

## Poydras Gaming Finance Corp. Announces 2014 First Quarter Financial Results

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VANCOUVER, May 30, 2014 /CNW/ - POYDRAS GAMING FINANCE CORP. (formerly Great Northern Gold Exploration Corporation) (TSX-V: PYD) ("**Poydras Gaming**" or the "**Company**") has released financial results of Poydras Specialty Finance Corp. ("**Poydras Specialty Finance**" or "**PSF**") for the first quarter ended March 31, 2014. (All amounts expressed in US Dollars unless otherwise stated.)

### First quarter summary

During the first quarter ended March 31, 2014, the Company focused on its reorganization, reverse takeover with Poydras Specialty Finance and concurrent funding (together the "RTO") which closed on May 9, 2014. Poydras Specialty Finance reported a loss of \$1,132,671 for the first quarter, largely due to professional fees of \$453,384 related to the RTO and non-cash expenses of \$581,924.

### Highlights subsequent to the first quarter

In conjunction with the RTO (See News Release dated May 9, 2014, and prospectuses dated April 22, 2014 and filed on SEDAR):

- Completed funding of CDN\$3,345,000 in common equity and US\$7,732,000 in convertible debentures.
- Completed acquisition of 100% of Windy Hill Capital LLC ("Windy Hill"), which generated EBITDA of \$1,679,735 on revenue of \$2,034,392 for the year ended December 31, 2013 for \$4,000,000 in total consideration comprised of: (i) an aggregate of 6,705,409 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 holds an interest in long-term contracts on 126 gaming machines in operation at two casinos owned by a US federally recognized tribe in Oklahoma.
- Completed the acquisition of the 38.43% minority interest in Poydras Gaming LLC for \$2,600,000 comprised of 5,811,345 common shares valued at \$1,300,000 and \$1,300,000 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 LLC.
- Converted CDN\$3,000,000 convertible debentures (the "September 2013 debentures") principal into 30,000,000 common shares of the Company at the rate of CDN\$0.10 per common share.

Subsequent to April 22, 2014, the Company deployed 38 additional slot machines in its core markets of Oklahoma and California, bringing the number of deployed machines to 312. The Company also has existing contracts to allow it the opportunity to place an additional 187 slot machines in 2014 for a total number of 499 deployed and deployable machines. (See News Release dated May 29, 2014)

"Now that the RTO and funding is completed we look forward to focusing on building on our track record of generating strong returns at Windy Hill by deploying capital to increase our portfolio of slot machine placements," said Peter Macy, CEO of Poydras Gaming. "We expect financial results to improve in the second half of 2014 with the consolidation of Windy Hill into our statements and increased cash flow from the deployment of the our capital. The completion of the RTO has provided us with a platform to become a leader in providing financing solutions to regional casino operators and machine vendors and to realize on acquisition opportunities in our sector."

### Financial Results

During the three months ended March 31, 2014, Poydras Specialty Finance reported a net loss of \$1,132,671 or \$0.02 per share on \$159,776 of leasing and financing revenue. The most significant factors driving the financial results during the current period are (i) loss on valuation of the 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 the September 2013 debentures was recorded to recognize a liability for the increase in the estimated fair value of the 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 the September 2013 debentures and equipment loans.

CDN\$3,000,000 September 2013 debentures were converted into equity concurrently with the RTO, therefore interest expense on these convertible debentures will not be accruing at the rate of 12% per annum after May 9, 2014. Loss on valuation of the September 2013 debentures and depreciation expense are non-cash expenses.

As at March 31, 2014, PSF 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, PSF had total liabilities of \$5,674,563 consisting of \$1,864,587 of current liabilities and \$3,809,976 of non-current liabilities of which \$3,731,611 was related to September 2013 debentures which were converted to equity in conjunction with the RTO. Included in non-current liabilities is a \$1,017,416 estimated fair value of the option for the PSF September 2013 debentures holders to convert their debentures into common shares of Poydras Gaming, which does not represent Poydras Specialty Finance's obligation to settle the debentures in cash upon maturity. The CDN\$3,000,000 face value of the September 2013 debentures were fully converted to equity in conjunction with the RTO.

### Outlook

Poydras Gaming expects to generate most of its revenue from providing casinos and machines suppliers with financing for gaming machines and related capital expenditures in the United States. Currently, the Company owns or finances gaming machines in Oklahoma and California. In the short to medium term, Poydras Gaming is looking to expand operations into Louisiana.

While the Company expects to report additional professional fees and costs for the RTO in the second quarter of 2014, it expects financial performance to improve significantly in the 2<sup>nd</sup> half of 2014, due to the reduction of professional fees, contributions from Windy Hill (acquired during the 2<sup>nd</sup> quarter of 2014) and increased deployment of slot machines related to new and existing agreements. In addition, Poydras Gaming believes that there are opportunities to grow by acquiring installed slot machines and leasing operations.

### Conference Call

The Company is also pleased to announce that it will be hosting an investor conference call on Monday, June 2, 2014 at 7:00am Pacific Time (10:00am Eastern Time). The purpose of this conference call will be to provide investors with an update of the financial results of the Company and subsequent events after completion of the RTO. Representing Poydras Gaming on the conference call will be:

Mr. Peter Macy, Chief Executive Officer  
Mr. Adam Kniec, Chief Financial Officer  
Mr. Kim Oishi, Member of the Board of Directors

Following the update, a question and answer session will be held. To participate, the dial-in instructions are as follows:

DATE: Monday, June 2, 2014

TIME: 7:00am Pacific Time / 10:00am Eastern Time

Participant Dial-In Number(s):

North America Toll-Free Dial-In Number: 1 (888) 390-0546

For Toronto: 1 (416) 764-8688

For Vancouver: 1 (778) 383-7413

A Taped Replay will be available until June 9, 2014.

Taped Replay Toll Free Number: 1 (888) 390-0541

Taped Replay Toronto Dial-in Number: 1 (416) 764-8677

Taped Replay Password: 542379

For additional information please see the SEDAR website at [www.sedar.com](http://www.sedar.com).

**About Poydras Gaming Finance Corp.:**

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

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

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

EBITDA (earnings before interest, taxes, depreciation and amortization) is a financial measure that does not have a standardized meaning under IFRS. As there is no standardized method of calculating this measure, Windy Hill's EBITDA may not be directly comparable with similarly titled measures used by other companies. Poydras considers Windy Hill's EBITDA to be relevant indicator for measuring trends in performance and Windy Hill's ability to generate funds to meet its working capital and capital expenditure requirements. EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to net income (loss) or cash flows as determined in accordance with IFRS.

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

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

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

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**For further information:**

Peter Macy, CEO  
Poydras Gaming Finance Corp.  
Phone: (604) 683-8393  
Email: [info@poydrasgaming.com](mailto:info@poydrasgaming.com)

CO: Poydras Gaming Finance Corp.

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