APPENDIX C

Estimated Fair Market Value of the Eagle River Group

Prepared by the Receiver in support of its recommendation to proceed with the Proposed Transaction

Introduction

This analysis summarizes the Receiver's approach to estimating the fair market value of the Eagle River Group business and assets being purchased by Alexis Hotel Corp ("AHC").

The estimate of value is being determined on an en bloc going concern basis using valuation principles establish for that purpose. The estimate of value includes the business and operations of APLP and PCA, to the extent of its interest in ACLP through the Casino Management Agreement. In preparing this analysis, the Receiver has not considered any allocation of value to individual assets, other than assets surplus to the operations.

Estimated Fair Market Value

The assets, undertaking and business are being sold on a going concern basis and therefore the valuation has been prepared using and earnings based methodology.

The Receiver has used a number of commonly used approaches to valuation as follows:

- Valuation of comparable M&A transactions;
- Valuations of comparable listed companies; and
- Asset based valuation given the nature of the transaction.

The Receiver reviewed comparable transactions of gas stations and travel plazas but there are very few disclosed M&A transactions involving gas stations and there is no public data available upon which to calculate valuation benchmarks based on EBITDA or revenues. There are also very few comparable transactions involving the sale of casinos of the size of the Eagle River Group and there is no public data available on these transactions.

There are also no directly comparable listed companies to the Eagle River Group as most of the casino companies are either much larger single site casinos or have multiples casinos in their portfolio. We have reviewed broker reports on small listed regional casino groups with operations in Canada and have used these estimates, with appropriate discounts, to arrive at fair market value of the Eagle River Group.

The final methodology we have considered is an asset based valuation. There are no appraisals of the casino and travel plaza property since construction was completed in 2007 and the Receiver did not believe it warranted to obtain an appraisal as there would be few comparables for a direct comparison appraisal and we have prepared our own income estimate of value. We have estimated the cost based valuation based on the net book value of the buildings, leasehold improvements and other fixtures, fittings and equipment.

The Receiver is of the view that the most applicable valuation methodologies are the EBITDA multiple and the cost based methods.

EBITDA Multiple Valuation Methodology

A summary of the EBITDA estimates and multiples used as follows:

	EBITDA	**EV/EBITDA multiple used**		
Year	**$ million**	**4.5X**	**5.0x**	**6.0X**
2013E	3.3	$14.85m	$16.5m	$21.8m
2014F	4.4	$19.6m	$21.8m	$26.2m

The EBITDA includes the combined operations of PCA, APLP and ACLP and include the FNDF proceeds received or receivable in any given year. The fiscal 2013 EBITDA for the year ended December 31 is estimated based on internal financial statements. The fiscal 2014 EBITDA is forecast based on internally prepared management budgets.

The EV/EBITDA multiples applied above are based on listed company comparable data but have been reduced by 25% to reflect the lack of liquidity associated with an investment in a private company such as the Eagle River Group.

These estimates suggest an enterprise value range of $15.0 million to $26.0 million with a midpoint based on a 5 times multiple of between $16.5 and $22.0 million.

In addition, at February 28, 2014 the Eagle River Group has surplus assets with an estimated value of $14.5 million including:

1. cash and FNDF grant proceeds receivable of approximately $7.0 million; and
2. various intellectual property and a completed foundation/pad for the construction of a hotel with an estimated fair market value of $7.5 million

The total estimated fair market value on an EBITDA multiple basis is therefore in the range of $29.5 to $40.5 million, with a midpoint of between $31.0 and $36.5 million.

Depreciated Cost Based Valuation Methodology

The assets included in the APA include both current assets and capital assets . Based on the most recent unaudited internal financial statements available, the net book value of the assets of the Eagle River Group as at October 31, 2013 are:

Cash and FNDF Grants Receivable	$7.0 million
Capital Assets	$23.0 million
Total Assets	$30.0 million

We have assumed the depreciated cost represents replacement cost in respect of the capital assets. Therefore, on a depreciated cost basis the estimated fair market value is in the range of $30.0 million.

Conclusion

Based on the above analysis, the Receiver estimates that the fair market value of the Eagle River Group is in the range of $30.0 to $35.0 million.

The purchase price agreed to is $33.0 million and the amount of the indebtedness outstanding to Silverpoint as at January 31, 2014 was $82.9 million.

Consequently, the Receiver supports the sale to AHC.

Scope Limitation

In preparing the within analysis the Receiver has relied primarily upon the representations of management and employees of the Eagle River Group as well as unaudited financial information contained in the Eagle River Group's books and records. The Receiver has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future oriented financial information relied upon in this Report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

This estimate of fair market value has been prepared solely for the purposes set out in this report and should not be used or relied upon for any other purposes.