

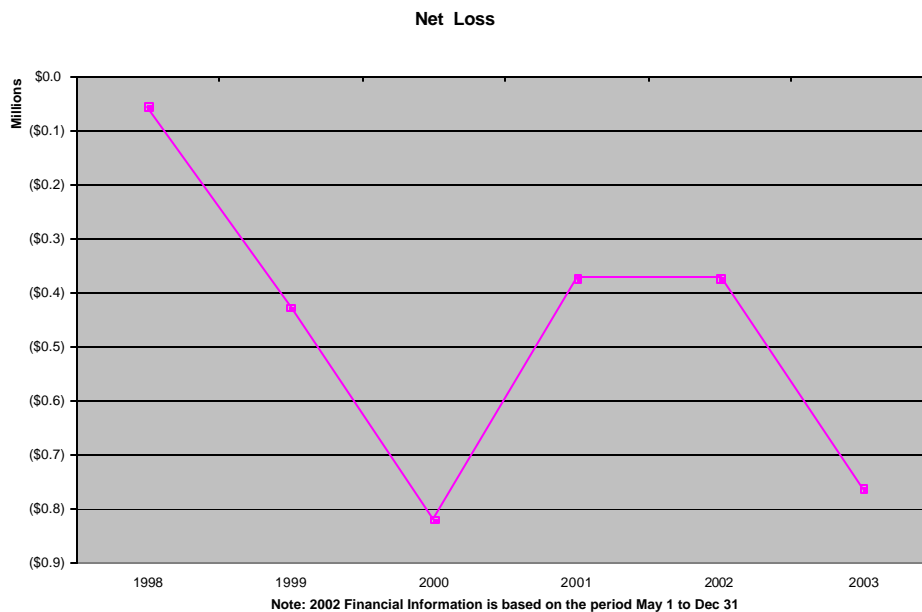
Financial Trend Analysis

In the past two years there have been three different operators of the Hastings Racecourse:

- Hastings Entertainment (Great Canadian Casino and Wall Financial)
- Hastings Entertainment (Woodbine Entertainment Group)
- Pacific Racing Association

Analysis is based on information contained in 1998-2003 financial statements. The 1998 - 2001 statements relate to the period when the racetrack was operated by Pacific Racing Association (PRA). The 2002-03 statements relate to the period when it was operated by WEG. The 2002 statements represent the period from May 1 (the date HEI took over operations from PRA) to December 31.

Hastings Racecourse has incurred operating losses for the past several years, as shown in the chart below.



A number of attempts have been made to increase revenues over the past several years. Investments in capital additions in the amount of \$2.1 million were made in 2003. The current operator estimates a continuous expenditure of a similar amount is required to maintain the current level of operations.

The present operator indicates major investments are required to rebuild horse barns and grandstands. Other capital investments will also be required. The only source of financing would be cash from operations or equity. Debt financing would not be available because the operator does not own the assets. Equity investment would require a reasonable return on investment.