date
	Receive (USD)	Pay (CAD)	Receive (USD)	Pay (CAD)	
Term Loan B	\$169.2 ⁽¹⁾	\$199.8 ⁽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.

These cross-currency interest rate swaps have been evaluated by the Company and have been designated as effective hedges of the cash flows associated with the Term Loan B and the Subordinated Notes. Accordingly, the Company has applied hedge accounting to these swaps.

As at September 30, 2007, the cross-currency interest rate swaps have been recorded as long-term derivative liabilities at their fair value of \$63.8. The cross-currency interest rate swaps were determined to be fully effective hedges of the cash flows associated with the Term Loan B and the Subordinated Notes, and accordingly 100% of the changes in fair values, net of taxes, have been recorded in other comprehensive income as changes in fair values of derivatives designated as cash flow hedges.

The fair values of our cross-currency interest rate swaps at September 30, 2007 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 September 30, 2007.

These are the only swaps the Company currently has or is currently contemplating.

Embedded Derivative

The Company's Subordinated Notes agreement has provisions for early redemption during defined periods prior to maturity with the payment of defined premiums. On issuance of the Subordinated Notes on February 14, 2007, the \$2.1 fair value of this embedded derivative was recorded as a derivative asset included in other assets and as a premium on the long-term debt on the consolidated statements of financial position. The fair value of this embedded derivative included in other assets as at September 30, 2007 is \$1.6 and the change in the fair value was recorded in interest and financing, net on the consolidated statements of earnings. The premium is amortized over the term of the Subordinated Notes using the effective interest method.

Outstanding Share Data

As at September 30, 2007, there were 85,959,397 common shares outstanding as compared to 86,146,631 as at December 31, 2006. The decrease in outstanding common shares was primarily the result of 772,200 common shares purchased by the Company at a cost of \$9.0 through our normal course issuer bid announced in July 2007. Subsequent to September 30, 2007, the Company purchased an additional

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

424,300 common shares for cancellation at a cost of \$5.8.

As at November 8, 2007, there were 85,635,097 common shares outstanding.

As at September 30, 2007, there were 6,383,210 stock options outstanding at a weighted average exercise price of \$12.47, and 6,206,361 warrants outstanding at a weighted average exercise price of \$12.89. As at November 8, 2007, there were 6,283,210 stock options and 6,206,361 warrants outstanding.

Capital Spending and Development

The following table summarizes our capital expenditures in the first nine months of 2007 and the approved capital spending and development plans for the remainder of 2007:

	Capital Expenditures		
	Maintenance	Expansion	Total
Actual first nine months 2007 capital expenditures	\$ 5.1	\$ 18.9	\$ 24.0
Expected remaining spend during 2007	2.0	17.4	19.4
Estimated 2007 Total	\$ 7.1	\$ 36.3	\$ 43.4

Expansion capital expenditures relate to the Canada Line Parking Garage at River Rock, the building costs for slot machines at Georgian Downs and Hastings, and the building costs for slot machines and tables at Fraser Downs. Maintenance capital expenditures consist primarily of capital items related to company wide property upgrades, surveillance equipment and information technology. Approximately \$12.5 of the expected remaining spend during 2007 is related to our BC properties and are expected to be eligible for recovery from BCLC through the FDC or AFDC.

As at September 30, 2007, the Company has \$348.5 (December 31, 2006 – \$350.4) in Approved Amounts (a term defined in the Company's COSAs with the BCLC) to be recovered by future FDC and the AFDC. Approved Amounts have not been recorded in the consolidated statements of financial position. Since FDC and AFDC are earned as a fixed percentage of gaming win, subject to the Company incurring sufficient Approved Amounts, recovery of Approved Amounts requires that our operating agreements with BCLC remain in good standing.

Commitments

	Expected Payments by Period as at September 30, 2007				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Long-term debt	\$ 3.2	\$ 5.8	\$ 5.4	\$ 319.6	\$ 334.0
Derivative liabilities	0.4	0.8	0.8	61.8	63.8
Operating leases and contracts	3.9	6.3	5.3	19.2	34.7
Total	\$ 7.5	\$ 12.9	\$ 11.5	\$ 400.6	\$ 432.5

The long-term debt contractual obligations include primarily the principal repayments of the Term Loan B and the Subordinated Notes and the repayment of the debts assumed on the acquisition of Hastings, as well as capital lease obligations.

Operating leases and contracts include primarily 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

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Sydney, and commitments to provincial lottery corporations to fund responsible gaming programs.

Contingencies

We have issued letters of credit to guarantee performance, primarily under construction contracts and gaming cash floats in the aggregate amount of \$27.7 at September 30, 2007.

As part of certain acquisition agreements, including those entered into on the acquisition of Orangeville Raceway Ltd. (Fraser Downs), Georgian Downs and Bear Mountain Community Gaming Centre (now "Chances"), we have agreed to make future contingent payments dependent on operations at these locations.

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 property 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;
- lessors of leased properties for personal injury claims that may arise at the facilities we operate; and
- Mayfield Canada Inc. for certain claims that may arise related to their former employees.

Litigation

A community group called the Hastings Park Conservancy, opposing the introduction of slot machines at Hastings, challenged in the Supreme Court of British Columbia a City of Vancouver by-law amendment permitting slot machines at Hastings. This challenge was unsuccessful, as the Supreme Court upheld the Vancouver by-law amendment. The community group has filed an appeal with the British Columbia Court of Appeal. We believe that the appeal is without merit and is unlikely to overturn the Supreme Court's original ruling.

If the appellate court quashes the by-law amendment, this could impact the development of Hastings. If we are required to remove any slot machines already installed at Hastings, our investment in that operation would be adversely affected.

In addition, the Company is involved in claims and litigation arising in the ordinary course of business. We believe that the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Company.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Future Cash Requirements

We believe that our current approved capital plans and operational requirements can be funded from existing cash, cash generated from operations, our existing credit and debt facilities, and proceeds from the exercise of stock options or warrants. 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 or the issuance of non-debt securities or additional equity securities. If we raise additional funds through the issuance of equity securities or the exercise of stock options or warrants, 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

The following table summarizes related party transactions and balances that are in addition to those noted elsewhere in the MD&A for the first quarter of 2007.

Consolidated Statements of Earnings	Third Quarter 2007	2006	First Nine Months of 2007	2006
Other Income				
ATM revenues from a company that has a director who is a member of senior management of the Company ⁽¹⁾	\$ -	\$ 0.4	\$ 0.2	\$ 1.1
Human Resources				
Amounts for dealer training services provided by a company controlled by a director of the Company	0.2	0.3	0.6	0.7
			As at September 30, 2007	As at December 31, 2006
Consolidated Statements of Financial Position				
Accounts Payable and Accrued Liabilities				
Severance not yet paid to a former employee who is also a director of the Company			\$ 0.1	\$ 0.2
Other Assets				
Amounts due from senior management of the Company			0.1	0.3

⁽¹⁾In the first quarter of 2007, the related party sold the ATM service contract to an unrelated service provider.

These related party transactions were recorded at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Change in Accounting Policies

On January 1, 2007, the Company adopted new accounting policies for financial instruments by adopting the following new standards of the Canadian Institute of Chartered Accountants ("CICA"): Handbook Section 1530 – Comprehensive Income; Handbook Section 3251 – Equity; Handbook Section 3855 – Financial Instruments – Recognition and Measurement; Handbook Section 3861 – Financial Instruments – Disclosure and Presentation; and Handbook Section 3865 – Hedges. These new standards have been applied retrospectively without prior period restatement, except for the presentation of the cumulative foreign currency translation adjustment on the statements of financial position as a component of other comprehensive income (loss). The change in accounting policies had no other material impact on the Company's consolidated financial statements at January 1, 2007 and September 30, 2007.

Comprehensive Income

CICA Handbook Section 1530 introduces comprehensive income, which consists of net earnings on the consolidated statement of earnings (loss) and other comprehensive income (loss) ("OCI"). OCI represents changes in shareholders' equity in a period arising from the portion of the change in the fair values of the Company's derivatives designated as cash flow hedges that are determined to be effective, gains and losses on derivatives designated as cash flow hedges transferred to net earnings in the current period, and the unrealized effect of foreign currency translation of foreign operations.

Financial Instruments

CICA Handbook Sections 3855 and 3861 establish standards for the recognition, measurement, presentation and disclosure of financial instruments. Financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values of financial instruments are based on independent prices quoted in active markets. In the absence of an active market, fair values are determined based on valuation models, such as discounted cash flows models, which require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. Subsequent measurement depends on management's classification of the financial assets as held-for-trading, available-for-sale, held-to-maturity, or as loans and receivables, and financial liabilities as held-for-trading or as other liabilities. The classification of financial instruments depends on the nature of and the purpose of the financial instruments, management's choice and in some circumstances, management's intentions.

Held-for-Trading

Financial instruments classified as held-for-trading are measured at fair value with the realized and unrealized changes in fair value recognized each reporting period in the consolidated statement of earnings. The Company had no transition adjustments at January 1, 2007 for held-for-trading financial instruments, as the Company's held-for-trading financial instruments were already carried at fair value.

Available-for-Sale

Financial assets classified as available-for-sale are measured at fair value with the unrealized changes in fair value recorded each reporting period in OCI. Investments in equity instruments classified as available-for-sale that do not have a quoted price in an active market are recorded at cost. Each reporting period, available-for-sale assets are written down to fair value through the consolidated statement of earnings to reflect impairments that are considered to be other than temporary. The Company had no transition adjustments at January 1, 2007, as its available-for-sale financial instruments were carried at their fair value of \$nil to reflect an impairment.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Held-to-Maturity and Loans and Receivables

Financial instruments classified as held-to-maturity and loans and receivables are measured at amortized cost using the effective interest method. The Company had no material transition adjustments at January 1, 2007 for held-to-maturity financial instruments, loans and receivables, or other liabilities as their historical cost as at January 1, 2007 approximated their amortized cost.

Embedded Derivatives

Other than the embedded derivative related to the early redemption option on the Senior Subordinated Notes, the Company does not have any material embedded derivatives that require separate accounting.

Hedges

CICA Handbook Section 3865 specifies the criteria that must be satisfied in order for a financial instrument to be considered an effective hedge and for hedge accounting to be applied. It also defines the accounting treatment for each of the permitted hedging strategies: fair value hedges, cash flow hedges, and hedges of foreign currency exposures of net investments in self-sustaining foreign operations. The Company assesses the effectiveness of its hedging instruments at each reporting period. Hedge accounting is discontinued prospectively when the hedging relationship no longer qualifies as an effective hedge, or it is terminated upon the early termination of the hedged item. When hedge accounting is discontinued, changes in fair value of these financial instruments are recorded as interest and financing, net on the consolidated statements of earnings.

The Company had no transition adjustments for hedges, as it had no hedging relationships at January 1, 2007.

In anticipation of refinancing the Company's debt in the current period, the Company entered into cross-currency interest rate swaps to hedge the U.S. dollar exchange rate and interest rate risks associated with the issued debt. The Company designated these cross-currency interest rate swaps as cash flow hedges. These hedging instruments are presented on the consolidated statements of financial position at fair value. The portion of the change in fair values of the cross-currency interest rate swaps that is determined to be effective is recorded in OCI as changes in fair value of derivatives designated as cash flow hedges and any ineffective portion is recorded as interest and financing, net in the consolidated statements of earnings. The hedged debt is translated to Canadian dollars at the exchange rate in effect on the last day of the reporting period.

Translation of Foreign Operations

As specified in CICA Handbook Section 1530, on transition, the Company presented the unrealized effect of foreign currency translation of foreign operations as a component of OCI for the current and prior periods.

Transaction Costs

In accordance with its accounting policy election under CICA Handbook Section 3855, the Company recorded transaction costs for the Subordinated Notes and the Term Loan B as a reduction of the related debt, and amortizes these costs using the effective interest method over the term of the related debt. Financing costs related to the Revolving Credit Facility are included in other assets on the consolidated statements of financial position and are amortized on a straight-line basis over the term of the Revolving Credit Facility.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

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 are 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 long-lived asset and goodwill impairment, stock-based compensation, income taxes, and the fair value of our derivative asset and liabilities.

There have been no changes to our commentary, methods, or estimates on these critical accounting estimates to those presented in our MD&A for the year ended December 31, 2006, with the exception of determining the fair values of our derivative asset and liabilities. The fair values of our derivative asset and liabilities are based on 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. The fair value of our derivative asset also requires estimates of the probability that we will exercise our early redemption option on the Subordinated Notes over the remaining term of the debt.

Financial Instruments and Other Instruments

The Company's risk management strategy is to minimize exposure to currencies other than Canadian dollars 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 discussion on our financing and the hedging activities used to manage the foreign currency and interest rate risks.

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 concluded 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, 2006.

As well, as of the end of the fiscal year ended December 31, 2006, the Chief Executive Officer and Chief Financial Officer have evaluated and concluded that the Company's internal controls over financial

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

reporting have been adequately designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. However, control systems, no matter how well designed and operated, have inherent limitations, therefore, those systems, although determined to be adequately designed, can provide only reasonable assurance that the objectives of the system are met.

During the first nine months of 2007, there was no change in our internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Definitions of Other Terms Used in the MD&A

Revenues – means the sum of the following:

- Casino gaming in BC – gaming revenue is net of commissions paid to BCLC (commissions are 60% of the win on most table games, 75% of the slot machine win at the casino facilities, and currently 80% of the slot win at Racinos which is dropping to 75% in the fourth quarter of 2007) and is 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 revenue is net of commissions paid to BCLC (commissions are 75% of the win on slots, and 40% to 75% of the weekly bingo win) and is 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 revenue is net of county gaming taxes at various rates ranging from 10% to 14% for card and progressive jackpot games, 5% on pull-tabs and 2% on amusement games.
- Casino gaming in Nova Scotia – gaming revenue is 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.
- Food and beverage revenues – revenues are recorded at the retail price at the time of service. Food and beverage revenues in Nova Scotia are recorded at retail price less the 47.275% revenue retained by the NSGC.
- Hotel revenues – revenues are recognized as services are performed.
- Other income – 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 coin-in or drop, can fluctuate with the statistical variations of casino games.

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Additional Information

Additional information relating to the Company, including the Company's 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 Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Gaming Revenues					
River Rock Casino Resort	\$ 19.0	\$ 18.1	\$ 21.5	\$ 19.4	\$ 20.9
Boulevard Casino	13.7	13.4	12.4	12.8	12.1
Vancouver Island Casinos	8.8	8.8	8.5	8.5	8.9
Other BC Casinos	3.7	3.6	3.8	3.6	3.3
Nova Scotia Casinos	12.9	10.8	10.3	11.7	13.5
Great American Casinos	5.4	5.7	6.5	6.3	5.4
BC Racinos	3.1	3.0	2.6	2.6	2.5
Georgian Downs	2.6	2.4	2.0	2.3	2.4
Flamboro Downs	3.3	3.2	3.1	2.7	3.1
Corporate & Other	0.3	-	-	-	0.3
	72.8	69.0	70.7	69.9	72.4
Racetrack Revenues					
BC Racinos	7.0	6.6	5.4	5.7	6.5
Georgian Downs	0.6	0.6	0.1	0.6	0.7
Flamboro Downs	0.9	1.1	1.1	1.2	1.2
	8.5	8.3	6.6	7.5	8.4
Facility Development Commission					
River Rock Casino Resort	1.7	1.6	1.8	1.7	1.8
Boulevard Casino	3.2	1.3	1.2	1.2	1.2
Vancouver Island Casinos	1.0	1.0	1.0	1.0	1.0
Other BC Casinos	0.3	0.4	0.3	0.3	0.3
BC Racinos	0.7	0.7	0.7	0.6	0.6
	6.9	5.0	5.0	4.8	4.9
Hospitality and Other Revenues					
River Rock Casino Resort	6.9	7.2	6.9	8.0	7.0
Boulevard Casino	2.1	2.1	1.7	2.0	1.3
Vancouver Island Casinos	1.1	1.1	1.0	1.0	0.9
Other BC Casinos	0.5	0.3	0.5	0.4	0.4
Nova Scotia Casinos	1.7	1.6	1.3	1.4	1.7
Great American Casinos	1.1	1.2	1.3	1.4	1.1
BC Racinos	2.2	2.0	1.3	1.8	2.3
Georgian Downs	1.0	1.1	0.7	1.2	1.1
Flamboro Downs	1.1	1.1	1.0	1.2	1.3
Corporate & Other	-	0.1	0.1	-	-
	17.7	17.8	15.8	18.4	17.1
Promotional Allowances	(2.7)	(2.4)	(2.5)	(2.5)	(2.6)
Revenues	\$ 103.2	\$ 97.7	\$ 95.6	\$ 98.1	\$ 100.2
EBITDA					
River Rock Casino Resort	\$ 10.2	\$ 9.9	\$ 11.7	\$ 9.8	\$ 11.0
Boulevard Casino	9.1	7.3	5.5	6.6	5.5
Vancouver Island Casinos	5.9	5.9	5.5	5.7	5.8
Other BC Casinos	1.1	0.9	1.2	1.0	0.6
Nova Scotia Casinos	3.4	1.5	2.2	2.2	4.1
Great American Casinos	1.2	1.3	1.8	1.9	1.1
BC Racinos	3.6	3.5	2.2	2.0	2.8
Georgian Downs	1.6	1.5	0.8	1.4	1.5
Flamboro Downs	1.7	2.0	1.6	1.6	1.9
Corporate & Other	(6.9)	(7.0)	(7.1)	(6.8)	(7.3)
	\$ 30.9	\$ 26.8	\$ 25.4	\$ 25.4	\$ 27.0

GREAT CANADIAN GAMING CORPORATION

Management's Discussion & Analysis

For the Three Month and Nine-Month Periods Ended September 30, 2007

(Expressed in millions, except per share information)

Presentation of Gross Revenues

Gross revenues, a non-GAAP measure, is revenues 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 horse racing 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.

	Third Quarter			First Nine Months of		
	2007	2006	%Chg	2007	2006	%Chg
Gross table win	\$ 57.8	\$ 63.6	(9%)	\$ 181.9	\$ 182.7	(0%)
Gross slot win	143.1	131.7	9%	403.1	376.1	7%
Gross racetrack	36.8	32.1	15%	103.0	88.5	16%
Revenue from FDC	6.9	4.9	41%	16.9	14.2	19%
Food and beverage	14.1	14.3	(1%)	40.3	41.4	(3%)
Hotel revenues	2.9	2.8	4%	7.8	6.9	13%
Other revenues	2.4	1.7	41%	7.6	5.8	31%
Gross revenues (a non-GAAP measure)	264.0	251.1	5%	760.6	715.6	6%
Less:						
Gaming, taxes and other commissions	(129.8)	(124.5)	4%	(376.9)	(355.7)	6%
Racetrack purses	(28.3)	(23.8)	19%	(79.6)	(65.6)	21%
Promotional allowances	(2.7)	(2.6)	4%	(7.6)	(7.2)	6%
Revenues	\$ 103.2	\$ 100.2	3%	\$ 296.5	\$ 287.1	3%