POYDRAS SPECIALTY FINANCE CORP.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2014

The following management discussion and analysis (the "MD&A"), prepared as of May 29, 2014 should be read together with the unaudited interim consolidated financial statements for the three months ended March 31, 2014 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The reader should also refer to the audited consolidated financial statements for the year ended December 31, 2013. All amounts are stated in US dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the timing and amount of estimated future cash flows, capital expenditures, currency fluctuations and the requirements of future capital. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability and reasonable terms to finance the Company;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- the ability to attract and retain skilled staff

These forward-looking statements involve risks and uncertainties relating to, among other things, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

Description of Business

Poydras Specialty Finance Corp. (the "**Company**" or "**Poydras**") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on January 25, 2013 as Platform 10 GP Inc. and changed its name to Poydras Specialty Finance Corp. on August 1, 2013. Poydras' registered office is located at 3 Church Street, Suite 300, Toronto, Ontario, M5E 1M2.

Poydras, through its operating subsidiary Poydras Gaming LLC ("**Poydras Gaming**"), is focused on leasing and financing gaming machines and related capital expenditures for existing casinos, new casino developments and gaming machine suppliers in the United States.

On May 9, 2014, the Company completed a reverse takeover ("**RTO**") of Poydras Gaming Finance Corp. (formerly Great Northern Gold Exploration Corporation) ("**Great Northern**"), a Canadian company trading on the TSX-V. Concurrently with the RTO, Great Northern and the Company completed equity and convertible debenture prospectus offerings for gross proceeds of C$3,345,000 and $7,732,000 respectively. Concurrently with the RTO, Great Northern and the Company acquired all of the units of Windy Hill Capital LLC ("**Windy Hill**") and the remaining minority interest in Poydras Gaming. As a result of the minority interest acquisition, the Company now owns 100% of the limited partnership and general partnership interests in Poydras Gaming,

Overall Performance

Poydras' fiscal year end is December 31. Poydras' consolidated financial statements for the period ended March 31, 2014 include the accounts of Poydras and its wholly-owned U.S. subsidiary Platform 9 Corporation ("**Platform 9**") and Poydras Gaming LLC (formerly Poydras Gaming LLLP) ("**Poydras Gaming**").

As of March 31, 2014, Platform 9 owned 61.57% of the limited partnership interests in Poydras Gaming.

Included in Poydras' consolidated financial statements are the operations of: (i) Platform 9 from the date of its incorporation on February 27, 2013; and (ii) Poydras Gaming from the date of its formation on February 11, 2013. Platform 9 legally acquired its interests in Poydras Gaming on September 30, 2013. Prior to September 30, 2013, Poydras Gaming had one general partner, PCP. The operations of Poydras Gaming have been presented in Poydras' current reporting period balances as if the acquisition of Poydras Gaming had occurred on the date of its formation on February 11, 2013 because Platform 9's acquisition of interests in Poydras Gaming simply represents a restructuring of the founders' ownership interests to facilitate future operations of Poydras.

During the three months ended March 31, 2014, Poydras reported a net loss of $1,132,671. The most significant factors driving Poydras' financial results during the current period are (i) loss on valuation of Poydras' September 2013 debentures of $493,112, (ii) professional fees of $453,384, (iii) depreciation expense of $88,812, (iv) salaries of $90,000 and (v) financing costs of $98,593. The loss on valuation of Poydras September 2013 debentures was recorded to recognize a liability for the increase in the estimated fair value of the Poydras September 2013 debentures conversion feature, which is a non-cash liability. Professional fees were incurred during the process of structuring and acquiring Great Northern a Canadian public company target. Financing costs represent interest expense on Poydras' September 2013 debentures and equipment loans.

Poydras expects to generate most of its revenue from Poydras Gaming's and Windy Hill's activities with regard to leasing and financing gaming machines and related capital expenditures for existing casinos, new casino developments and gaming machine suppliers in the United States. Currently, Poydras Gaming and Windy hill own or finance gaming machines in Oklahoma and California. In the short to medium term, Poydras is looking to expand operations into Louisiana.

Highlights of Poydras' activities during the three months ended March 31, 2014 and recent events:

- For the period ended March 31, 2014, Poydras recorded a net loss of $1,132,671 or $0.02 loss per share. This net loss figure includes $159,776 of leasing and financing revenue, $807,203 of general, administrative and operating expenses, $493,112 of non-cash loss on valuation of Poydras September 2013 debentures and the attribution of $7,868 of losses to the owners of the non-controlling interest;

- As at March 31, 2014, Poydras had total assets of $4,296,665 consisting of cash of $196,970, receivables of $70,107, current prepaid expenses of $15,008, current prepaid placement fees of $176,256, non-current prepaid expenses of $31,934, non-current prepaid placement fees of $1,774,307, gaming equipment of $1,626,876, loan receivable of $397,490 and a loan receivable from PSF II of $7,717;

- As at March 31, 2014, Poydras had total liabilities of $5,674,563 consisting of $1,864,587 of current liabilities and $3,809,976 of non-current liabilities. Included in non-current liabilities is a $1,017,416 estimated fair value of the option for the Poydras September 2013 debentures holders to convert their debentures into common shares of Poydras, which does not represent Poydras' obligation to settle the debentures in cash upon maturity; and

- On May 9, 2014, the Company completed (i) an RTO with Great Northern, (ii) equity and convertible debenture prospectus offerings for gross proceeds of C$3,345,000 and $7,732,000 respectively, (iii) acquisition of Windy Hill and (iv) acquisition of the remaining minority interest in Poydras Gaming. Please see subsequent event section of this MD&A.

Key Performance Indicators

Key performance indicators that Poydras uses to manage its business and evaluate its financial results and operating performance include: overall revenue, revenue per gaming machine, expenses and net income (loss). Poydras evaluates its performance on these metrics by comparing its actual results to management budgets and forecasts.

Sources of Revenue and Expenses

Revenue

Revenue is derived from from leasing of gaming machines.

Financing Costs

Financing costs consist primarily of interest on convertible loans, equipment vendor financing loans, promissory loans and finder's fees related to the closing of the Poydras September 2013 Debenture Financing.

Professional Fees

Professional fees consist primarily of expenses relating to legal, audit, accounting and tax fees. Poydras expects its professional fees to increase in connection with the close of the RTO and certain related transactions. However, following the close of the RTO, Poydras expects professional fees to gradually decrease as Poydras' need for professional services becomes limited to assistance with completing its reporting and continuous disclosure obligations.

Salariesand office and administrative expenses

Selling, general and administrative expenses consist of costs related to salaries, travel, and other corporate services. Poydras expects its administrative expenses to increase in connection with ongoing growth and in connection with reporting and continuous disclosure obligations associated with becoming a public company.

Loss on valuation of convertible debentures

The loss on valuation of Poydras September 2013 debentures represents recognition as a liability of the estimated fair value of the option for the Poydras September 2013 debentures holders to convert their debentures into common shares of Poydras, The higher the estimated fair value of Poydras shares compared with the CAD$0.10 conversion feature, the higher is the estimated fair value of the conversion feature. The fair value of the conversion feature will fluctuate from period to period based on the estimated fair value of Poydras' common shares. Any changes in valuation will be reflected on the statement of comprehensive income/loss. On May 9, 2014, all Poydras September 2013 debentures were converted into common shares of the Company

Results of Operations

Quarter ended March 31, 2014 ("Q1 2014") compared with the period from incorporation on January 25, 2013 to March 31, 2013 ("Q1 2013")

Net loss for Q1 2014 was $1,132,671 or $0.02 per share compared to $36,645 net loss or $366.45 loss per share in Q1 2013. The $1,096,026 increase in net loss is due to increased operations and incurring professional fees relating to the RTO with Great Northern and concurrent transactions.

Significant differences between Q1 2014 and Q1 2013 results of operations are as follows:

Revenue

Total Q1 2014 revenue was $159,776 (2013 - $10,171) of which $155,881 (2013 -$10,171) came from financing equipment leased to casinos and $3,895 (2013 - $Nil) came from interest earned on Poydras' loan receivable. Increase in revenue is due to generating revenue from a much higher number of gaming machines in Q1 2014 as compared to Q1 2013 and also due to the comparative period being 65 days as compared to 90 days in the period ended March 31, 2014.

Expenses

Depreciation Expense

Depreciation expense for Q1 2014 was $88,812 (Q1 2013 - $9,150). This expense is related to the gaming equipment owned by Poydras Gaming. Comparative depreciation expense is much smaller due to the first gaming machines being purchased in mid-March 2013.

Equipment Placement Fees

During Q1 2014, amortization of equipment placement fees was $36,534 (Q1 2013 - $873). Equipment placement fees paid by Poydras Gaming are initially recorded as prepaid placement fees and are expensed on the statement of operations over the terms of the equipment leases contracts with the casinos. Q1 2013 expense is lower as placement fees were paid in late February and late March of 2013.

Equipment Service Fees

During Q1 2014, equipment service fees were $15,582 (Q1 2013 - $80) and they were incurred to service and repair gaming equipment. Increase in service fees is consistent with the increase in leasing revenue.

Financing Costs

Financing costs during Q1 2014 were $98,953 (Q1 2013 - $Nil). These fees consist of $81,769 of accrued interest relating to the C$3,000,000 principal amount of Poydras September 2013 debentures and $16,824 of interest incurred on equipment financing loans arranged with vendors. There was no interest expense recorded in Q1 2013 as the Company commenced financing purchases of equipment commencing in Q2 2013 and Poydras September 2013 debentures financing was not completed until at the end of Q3 2013.

Loss on valuation of convertible debentures

The loss on valuation of Poydras September 2013 debentures recorded during Q1 2014 was $493,112 (Q1 2013 - $Nil). This loss represents the recognition as liability of the estimated fair value of the option for the Poydras September 2013 debentures holders to convert their debentures into common shares of Poydras. There was no loss on valuation of debentures recorded in Q1 2013 as Poydras September 2013 debentures financing was completed at the end of Q3 2013

Office and Administration

Office and administration expenses incurred during Q1 2014 were $14,634 (Q1 2013 - $56). Current period increase is due to increase operations and the RTO transaction.

Professional Fees

Professional fees during Q1 2014 was $453,384 (Q1 2013 - $115,420), primarily due to significant additional legal costs incurred as a result of entering into the acquisition agreement with Great Northern and related transactions. These fees consist of $33,989 (Q1 2013 - $Nil) of audit and accounting fees, $404,077 (Q1 2013 - $115,420) of legal fees and $15,318 (Q1 2013 - $Nil) of tax advisory fees.

Salaries and Benefits

Salaries and benefits incurred during Q1 2014 were $90,000 (Q1 2013 - $Nil) and were incurred for salaries of the three directors and officers of the Company. The Company commenced paying $10,000 per month to each of the three individuals on September 15, 2013.

Liquidity and Capital Resources

Until May 9, 2014, Poydras has financed its operations mainly through debt.

Recent Financing

Effective September 30, 2013, Poydras raised C$3,000,000 of gross proceeds through the Poydras September 2013 debenture financing. The Poydras September 2013 debentures had a term of two years and were convertible into common shares of Poydras at a price of C$0.10 per share. On May 9, 2014, the C$3,000,000 principal amount of Poydras September 2013 debentures was converted into 30,000,000 common shares of the Company immediately prior to closing of the RTO with Great Northern.

Subsequent to period end, on May 9, 2014, Great Northern and the Company completed equity and convertible debenture prospectus offerings for gross proceeds of C$3,345,000 and $7,732,000 respectively

Cash

As of March 31, 2014, Poydras had cash of $196,970, compared with $427,390 of cash on December 31, 2013. The decrease in cash is due to paying for RTO related expenditures and general and administrative expenditures

Working Capital

At March 31, 2014, Poydras had a working capital deficiency of $1,406,246 compared with $729,939 working capital deficiency as of December 31, 2013. Decrease in working capital is due to incurring significant professional fees in connection with the RTO acquisition of Great Northern. Subsequent to period end, on May 9, 2014, the Company completed equity and convertible debenture prospectus offerings for gross proceeds of C$3,345,000 and $7,732,000 respectively

Commitments

Poydras Gaming has entered into one supplier financing transaction to date. So far, it has funded the production of 30 gaming machines for deployment and expects to fund 20 more. Poydras is committed to advancing $110,150 to fund the remaining 20 gaming machines subject to certain conditions.

Previous Financing - Use of Proceeds

The following is a summary of the recent financings completed by Poydras: as of March 31, 2014:

Financing	Purpose of the Financing	Actual Use of Proceeds
September 30, 2013 Poydras debentures of $2,820,609 (C$3,000,000).	Short-term financing to fund Platform 9's investment in Poydras Gaming and for general working capital requirements.	As of March 31, 2014, - $2,297,229 was invested by Platform 9 in obtaining interests in Poydras Gaming. Poydras Gaming used the investment from Platform 9 to pay for equipment placement fees, loan repayments, operations and for general working capital. - $51,886 was paid as Poydras September 2013 debentures cash finder's fees. - $411,179 was paid for professional fees and other general and administrative expenses. - The remaining $60,315 is held by the parent company as working capital and will be used to finance Poydras' RTO transaction costs and general and administrative expenses.

Subsequent Financings – Proposed Use of Proceeds

Concurrently with closing of the RTO on May 9, 2014, Poydras and Great Northern completed two prospectus offerings for gross proceeds of C$3,345,000 through an equity financing and $7,732,000 through an 11% secured convertible debentures. Poydras intends to use these funds as follows:

(1) $1,088,681 Agents' cash commissions, work fees, administration fees, legal and other costs incurred in connection with debenture and equity financings;
(2) $283,000 for the remaining RTO transaction costs;
(3) $1,000,000 for the cash consideration portion for the acquisition of Windy Hill;
(4) $1,300,000 for the cash consideration portion for the acquisition of PSF II and PCP's interests in Poydras Gaming;
(5) $420,000 for the principal and interest payments on the $1,500,000 Windy Hill acquisition promissory note payable which are due for the 12 months following completion of the RTO;
(6) $1,140,000 for general and administrative costs for the 12 months following completion of the RTO;
(7) $850,520 for interest payments on the May 9, 2014 Convertible Debentures for the 12 months following completion of the RTO;
(8) $110,150 committed by Poydras to a supplier for the construction of the remaining 20 gaming machines under an existing supplier financing contract;
(9) $204,085 for repayment of promissory note payable owing to the directors and officers of the Company;
(10) $1,517,000 to finance current working capital deficiency estimated as of March 31, 2014 (including $663,970 of current portion of equipment purchase loans which are repaid on a monthly basis); and
(11) $2,887,371 unallocated working capital will be available to fund the expansion of Poydras' installed base of machines through a combination of the expansion of existing contracts and the addition of new customers, and also to fund the general working capital requirements.

Liquidity Outlook

Poydras' cash position is highly dependent on the ability of its investments to generate revenue and the ability of Poydras Gaming to enter into new revenue-generating investments in the gaming industry. The management of Poydras is actively considering a number of opportunities, including significant expansions of placements with its current customers. However, definitive investment decisions have not yet been made.

Poydras' objective when managing capital is to maximize returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. Poydras is not subject to externally imposed capital requirements. In managing capital structure, Poydras manages its capital through regular reports to the board of directors, as well as management review of monthly or quarterly financial information.

Upon completion of the RTO with Great Northern on May 9, 2014, completion of the concurrent equity and debt financings and completion of the acquisition of Windy Hill and Poydras Gaming minority interest, the Company increased its revenue generating base from 158 gaming machines to 284 machines, and significantly improved its cash and working capital position providing resources for further expansion of operations.

Summary of Quarterly Results

The table below summarizes selected unaudited financial data for the Company's most recently completed quarters since incorporation on January 25, 2013:

	Quarter Ended March 31, 2014	Quarter Ended Dec 31, 2013 (1)	Quarter Ended Sep 30, 2013 (1)	Quarter Ended June 30, 2013 (1)	From incorporation on January 25, 2013 to March 31 2013
Total revenue	159,776				10,171
Net loss for the period before non-controlling interest	(1,132,671)				(36,645)
Comprehensive loss for the period	(996,139)				(36,645)
Basic and diluted loss per share	(0.02)				(366.45)

(1) Poydras did not previously prepare quarterly financial statements, and accordingly, quarterly financial information is not available.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions between Related Parties

As of March 31, 2014, the Company's related parties and key management personnel consists of the Company's directors and executive officers.

Name / Personal Corporation	Relationship	Nature of Transaction
Peter Macy	Director and senior officer of Poydras	Salaries and interest expense on promissory notes
Daniel Davila	Director and senior officer of Poydras	Salaries and interest expense on promissory notes
Matthew Dickson	Senior officer of Poydras	Salaries and interest expense on promissory notes

Poydras incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

	Notes	For the Three months ended March 31, 2014	Period from Incorporation to March 31, 2013
Salaries	(i)	$90,000	$Nil
Interest expense	(ii)	$3,019	$Nil
Total:		$93,019	$Nil

(i) Poydras paid or accrued salaries of $90,000 (2013 - $nil). $30,000 was paid to each of Peter Macy, Daniel Davila and Matthew Dickson.
(ii) During the current period, Poydras recorded $3,019 of interest expense on promissory notes (calculated at 6% per annum) payable to Peter Macy, Daniel Davila and Matthew Dickson. Peter Macy earned $39, Daniel Davila earned $371 and Matthew Dickson earned $2,609.

Promissory note payable of $207,104 as at March 31, 2014 consists of the following:

- $2,645 of loan principal and $39 of accrued interest owing to Peter Macy;
- $25,100 of loan principal and $371 of accrued interest owing to Daniel Davila; and
- $176,340 of loan principal and $2,609 of accrued interest owing to Matthew Dickson.

Included in accounts payable and accrued liabilities is $15,000 owing to Peter Macy, Daniel Davila and Matthew Dickson ($5,000 each) for accrued salaries. This liability is non-interest bearing and is repayable on demand.

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of March 31, 2014, the Company's key management personnel consist of the Company's directors and senior management (Chief Executive Officer, President and Chief Financial Officer). The following is a summary of compensation paid to the key management personnel:

Nature of Transactions	Notes	March 31, 2014	March 31, 2013
Salaries	(i)	$ 90,000	$ Nil

(i) Salaries include those details disclosed above

The above transactions occurred in the normal course of operations, and are measured at the amount of consideration established and agreed to by the related parties.

Subsequent Events

a) Reverse Takeover with Great Northern

On May 9, 2014, Great Northern and Poydras completed a reverse takeover acquisition ("**RTO**"), pursuant to which Great Northern acquired, all of the issued and outstanding shares of Poydras in exchange for shares of Great Northern (the "**Acquisition**"). Great Northern's common shares are listed on the TSX-V stock exchange. Prior to the Acquisition, all of the issued and outstanding common shares of Great Northern were consolidated on a two for one basis and each share in the capital of Poydras was transferred to Great Northern in exchange for one post-consolidation share in the capital of Great Northern.

Concurrently with closing of the RTO, the Company converted C$3,000,000 of the September 30, 2013 convertible debentures principal into 30,000,000 common shares of the Company at the rate of C$0.10 per common share.

In exchange for the shares of Poydras, Great Northern issued an aggregate of 86,755,000 post-consolidation common shares to the Company's shareholders and 500,000 post-consolidation common shares were also issued as payment for a finder's fee in connection with the RTO.

Poydras became a legal subsidiary of Great Northern. Great Northern remains a publicly traded company and changed its name to Poydras Gaming Finance Corp. For accounting purposes, the Acquisition was treated as an acquisition of assets of Great Northern by Poydras.

b) Prospectus Financings

Concurrently with the RTO, Great Northern completed equity and convertible debenture prospectus offerings for gross proceeds of C$3,345,000 and $7,732,000 respectively. Details are as follows:

(i) <u>Equity Financing</u>

On May 9, 2014, Great Northern completed an equity prospectus financing of 13,380,000 post-consolidation shares at a price of C$0.25 per share for gross proceeds of C$3,345,000. As compensation for the agents, Great Northern paid (i) C$234,150 cash commission equal to 7% of gross proceeds of the offerings, (ii) C$25,000 work fee and (iii) C$3,000 administration fee. Great Northern also issued 936,600 Agents' Warrants equal to 7% of the number of shares issued pursuant to the equity offering. These Agents' Warrants can be exercised at C$0.25 per share on or before May 9, 2016. Great Northern also reimbursed the Agent for C$110,000 of legal and other out of pocket expenses.

(ii) <u>Convertible Debentures Financing</u>

On May 9, 2014, Great Northern completed a convertible debenture prospectus financing of 7,732 convertible debentures at a price of $1,000 per convertible debenture for an aggregate of $7,732,000 principal amount of secured convertible debentures (the "**Convertible Debentures**"). The Convertible Debentures bear interest at an annual rate of 11% payable quarterly on March 31, June 30, September 30 and December 31 in each year commencing on June 30, 2014. The maturity date of the Convertible Debentures is March 31, 2017 ("**Maturity Date**").

Conversion

Each Convertible Debenture is convertible into common shares of Great Northern at the option of the holder at any time prior to the close of business on the earlier of (i) the business day immediately preceding the Maturity Date and, (ii) if called for redemption, the business day immediately preceding the date specified by the Company in a redemption notice of the Company, at a conversion price of C$0.33 (the "**Conversion Price**"). The calculation of the number of common shares of the Company issuable on such conversion or redemption shall be based on the closing exchange rate of Canadian dollars converting into U.S. dollars posted by the Bank of Canada the day immediately preceding the date of the notice of conversion or redemption, as the case may be.

Redemption

The Convertible Debentures will not be redeemable prior to March 31, 2016 (except in limited circumstances involving a change of control). On and after March 31, 2016 and prior to the Maturity Date, the Convertible Debentures may be redeemed in whole or in part at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest Principal repayment upon redemption along with any unpaid accrued interest will be paid in cash.

Security

The Convertible Debentures are secured by: (1) a first ranking security interest over all present and future assets of Great Northern and the Company; (2) joint and several guarantees by the Company's subsidiaries, being Poydras Specialty Finance Corp., Platform 9, PSF II, Poydras Gaming and Windy Hill; and (3) first ranking pledges of the shares and units, participation or other equivalent rights in equity or capital, as the case may be, of each of Platform 9, PSF II, Poydras Gaming and Windy Hill and proceeds thereof.

Agents' Compensation

As compensation for the Agents, Great Northern paid to the Agents (i) $541,240 cash commission equal to 7% of gross proceeds of the debenture offerings and (ii) C$25,000 work fee. Great Northern also issued to the Agents 280 Agents' Warrants, for each $1,000 principal amount of Convertible Debentures sold, for an aggregate total of 2,164,960 Agents' Warrants. These Agents' Warrants can be exercised at C$0.25 per share on or before May 9, 2016. Great Northern also paid to the Agent C$189,841 retainer towards reimbursement of Agent's legal and other out of pocket expenses.

c) Acquisition of Windy Hill Capital LLC

Pursuant to a Share Exchange Agreement dated January 29, 2014, concurrently with the RTO on May 9, 2014, Great Northern and the Company acquired through Platform 9 all of the units of Windy Hill Capital LLC ("**Windy Hill**") in consideration for the issuance to the members of Windy Hill of: (i) an aggregate of 6,705,409 post-consolidation common shares valued at $1,500,000, (ii) unsecured promissory notes in the aggregate principal amount of $1,500,000 with a 10% interest rate and quarterly payments amortized over a three year term beginning six months from May 9, 2014, and (iii) $1,000,000 in cash. Windy Hill is an Oklahoma limited liability company that is a provider of capital and gaming equipment to casino operators in the U.S. Windy Hill holds an interest in long-term contracts on 126 gaming machines in operation in two casinos owned by a U.S. federally recognized Northwestern Tribe of Oklahoma.

d) Acquisition of Minority Interest in Poydras Gaming

Pursuant to the definitive acquisition agreement dated January 29, 2014, on May 9, 2014, Great Northern and the Company acquired through Platform 9:

- all of the units of PSF II in consideration for the issuance of (i) 4,023,245 post-consolidation common shares in the capital of Great Northern valued at $900,000, and (ii) $1,100,000 in cash. PSF II holds a minority limited partnership interest in Poydras Gaming.

- a 50% of the general partnership interest in Poydras Gaming held by PCP in consideration for the issuance of (i) 1,788,109 post-consolidation common shares in the capital of Great Northern valued at $400,000 and (ii) $200,000 in cash.

As a result of the minority interest acquisition, the Company now owns 100% of the limited partnership and general partnership interests in Poydras Gaming,

e) Stock Options

Upon completion of the RTO on May 9, 2014, Great Northern granted 10,550,000 stock options to its directors and officers. These stock options can be exercised at C$0.25 per share on or before May 9, 2019. These stock options are vesting over 3 years with 10% vesting on the date of grant and an additional 15% vesting every six months thereafter.

Critical Accounting Estimates and Use of Judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Change in critical accounting estimates and assumptions made by management may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include useful life and recoverability of equipment, the provision for deferred income taxes, amortization of placement fees, impairment of property and equipment and loans receivable, and valuation of September 30, 2013 debentures

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting policies which involve judgments made by management include the determination of categories of financial assets and financial liabilities, accounting for Platform 9's acquisition of interests in Poydras Gaming, accounting for leases from equipment manufacturers and leases to casinos.

Impairment of Assets

The recoverable amount of the gaming equipment have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions Poydras uses in estimating future cash flows for recoverable amounts are anticipated residual value of equipment, estimated useful life of equipment, expected financing revenue from leasing of the equipment and future operating and financing costs. Changes to these assumptions will affect the recoverable amount of the gaming equipment and may then require a material adjustment to their related carrying value.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives weight to evidence that can be objectively verified.

Changes in Accounting Policies

The Company has adopted the following new and revised standard effective January 1, 2014. The changes were made in accordance with the applicable transitional provisions. The adoption of these standards did not result in significant changes to the Company's financial statements.

IFRIC 21, ***Levies -*** In May 2013, the IASB issued IFRIC 21, *Levies.* The IFRIC 21 provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets.* The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements. The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards. The Company is in the process of evaluating the impact these standards will have on its financial statements.

For further details please refer to Note 3 of the condensed interim consolidated financial statements of the Company for the three months ended March 31, 2014 and Note 3 of the annual consolidated financial statements of the Company for the year ended December 31, 2013.

Financial Instruments and Other Instruments

As of March 31, 2014, Poydras' financial instruments consist of cash, accounts receivable, loan receivable, loan receivable from PSF II, accounts payable, accrued interest payable, loans payable, promissory notes payable and Poydras September 2013 debentures payable. The carrying values of these financial instruments approximate their respective carrying values due to their short-term maturities. The fair value of the loan receivable and equipment loans payable approximate their carrying values because the underlying market rate did not change significantly.

Poydras September 2013 debentures are carried at fair value in the statement of financial position. Poydras calculates the fair value of the convertible loans using a discounted cash flow model taking into account the fair value of the conversion option. The application of level 3 inputs are used in this valuation technique.

The fair value of the instrument was calculated using an internal valuation technique taking into account the fact that the instrument is only convertible after the closing of the Arrangement Agreement. The fair value of the instrument is calculated based on fair values of the underlying entities in the combined group adjusted for the likelihood the agreement will close.

Significant unobservable inputs include the fair value of combined entity after the proposed reverse takeover transaction (the valuation ranges between $17,930,000 and $19,050,000) and the probability factor for the completion of the reverse takeover (as of March 31, 2014 estimated to be 85%). Had the likelihood of the reverse takeover occurring been estimated at 100%, the conversion option would have increased in value by $179,544.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

FVTPL Liabilities		March 31, 2014		December 31, 2013
Balance – opening	$	3,366,397	$	-
Issuance of convertible debentures		-		2,820,609
Fair value of the conversion feature		493,112		545,788
Foreign exchange		(127,898)		-
Balance – ending	$	3,731,611	$	3,366,397

There were no transfers of instruments between levels in the fair value hierarchy.

Poydras' risk exposures and the impact on Poydras' financial instruments are summarized below:

<u>Credit risk</u>

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. During any financial quarter, a small number of customers account for a significant percentage of Poydras' revenue. As a result of its customer concentration, Poydras is subject to credit risk if one or more customers fail to make payments.

<u>Liquidity risk</u>

Liquidity risk is the risk that Poydras will not be able to meet its financial obligations as they become due.

Poydras manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and financings of equity and debt. Cash flow forecasting is performed to monitor cash requirements and inform capital management decisions. Such forecasting takes into account current and potential returns on investments and Poydras' business expansion expectations.

Poydras' approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2014, Poydras had cash of $196,970 to settle current liabilities of $1,864,587. Subsequent to March 31, 2014, the Company converted C$3,000,000 of Poydras September 30, 2013 debentures into common shares of the Company and the Company completed equity and convertible debenture prospectus offerings for gross proceeds of $3,068,807 (C$3,345,000) and $7,732,000 respectively.

The following table summarizes amounts and maturity dates of Poydras' contractual obligations (on a consolidated basis) as of March 31, 2014.

The following table summarizes amounts and maturity dates of the Company's contractual obligations as of March 31, 2014:

		2014		2015		Total
Accounts payable and accrued liabilities	$	833,100	$	-	$	833,100
Equipment loans payable*		693,770		79,163		772,933
Accrued interest payable**		194,322		-		194,322
Promissory notes payable***		208,581		-		208,581
Convertible debentures		2,714,195		-		2,714,195
	$	4,643,968	$	79,163	$	4,723,131

* Including future interest expense on equipment loans payable to maturity

** Including future interest expense on convertible debentures accrued as of May 9, 2014, the date of conversion of the Convertible debenture into common shares of the Company.

*** Including additional interest expense on the promissory note up to the date of repayment of the note on May 14, 2014

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

As of March 31, 2014, Poydras had (i) three loans payable totaling $742,335 with maturities between March 1, 2015 and June 19, 2015 and with fixed annual interest rates of either 6% or 8%, (ii) convertible debentures payable with a fair value of $3,731,611 and a $2,714,195 (C$3,000,000) principal that bears an annual interest rate of 12% in year one and 15% in year two, and (iii) promissory notes payable of $207,104 that bear a fixed annual interest rate of 6% and are due on demand. Poydras also has a loan receivable of $397,490 which bears a fixed annual interest of 4% and a $7,717 loan receivable from PSF II which is non-interest bearing.

New loan agreements may be entered into in the future or existing loans may be renewed at new interest rates, therefore Poydras is subject to interest rate risk.

(b) Foreign currency risk

Poydras' operations are located in the United States and in Canada; therefore Poydras is exposed to foreign currency risk.

(c) Price risk

Poydras is not currently exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on a company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Upon closing of the RTO, Poydras will be exposed to price risk with respect to equity prices.

Outstanding Share Data

The following table summarizes the maximum number of common shares potentially outstanding as at March 31, 2014 and as of the date of this MD&A if all outstanding debentures were converted to common shares:

	As of March 31, 2014	**As of the date of this MD&A (1)**
Common shares	56,755,000	130,932,197
Convertible debentures convertible into common shares	30,000,000	25,468,739
Share purchase options	-	11,440,000
Share purchase warrants	-	4,995,692
Fully diluted	86,755,000	172,836,628

(1) Including all securities issued on the date of the RTO completed on May 9, 2014

Risks and Uncertainties

Dependence on the success of a gaming business operated by others

The profitability of the Company's investments depends on the success of casinos or other gaming businesses. The risks that those casinos and gaming businesses typically face include, but are not limited to:

- failure to obtain, maintain or renew gaming licenses or comply with applicable US federal, state, and tribal gaming laws "Gaming Laws";
- competitive and general economic conditions in their markets and the potential for new competition;
- changes in gaming legislation or the rates at which gaming revenues are taxed (which may affect resources available for advertising, promotions and maintenance of facilities;
- construction factors relating to maintenance and expansion of operations;
- volatility and disruption of the capital and credit markets, which may affect expansion and growth;
- work stoppages;
- dependence upon key personnel and the ability to attract new personnel;
- seasonality and weather conditions that could impede the access by customers to casinos operated by the Company;
- escalating fuel prices and general economic conditions that can limit the number of visits and amount spent per visit by casino patrons;
- the effect of war, terrorism, natural disasters or other catastrophic events; and
- the ability to attract and retain patrons.

Because the Company's profitability depends, for some of its revenues, on businesses operated by others, the Company may not have the ability to control these risks and will be dependent upon the efforts, skill and experience of others not affiliated with the Company.

Risks inherent in investing in tribal gaming ventures

The Company makes investments in tribal gaming ventures. Such investments involve special risks in addition to those usually associated with contractual arrangements with commercial gaming ventures, including:

- entities that do business with a tribe may have limited recourse against the tribe in the event of breach or wrongful termination of agreements because of the tribe's sovereign immunity (a legal doctrine that may operate to preclude the assertion of a claim against a sovereign without the sovereign's consent);
- lessors and lenders to a tribe may be precluded from taking a security interest in the tribe's land;
- tribal gaming is heavily regulated by the National Indian Gaming Commission, the tribes, and the state governments (pursuant to compacts between the tribes and the states governing operational issues);
- entities that lease or lend to tribes, or invest with tribes, are often not given access to the information customarily provided to lessors, lenders and investors;
- entities that enter into transactions with tribes may have difficulty in confirming that such transactions

have been properly authorized by the tribes;

- arrangements in which a non-tribal party receives a percentage of revenues may be deemed to violate the “proprietary interest” rule and, accordingly, violate federal or tribal Gaming Laws;
- arrangements in which a non-tribal party participates in the management of a gaming facility may violate federal and tribal Gaming Laws;
- the Company and its management may be subject to licensing and background procedures by the tribe and, if the tribe deems an investor to be unsuitable, the investor will be required to sell his, her or its Company Shares and Convertible Debentures; and
- changes in federal legislation with respect to tribes could have a material adverse impact on the Company's investments in tribal gaming activities.

Because federally recognized Native American tribes are independent governments with sovereign powers, subject to the Indian Gaming Regulatory Act (“**IGRA**”), Native American tribes can enact their own laws and regulate gaming operations and contracts. Native American tribes maintain their own governmental systems and often their own judicial systems and have the right to tax persons and enterprises conducting business on Native American lands. Native American tribes also often have the right to require licenses and to impose other forms of regulation and regulatory fees on persons and businesses operating on their lands. In the absence of a specific grant of authority by Congress, U.S. states may regulate activities taking place on Native American lands only if the Native American tribe has a specific agreement or compact with the state. The Company’s contracts with Native American tribal customers normally provide that only certain provisions, if any, will be subject to the governing law of the state in which a Native American tribe is located. However, these choice-of-law clauses may not always be enforceable.

Further, Native American tribes generally enjoy sovereign immunity from lawsuits similar to that of the individual U.S. states and the United States. Before the Company can sue or enforce contract rights with a Native American tribe, or an agency or instrumentality of a Native American tribe (for example, to collect revenue pursuant to our participation agreements or foreclose on financed gaming machines), the Native American tribe must effectively waive its sovereign immunity with respect to the matter in dispute, which the Company is not always able to obtain. Without a limited waiver of sovereign immunity, or if such waiver is held to be ineffective, the Company could be precluded from judicially enforcing any rights or remedies against a Native American tribe, including the right to enter Native American lands to retrieve the Company’s property in the event of a breach of contract by the tribe that is party to the disputed contract. Even if the waiver of sovereign immunity by a Native American tribe is deemed effective, there could be an issue as to the forum in which a lawsuit can be brought against the Native American tribe. Federal courts are courts of limited jurisdiction and generally do not have jurisdiction to hear civil cases relating to Native American tribes and the Company may be unable to enforce any arbitration decision effectively. In addition, courts have held that certain laws of general application, such as the United States patent, trademark and trade secret laws, are not binding on Native American tribes absent a binding waiver of sovereign immunity.

The Company’s agreements with Native American tribes are often subject to review by regulatory authorities. For example, the Company’s development agreements may be subject to review by the National Indian Gaming Commission (“NIGC”) and any such review could require substantial modifications to the Company’s agreements or result in the determination that the Company has a proprietary interest in a Native American tribe’s gaming activity, which could materially and adversely affect the terms on which the Company conducts its business. The NIGC may also reinterpret applicable laws and regulations, which could affect the Company’s agreements with Native American tribes.

Government enforcement, regulatory action, judicial decisions and proposed legislative action will likely affect the Company’s business, operating results and prospects. Regulatory action against the Company’s customers or equipment on Native American tribal lands or in other markets could result in machine seizures and significant revenue disruptions, among other adverse consequences. Moreover, Native American tribal policies and procedures, as well as tribal selection of gaming vendors, are subject to the political and governance environment within the Native American tribe. Changes in tribal leadership or tribal political pressure can affect the Company’s business relationships within Native American markets.

Market concentration

Virtually all of the Company's revenues are currently derived from contracts with two Indian tribes. No assurances can be given that any of such contracts will be renewed upon the expiration of their term or that, if renewed, the terms and conditions thereof will be favorable to the Company. A failure to renew such contracts upon terms favorable to the Company or the cancellation of a significant number of such contracts would have a material adverse effect upon the Company's business and results of operations.

Risk of limited number of investments; limitation on participation in investments

If the Company, through Poydras Gaming, participates in a limited number of investments, the aggregate return to the Company may be materially and adversely affected by the unfavorable performance of a single investment. Although the Company intends to make investments in gaming and gaming-related businesses in North America, it has no established limits or constraints with respect to geographic regions, property types or product types. Currently, the Company's investments are limited to Oklahoma and California. Lack of geographic diversification across the portfolio may increase exposure to adverse market conditions in a given region. In addition, the diversification of investments could be further limited to the extent it invests a significant portion of its capital in one or a small number of transactions.

Risks of unspecified investments

There can be no assurance that the Company will, through Poydras Gaming, acquire favorable investment opportunities or that any such investments will generate revenues or profits. Failure to successfully manage the acquisition of investments could harm the Company's business, strategy and operating results in a material way. The Company's inability to implement its acquisition strategy successfully could adversely affect its profitability and its ability to satisfy its financial obligations. The transactions and their success may be exposed to a number of risks, including the risks that the Company may not be able to identify viable opportunities or, if it does identify viable opportunities, effect the transaction and that the investment may fail to perform as expected.

Lengthy and variable sales cycle

The sales cycle for the Company's products and services is variable, typically ranging from between a few months to a year and in some cases even longer, from the point of initial contact with a potential customer to the actual completion of a contract. It is difficult for the Company to forecast the timing of revenue from its activities because its customers typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to purchase or lease the Company's Gaming Machines. Typically, the larger the potential contract, the more time, money and other resources customers will invest. Unfavourable changes in the sales environment during such sales cycles, many of which are outside the control of the Company, could have a materially adverse effect on the business, operating results and financial condition of the Company.

For example, during these long sales cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled, including:

- purchasing decisions may be postponed, or large purchases reduced, during periods of economic uncertainty;
- the Company or its competitors may announce or introduce new products;
- the Company's competitors may offer lower prices or better terms; or
- budget and purchasing priorities of customers may change.

If these events were to occur, sales of the Company's products or services may be cancelled or delayed, which would reduce the Company's revenue.

Ability to recruit and retain management and other qualified personnel

The Company depends on the services of its executive officers and may in the future rely on sales, marketing and management personnel. The loss of any of these key persons could have a Material Adverse Effect on the Company's business, results of operations and financial condition. The Company, Windy Hill and Poydras Gaming do not maintain key man life insurance on any of their executives. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain qualified sales, marketing and management personnel in the future. Stock options comprise a significant component of the Company's compensation of key employees, and if the Company's share price declines, it may be difficult to recruit and retain such individuals. Changes in the Company's share price may also hinder the Company's ability to recruit and retain key employees as they may elect to seek employment with other companies that they believe have better long-term prospects. The Company's inability to attract and retain the necessary sales, marketing and management personnel may adversely affect its future growth and profitability. It may be necessary for the Company to increase the level of compensation paid to existing or new employees to a degree that its operating expenses could be materially increased.

Heavily regulated industry

The distribution of gaming machines and financing of gaming equipment and operations are subject to extensive scrutiny and regulation at all levels of government including, but not limited to, federal, state, provincial, local and in some instances, tribal authorities. Accordingly, the Company will only conduct business in jurisdictions where gaming is legal. Poydras Gaming and Messrs. Macy, Davila and Dickson hold gaming vendor licenses issued by the Northeastern Tribe. Those licenses are subject to renewal annually.

Most, if not all, jurisdictions require licenses, permits and documentation of suitability, demonstrating the financial stability for the manufacturers and distributors of such gaming solutions in addition to their officers, directors, major shareholders, sources of financing, and other key personnel.

The Company's delay or failure to obtain, maintain, or renew its existing or future licenses and approvals in any jurisdiction may result in the termination of existing contracts as well as prevent it from distributing its Gaming Machines or providing financing to gaming operators and thus generating revenues in those jurisdictions. A Gaming Authority may refuse to issue or renew a license or registration if the Company, or one of its directors, officers, employees or associates: (i) is considered to be a detriment to the integrity or lawful conduct or management of gaming; (ii) no longer meets a licensing requirement; (iii) has breached or is in breach of a condition of licensing or an operational agreement with a Governmental Entity; (iv) has made a material misrepresentation, omission or misstatement in an application for licensing or in reply to an enquiry by a person conducting an audit, investigation or inspection under the applicable gaming control legislation; (v) has been refused a similar registration in another jurisdiction; (vi) has held a similar registration, or license in that province or another jurisdiction which has been suspended or revoked; (vii) has been convicted of an offence, inside or outside of Canada, that calls into question the Company's honesty or integrity or the honesty or integrity of one of its directors, officers, employees or associates; or (viii) has failed to pay fees, gaming taxes or income taxes on a timely basis.

Additionally, the Company's business must be approved in most jurisdictions in which the Gaming Machines are offered; this process cannot be assured or guaranteed. Obtaining these approvals is a time-consuming process that can be extremely costly and cannot be assured. It is possible, although unlikely, that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, that the Company may not obtain them. If the Company fails to obtain the necessary certification, registration, license, approval or finding of suitability in a given jurisdiction, it would likely be prohibited from distributing its gaming machines or providing financing to gaming operators in that particular jurisdiction altogether. Furthermore, some jurisdictions require licensed gaming operators to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases, and debt financing. The Company may not be able to obtain all necessary registrations, licenses, permits, approvals or findings of suitability in a timely manner, or at all. The Company's failure to obtain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a Material Adverse Effect on its business. Further, changes in existing gaming regulations may hinder or prevent the Company from continuing to operate in those jurisdictions where it currently carries on business, which would harm its operating results and financial condition. In particular, the enactment of unfavourable legislation or government efforts affecting or directed at manufacturers or gaming operators, such as referendums to increase gaming taxes or requirements to use local distributors, may have a negative impact on the Company's operations. Furthermore, Gaming Authorities or Securities Regulators may from time to time require changes to the Company's practice in complying with various disclosure and reporting requirements. If the Company fails to comply with any existing or future disclosure requirements, the Gaming Authorities or Securities Regulators may take action against the Company which could ultimately include cancellation of a gaming registration.

Relationships with distributors and manufacturers

The Company is dependent upon its ability to establish and develop new relationships and to build on existing relationships with manufacturers and distributors, on which it relies to purchase the Gaming Machines that it uses in its business. The Company cannot provide assurance that it will be successful in maintaining or advancing its relationships with manufacturers and distributors. In addition, the Company cannot provide assurance that its manufacturers and distributors will act in a manner that will promote the success of the Company's products and services. Failure by channel partners to promote, service and support the Company's Gaming Machines or failure by the Company to establish and develop new relationships and to build on existing relationships with manufacturers and distributors, could adversely affect its business, results of operations and financial condition.

Competitive industry

There are a number of companies that distribute or finance the purchase of Gaming Machines. Most of these companies have greater financial resources than the Company has and are more experienced in the industry. If the Company is unable to obtain significant early market presence or it loses market share to the Company's competitors, it will materially affect its results of operations and future prospects. There are many companies who could introduce directly competitive products in the short term on the strength of their already established relationships with gaming operators, the potential to develop technology quickly and greater resources. The Company's success depends on its ability to secure and maintain the required relationships and quality Gaming Machines.

Risks of foreign operations generally

All of the Company's revenue generating operations are conducted in the United States in state-regulated and Native American tribal jurisdictions. The Company's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Company, including, but not limited to, renegotiation or nullification of existing contracts or licenses, changes in gaming policies, regulatory requirements or the personnel administering them, currency fluctuations and devaluations, exchange controls, factors (including withholding taxes) affecting Poydras Gaming and Windy Hill's ability to remit funds to the Company, economic sanctions and royalty and tax increases, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, taxation policies, including royalty and tax increases and retroactive tax claims, volatility of financial markets and fluctuations in foreign exchange rates, difficulties in the protection of intellectual property, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted. The Company's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. If the Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed.

In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control, any of which could have a Material Adverse Effect on the Company.

Doing business in the gaming industry requires compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions it has taken. Management of the Company is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company may in the future enter into agreements and conduct activities outside of the jurisdictions where it currently carries on business, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

The Company may not realize satisfactory returns on money lent to new and existing customers to develop or expand gaming facilities or to acquire gaming routes

The Company enters into agreements to provide financing for construction, expansion, or remodeling of gaming facilities, primarily in Tribal jurisdictions located within the State of Oklahoma. Under these agreements, the Company provides the loans and advances as an inducement for the tribes to grant long-term contracts for game placements under either a revenue share or daily fee basis. The Company also provides supplier financing to a manufacturer of Gaming Machines being deployed in California in exchange for part of the daily revenue from such machines, and hopes to in the future enter into other similar agreements with additional manufacturers. The Company may not, however, realize the anticipated benefits of any of these strategic relationships or financings as the Company's success in these ventures is dependent upon the timely completion of the gaming facility and the tribes' or other third parties' successful management and operations of their underlying gaming business.

These activities may result in unforeseen operating difficulties, financial risks, or required expenditures that could adversely affect the Company's liquidity. In connection with one or more of these transactions, and to obtain the necessary funds to enter these agreements, the Company may need to extend secured and unsecured credit to potential or existing customers that may not be repaid, incur debt on terms unfavorable to the Company or that the Company is unable to repay, or incur other contingent liabilities. The failure to maintain controls and processes related to billing and collecting accounts receivable or the deterioration of the financial condition of the Company's customers could negatively impact the Company's business.

Third-party involvement

The Company, through Poydras Gaming may co-invest with third parties through joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the parties may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Company; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt or unsuitable to participate in a gaming venture; (iv) the co-venturer or partner may be in a position to take action contrary to the investment objectives of the Company; (v) the co-venturer or partner may take actions that subject the joint venture's assets to liabilities in excess of, or other than, those already contemplated; or (vi) in certain circumstances, the Company may be liable for actions of its co-venturers or partners. In addition, the success of any such co-venture may rely upon the abilities and management expertise of a co-venturer or partner. It may also be more difficult for the Company to sell its interest in any joint venture with other owners than to sell its interest in other types of investments. The Company may grant co-venturers or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. In addition Poydras Gaming will contract with unaffiliated third parties to provide services that Poydras Gaming is obligated to provide. For example, Poydras Gaming has contracted with a service provider to provide maintenance and other services with respect to the slot machines leased to the Northeastern Tribe. If the service provider were to fail to provide the services, Poydras Gaming could be in breach of its agreement with the Northeastern Tribe. As a result of these risks, the Company may be unable to fully realize its expected return on any such investment.

Contract awards

There can be no assurance that the current contracts of the Company will be extended or that the Company will be awarded new contracts in the future. The termination, expiration or failure to renew one or more of the Company's contracts could cause the Company to lose substantial revenues and profits, which could have an adverse effect on the Company's ability to win or renew other contracts or pursue other growth initiatives.

Player and customer preferences

The Company's success depends in part on unpredictable and volatile factors that are beyond its control, such as customer preferences, competing Gaming Machines that offer different games than those offered by the Company, travel activity and the availability of other entertainment activities. If the Company is unable to anticipate or react to any significant changes in player or customer preferences in a timely manner, the demand for its services or use of the Gaming Machines financed by it could decline which could affect its financial results.

Significant barriers to entry

There are significant barriers to entry to the market for the Company's products. The primary barriers to entry, some of which the Company is still in the process of overcoming, are the establishment of relationships with the owners and operators of casinos, card clubs, cruise ships and other gaming operators, the receipt of necessary regulatory approvals and the availability of Gaming Machines. If the Company is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

Inability to complete future acquisitions and integrate those businesses successfully could limit future growth

Part of the Company's corporate strategy is to continue to pursue expansion and acquisition opportunities. In connection with any such acquisitions, the Company could face significant challenges in managing and integrating the expanded or combined operations, including acquired assets, operations and personnel. In addition, there can be no assurance that acquisition opportunities will be available on acceptable terms or at all or that the Company will be able to obtain necessary financing or regulatory approvals to complete potential acquisitions. The Company's ability to succeed in implementing its strategy will depend to some degree upon the ability of its management to identify, complete and successfully integrate commercially viable acquisitions. Acquisition transactions may also disrupt the Company's ongoing business and distract management from other responsibilities.

Legal and regulatory requirements

The Company is subject to the legal systems and regulatory requirements of a number of jurisdictions with a variety of requirements and implications for its shareholders. International activities in the gaming industry may require protracted negotiations with host governments, national companies and third parties. Foreign government regulations may favour or require the awarding of contracts to local companies or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If a dispute arises with foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of Canada.

Inability to Redeem Securities when Required

Notwithstanding the adoption of the proposed redemption provisions in the Articles of Continuance of the Company, the Company may not be able to exercise its redemption rights in full or at all. The Company may become subject to contractual restrictions on its ability to redeem shares of its capital stock by, for example, entering into a secured credit facility subject to such restrictions. In the event that restrictions prohibit the Company from exercising its redemption rights in part or in full, it will not be able to exercise its redemption rights absent a waiver of such restrictions, which it may not be able to obtain on acceptable terms or at all. The inability to redeem its shares when required to do so by a Gaming Authority may have a materially adverse impact on its business.

Redemption of Securities by the Company

In accordance with U.S. Gaming Laws, the Company Shares will be subject to redemption by the Company from any Unsuitable Person. Accordingly, you may be forced to sell your Company Shares at times and prices that are unfavorable to you. Further, in the event of such a redemption, the Company Board may determine to pay the redemption price for the Company Shares in whole or in part by delivering a promissory note.

TSXV Review

The Company will be subject to the policies of the TSXV, which will require, among other things, that the Company seek approval of the TSXV with respect to certain significant transactions proposed to be entered into by the Company. In addition, prior to the Company entering into business in new jurisdictions, the Company may be required to satisfy the TSXV that the jurisdictions in which the Company will operate are subject to comprehensive regulatory regimes for gaming and that the Company will operate in compliance with all applicable Gaming Laws in such jurisdictions. In the event that the TSXV does not approve certain transactions or jurisdictions in which the Company proposes to operate, or any delay in obtaining such approval, could have a negative impact on the Company.

Ownership Limitations on securities of the Company

The distribution of Gaming Machines and the conduct of gaming operations is subject to extensive U. S. Federal, state, local and foreign regulation by various Gaming Authorities (each, a "**Gaming Authority**"). Although the laws and regulations of the various jurisdictions in which the Company operates vary in their technical requirements and are subject to amendment from time to time, virtually all these jurisdictions require licenses, permits, documentation of the qualification, including evidence of integrity and financial stability, and other forms of approval for companies engaged in gaming operations and the distribution of Gaming Machines as well as for the officers, directors, major stockholders and key personnel of such companies. The Company and its key personnel have obtained, or applied for, all government licenses, registrations, findings of suitability, permits and approvals necessary for the distribution, and operation where permitted, of its Gaming Machines in the jurisdictions in which it currently does business. However, there can be no assurance that such licenses, registrations, findings of suitability, permits or approvals will be given or renewed in the future or that the Company will obtain the licenses necessary to operate in additional markets.

The Gaming Authorities may, at their discretion, require the holder of any security of the Company, such as the Company Shares and the Convertible Debentures, to file applications, be investigated and be found suitable to own such securities of the Company. If a record or beneficial owner of the Convertible Debentures is required by a Gaming Authority to be found suitable, such owner will be required to apply for a finding of suitability within a time frame, usually 30 days, after request by such Gaming Authority, or within such earlier or later time as required by such Gaming Authority. As a general matter, assuming a passive investment intent, only owners in excess of specified percentages of the Company's voting securities are required by Gaming Authorities to be found suitable, absent unusual circumstances, which percentage is typically between 5% to 20% of any class of such voting securities. The applicant for a finding of suitability generally must pay all costs of the investigation for such finding of suitability. In some jurisdictions the applicant must provide an initial deposit as determined by the Gaming Authorities to pay the anticipated costs and charges incurred in the investigation and deposit such additional sums as are required by the Gaming Authorities to pay final costs and charges. If a Gaming Authority determines that a holder is unsuitable to own the Convertible Debentures (an "**Unsuitable Debenture Holder**") or Company Shares, or to have any other relationship with the Company, then the Company can be sanctioned, including the loss of its licenses and approvals, if without the prior approval of the Gaming Authorities, it: (i) pays to the Unsuitable Person or Unsuitable Debenture Holder any dividend, interest, or any distribution whatsoever; (ii) recognizes any voting right by such person in connection with such securities; (iii) pays the Unsuitable Person or Unsuitable Debenture Holder remuneration in any form; (iv) makes any payment to the Unsuitable Person or Unsuitable Debenture Holder by way of principal, redemption, conversion, exchange, liquidation, or similar transaction; or (v) fails to pursue all lawful efforts to require such person to relinquish his or her voting securities including, if necessary, the immediate purchase of such voting securities for cash at fair market value. Further, if any Gaming Authority requires that a holder or beneficial owner of Convertible Debentures or Company Shares must be licensed, qualified or found suitable under any applicable gaming law and such holder or beneficial owner fails to apply for a license, qualification or a finding of suitability within the time requested to do so by the Gaming Authority, or if such holder or such beneficial owner is not so licensed, qualified or found suitable, the Company will have the right, at its option (i) to require such holder or beneficial owner to dispose of such holder's or beneficial owner's Convertible Debentures or Company Shares within 30 days of receipt of such notice of such finding by the applicable Gaming Authority or such earlier date as may be ordered by such Gaming Authority or (ii) to redeem the Company Shares or Convertible Debentures of such holder or beneficial owner as follows:

(i) for Company Shares, the redemption price will be the average closing sales price per share during the thirty trading day period immediately preceding the date of the redemption notice, or if no such data is available, the fair market value per share as determined in good faith by the Company Board, unless a Gaming Authority requires that a different price be paid, in which case the redemption price will be such different price. The redemption price may be paid in cash, by promissory note, or both. If any portion of the redemption price is to be paid pursuant to a promissory note: (a) such note will have a face amount equal to the portion of the redemption price for which the note is given (i.e., if the redemption price is $1,000, and cash of $250 is paid, the note will have a face amount of $750); and (b) unless the Company agrees to different terms, the note will (i) be unsecured, (ii) have a term of five years, (iii) bear interest, compounded annually, at the Bank of Canada's prime rate of interest on the redemption date, and (iv) have such other terms as are determined by the Company Board, in its sole discretion, after consultation with a nationally recognized investment bank, to be customary and appropriate; and

(ii) for Convertible Debentures, the redemption price will be the lesser of: (i) the principal amount thereof plus accrued and unpaid interest; or (ii) the actual cost base of the Convertible Debenture holder plus any accrued and unpaid interest, exclusive of any commissions, fees, or other expenses incurred by such person in connection with the purchase of the Convertible Debentures, to the earlier of the date of redemption or such earlier date as may be required by such Gaming Authority or the date of the finding of unsuitability by such Gaming Authority, which may be less than 30 days following the notice of redemption if so ordered by such Gaming Authority.

The Company is not required to pay or reimburse any holder or beneficial owner of Company Shares or Convertible Debentures who is required to apply for such license, qualification or finding of suitability for the costs of the licensure or investigation for such qualification or finding of suitability. Such expenses will, therefore, be obligations of such holder or beneficial owner.

In many jurisdictions, Gaming Laws can require any of the securityholders of the Company to file an application, be investigated, and qualify or have his, her or its suitability determined by Gaming Authorities. Gaming Authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, the Gaming Authorities have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the Gaming Authorities.

Refinancing risks

The Company's ability to make scheduled payments on or to refinance its debt obligations and to make distributions to enable it to service its debt obligations depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, legal, regulatory and other factors beyond the Company's control, including fluctuations in interest rates, market liquidity conditions, increased operating costs and trends in its industry. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it may be forced to reduce or delay activities and capital expenditures, sell assets, seek additional capital, or restructure or refinance its indebtedness. Depending on the debt market conditions at the time, it is possible that such restructuring or refinancing could lead to a significant increase in debt service costs and interest expenses or result in additional restrictions being placed on the Company's operations. Furthermore, these alternative measures may not be successful and may not permit the Company to meet the Company's scheduled debt service obligations. In such circumstances, the Company could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations.

Impact of currency fluctuations may adversely affect the Company

All of the Company's revenue is currently earned in U.S. dollars, but a portion of the Company's operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the U.S. dollar and the

Canadian dollar, may have an adverse effect on the Company's business, financial condition and operating results.

Losses due to infringement

The Gaming Machines for which the Company provides financing generally are protected by patents and trademarks held by third parties and used by Gaming Machine manufacturers pursuant to licenses granted by the owners of such intellectual property. The Company relies on the manufacturers to obtain and maintain those licenses. If the Gaming Machines financed by the Company were found to violate the intellectual property rights of others, the use of those Gaming Machines could be temporarily or permanently enjoined, and the casino and the Company could potentially be held liable for damages, including treble damages and attorneys' fees. Even an unsuccessful or frivolous claim of infringement could disrupt a casino's operations and thus the Company's cash flow and therefore could have a material adverse effect on the Company's business, operating results and financial condition.

Slow growth in the development of new gaming jurisdictions or the number of new casinos, declines in the rate of replacement of existing gaming machines and ownership changes and consolidation in the casino industry could limit or reduce the Company's future prospects

Demand for the Company's Gaming Machines and related financing is partially driven by the development of new gaming jurisdictions, the addition of new casinos or expansion of existing casinos within existing gaming jurisdictions and the replacement of existing Gaming Machines. The establishment or expansion of gaming in any jurisdiction typically requires a public referendum or other legislative action. As a result, gaming continues to be the subject of public debate, and there are numerous active organizations that oppose gaming. There can be no assurances that new gaming jurisdictions will be established in the future or that existing jurisdictions will expand.

To the extent new gaming jurisdictions are established or expanded, the Company cannot guarantee it will be successful penetrating such new jurisdictions or expanding the Company's business in line with the growth of existing jurisdictions. As the Company enters into new markets, the Company may encounter legal and regulatory challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. If the Company is unable to effectively develop and operate within these new markets, then the Company's business, operating results and financial condition would be impaired.

Demand for Products and Services

Demand for the Company's products and services depends largely upon favorable conditions in the casino industry, which is highly sensitive to casino patrons' disposable incomes and gaming activities. Discretionary spending on entertainment activities could further decline for reasons beyond the Company's control, such as continued negative economic conditions, natural disasters, acts of war or terrorism or transportation disruptions, including as a result of adverse weather conditions. Any prolonged or significant decrease in consumer spending on entertainment activities could result in reduced play levels on the Company's participation games, causing the Company's cash flows and revenues from a large share of the Company's recurring revenue products to decline.

The Company is dependent on the Company's suppliers and any failure of these parties to meet the Company's performance and quality standards or requirements could cause the Company to incur additional costs or lose customers

The manufacturing, assembling and designing of the Company's Gaming Machines depends upon a continuous supply of raw materials, such as source cabinets, which the Company currently sources primarily from one supplier. If the Company's current supplier is unable to deliver these items in the quantity required or in accordance with the Company's standards of quality and the Company is unable to find an alternative supplier in a timely fashion or on reasonable terms, the Company may not be able to meet the demands of the Company's customers or the Company's contractual obligations, which would adversely affect the Company's results of operations and business.

Reliance on the Board of Managers of Poydras Gaming

The investment decisions and day-to-day operations of the business of Poydras Gaming will be delegated to the Board of Managers of Poydras Gaming (currently Peter Macy, Daniel Davilla and Matthew Dickson). Thus, an investment in the Company represents an investment primarily in the ability of the Board of Managers of Poydras Gaming to select appropriate investments on behalf of the Company rather than an investment in a specific portfolio of assets. There can be no assurance that the Board of Managers will be able to identify and complete investments or that the investments will be successful.

Prevention of Money Laundering

The USA Patriot Act, signed into law on and effective as of October 26, 2001, requires that financial institutions establish and maintain compliance programs to guard against money laundering activities. The USA Patriot Act requires the Secretary of the U.S. Treasury (the "**Treasury**") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would subject certain pooled investment vehicles to enact anti-money laundering policies. It is possible that there could be promulgated legislation or regulations that would require the Company or one or more of its Subsidiaries or other service providers to, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities in respect of a shareholder. Such legislation and/or regulations could require the Company to implement additional restrictions on the transfer of its shares. The Company reserves the right to request such information as is necessary to verify the identity of an investor and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or U.S. Securities and Exchange Commission. In the event of delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Common Shares in the Company may be refused.

The Company's gaming machines may experience losses due to technical problems or fraudulent activities

The Company's success depends on the ability of the casinos with which the Company contracts and the manufacturers of the Gaming Machines to avoid, detect, replicate and correct software and hardware anomalies and fraudulent manipulation of the Gaming Machines. The manufacturers incorporate security features into the design of the Company's Gaming Machines and other systems, which are designed to prevent the Company, the casinos and patrons of the casinos from being defrauded. However, there can be no guarantee that the security features or technical efforts will continue to be effective in the future. If the security systems fail to prevent fraud or if the casinos experience any significant technical difficulties, the Company's operating results could be adversely affected. Additionally, if third parties breach the security systems and defraud patrons of the casinos in which the Company places Gaming Machines, the public may lose confidence in the casino or the Company could become subject to legal claims or to investigation by Gaming Authorities, all of which could have a material adverse effect on the Company's results of operations and financial condition.

Management of growth

The Company may experience rapid growth in the Company's headcount and operations, placing significant demands on its operational and financial infrastructure. If the Company does not effectively manage its growth, its ability to market its products could suffer, which could negatively affect its operating results. To effectively manage the Company's expected growth, it must continue to improve its operational, financial and management controls and its reporting systems and procedures. These systems enhancements and improvements will require significant capital expenditures and allocation of valuable management resources. If required improvements are not implemented successfully, the Company's ability to manage its expected growth will be impaired and it may have to make significant additional expenditures to address these issues, which could harm its financial position.