



POYDRAS GAMING FINANCE CORP.

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Poydras Gaming Finance Corp. Announces 2015 First Quarter Financial Results

Q1 Revenue Increases 320% over the Prior Year Period; Continued Growth Expected in 2015

Mill Valley, CA, June 1, 2015 – POYDRAS GAMING FINANCE CORP. (TSX-V: PYD) (“Poydras,” “PGFC,” or the “Company”) has released financial results for the first quarter ended March 31, 2015 (all amounts expressed in US Dollars unless otherwise stated).

First Quarter 2015 Highlights & Financial Results

(Comparisons made between fiscal Q1 2015 and fiscal Q1 2014 results, unless otherwise noted)

- Leasing revenue increased 321% to \$656,088 from \$155,881.
- Adjusted EBITDA increased by \$219,160 to \$54,421, from a loss of \$164,739 in Q4 2014.
- Net loss for Q1 2015 was \$1,504,323 or \$0.01 per share compared to a net loss of \$1,132,671 or \$0.02 loss per share in the prior year period.
- Revenue generating machines in operation at quarter end totalled 470.
- Cash and cash equivalents on hand totalled \$1,604,478 at quarter end.

Management Commentary

“The first three months of 2015 provided an exciting start to the year as we reported meaningful growth in revenue, adjusted EBITDA, and machine deployment,” said Peter Macy, CEO of Poydras Gaming. “By the end of the second quarter of 2015, we expect to have over 700 revenue-generating gaming machines in operation. We look forward to reporting outstanding growth in 2015 as we complete our roll-out with the Tonkawa Tribe and close the Integrity transaction. We also continue to evaluate additional growth opportunities as our presence in over two dozen casinos and leadership position in our core market will provide a strong platform for organic and inorganic growth going forward.”

Fiscal Q1 2015 Financial Results

During the first quarter ended March 31, 2015, the Company focused on the development of a growth pipeline and the execution of the recently announced long-term gaming machine placement agreement with the Tonkawa Tribe of Indians of Oklahoma to provide 600 Class III gaming machines under a 6-year and 11-month contract. In March 2015 Poydras generated revenue from 191 gaming machines under the Tonkawa agreement, which contributed approximately \$150,000 in lease payments during the quarter. Subsequent to quarter end as of May 31, 2015, Poydras has acquired 529 machines under the Tonkawa placement agreement, including 292 machines which are currently installed and revenue-producing.

Leasing revenue increased 321% to \$656,088 from \$155,881 in Q1 2014. The increase in revenue was due to generating revenue from an average of 341 gaming machines in Q1 2015 as compared to 123 gaming machines in Q1 2014. During Q1 2015, the Company signed equipment lease agreements with certain casinos, which for accounting purposes are treated as finance leases as opposed to operating leases. If these agreement were classified as operating leases, Q1 2015 leasing revenue would have been \$705,712.

The Company’s Adjusted EBITDA increased by \$219,160 from negative (\$164,739) in Q4 2014 to \$54,421 in Q1 2015. The increase in Adjusted EBITDA is mainly due to revenue generated during March 2015 pursuant to the new lease

revenue contract signed in February 2015 with Tonkawa Tribe of Indians of Oklahoma. Q1 2015 Adjusted EBITDA was negatively impacted by approximately \$161,000 of legal, audit, and consulting costs incurred in connection with the proposed acquisition of the Integrity Companies. If these costs were not incurred, Q1 2015 Adjusted EBITDA would have been \$215,421.

The first quarter results include the consolidated accounts of PGFC, Platform 9 Corporation and Poydras Gaming LLC as well as the accounts of Windy Hill Capital LLC and Poydras Street Finance II LLC for the full quarter.

Machine Deployments

Since the completion of its reverse takeover (“RTO”) transaction on May 9, 2014, Poydras has increased the number of its revenue-generating gaming machines from 217 to 577, and has purchased and will place an additional 136 machines in the next 30 days. The Company expects to place an additional 121 already purchased machines during the third quarter of 2015. The Company’s existing contracts allow it the opportunity to place an additional 215 gaming machines for a total number of 1,049 deployed and deployable machines.

Proposed Acquisition of Integrity Companies

Poydras management expects to close its previously announced acquisition of the Integrity Companies (see News Release dated September 29, 2014) within the next 30 days subject to certain conditions including completion of an audit of the Integrity Companies, the approval of the TSX Venture Exchange, and the consent of applicable gaming regulatory authorities. The acquisition of the Integrity Companies is projected to contribute \$5.0 to \$6.0 million of adjusted EBITDA on an annualized basis. Upon closing of the acquisition of the Integrity Companies and the placement of machines with the Tonkawa Tribe of Indians of Oklahoma, Poydras will have over 2,500 machines under participation leases with 24 casinos.

Equity Financings

Subsequent to March 31, 2015, the Company initiated equity financings whereby Poydras will raise in aggregate up to C\$11.5 million. As announced on April 14, 2015, the initial tranche of C\$4.5 million was expected to be completed by way of private placement (the “Private Placement”), with the balance completed by way of prospectus offering (the “Prospectus Offering”). As announced on April 30, 2015, Poydras has completed the Private Placement effective April 29, 2015, raising C\$4.6 million through the issuance of 66,073,284 shares at C\$0.07 per share. The Company has filed a preliminary prospectus for the Prospectus Offering and Poydras management expects the prospectus offering to close within the next 30 days. The Prospectus Offering comprises subscription receipts expected to be priced at C\$0.07 which will be convertible into common shares upon the satisfaction of certain conditions including satisfaction of the conditions precedent to the acquisition of the Integrity Companies. The net proceeds from the financings will be used to fund the Company’s 600 machine placement with the Tonkawa Tribe of Indians of Oklahoma, acquisition of the Integrity Companies, as well as for general working capital purposes. The Prospectus Offering is subject to TSX-V approval.

Options Grant

On May 27, 2015 Poydras issued 850,000 incentive stock options to current directors of the Company at an exercise price of C\$0.10 per common share. The options were issued in accordance with the Company’s existing stock option plan and will expire in five years.

Conference Call

The company will host hold a conference call to discuss the results of its first quarter ended March 31, 2015. The call will be hosted by Peter Macy, CEO, and Adam Kniec, CFO, on Wednesday, June 3, 2015 at 1:00 p.m. Pacific Time (4:00 p.m. Eastern Time) followed by a question and answer period. All interested parties are invited to participate.

Conference Call Details:

DATE: Wednesday, June 3, 2015

TIME: 1:00 p.m. Pacific Time / 4:00 p.m. Eastern Time

DIAL IN NUMBER: North America Toll-Free Dial-In Number: 1 (888) 231-8191
For Toronto: (647) 427-7450
For Vancouver: (778) 371-9827

CONFERENCE ID: 52326287

TAPED REPLAY: 1 (855) 859-2056
Available until 12:00 midnight (EDT) Wednesday, June 10, 2015
Reference number: 52326287

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About Poydras Gaming Finance Corp.:

Poydras Gaming is focused on leasing and financing gaming machines (such as slot machines) and related capital expenditures for existing casinos, new casino developments and gaming machine suppliers in the United States. It owns and finances slot machines including long-term lease contracts across six casinos in Oklahoma and a financing agreement with a gaming machine supplier based out of California. Additional information about the Company can be found on the SEDAR website at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this news release is considered forward-looking within the meaning of certain securities laws and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate",

“expect”, “intend”, “plan”, “target” and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release describes the Company’s expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company’s forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME.

Non-IFRS Measures

Adjusted EBITDA and reconciliation to net income (loss) is as follows:

	Quarter Ended March 31 2015 (\$)	Quarter Ended December 31 2014 (\$)	Quarter Ended September 30 2014 (\$)	Quarter Ended June 30 2014 (\$)	Quarter Ended March 31 2014 (\$)
Net Income (loss)	(1,504,323)	(1,394,003)	(1,302,155)	(8,229,857)	(1,132,671)
Adjustments:					
Depreciation of equipment	217,262	242,260	194,439	157,753	88,812
Amortization of placement fees	72,355	37,968	73,801	60,345	36,534
Amortization of intangible assets	73,533	73,533	73,533	42,697	-
Finance lease receivable reduction	49,624	363,026	370,253	222,152	98,593
Financing costs	386,643	363,026	370,253	222,152	98,593
Foreign exchange (gain) loss	660,554	275,816	376,287	(165,178)	-
Loss on valuation of convertible debentures	-	-	-	3,079,814	493,112
Loss of disposal of assets	-	56,882	-	-	-
Reverse takeover public listing	-	-	-	4,511,255	-
Stock based compensation	98,773	179,779	243,646	268,431	-
Adjusted EBITDA	54,421	(164,739)	29,804	(52,588)	(415,620)
Adjusted EBITDA includes:					
RTO costs	-	24,000	38,000	125,000	431,000
Integrity acquisition costs	161,000	154,000	107,000	-	-
Total normalization adjustments	161,000	178,000	145,000	125,000	431,000
Normalized Adjusted EBITDA	215,421	13,261	174,804	72,412	15,380

For additional information please see the SEDAR website at www.sedar.com.