



Annual Report 2011-2012



With construction and expansion projects nearly complete, 2011-2012 offered us the opportunity to focus on the communities and charitable organizations that are changing our province for the better.

Corporate Overview

The Saskatchewan Indian Gaming Authority is the operator of six First Nations casinos in Saskatchewan. The casinos are conveniently located across the province: Bear Claw Casino & Hotel (White Bear First Nation), Dakota Dunes Casino (Whitecap Dakota First Nation), Gold Eagle Casino (Mosquito First Nation in North Battleford), Living Sky Casino (Nekaneet First Nation in Swift Current), Northern Lights Casino (Peter Ballantyne Cree Nation in Prince Albert) and Painted Hand Casino (Kahkewistahaw First Nation in Yorkton).

SIGA casinos entertain over 4.2 million guests annually. With over 1,900 employees including over 1,200 First Nations employees, SIGA is a top 15 employer in Saskatchewan. The entertainment company is currently ranked in Saskatchewan's top 25 companies with annual revenues over \$260M and net profits over \$80M.

SIGA casinos offer entertainment and excitement, including 1,870 slot machines, 52 live table games, live on stage entertainment and a full line of food and beverage services with SIGA staff providing traditional First Nations hospitality and service which is second to none.

Under the First Nations Gaming Act in 1995, the Federation of Saskatchewan Indian Nations Inc. created the Saskatchewan Indian Gaming Authority and since 1996, SIGA has been incorporated under The Non-Profit Corporation Act of Saskatchewan with all profits returned to its beneficiaries.

VISION

SIGA will deliver sustainable net income and employment opportunities to support First Nations development in Saskatchewan.

Profits generated from SIGA's operations are administered by the Province of Saskatchewan.

- 50% is shared with the First Nations Trust which is distributed to Saskatchewan First Nation communities;
- 25% is shared with regional Community Development Corporations (CDCs) which are situated in the casino locations for local initiatives. The CDCs which are independent of SIGA, distribute this money to charitable and not-for-profit community organizations.
- 25% is shared with the Provincial Government's general revenue fund.

As a responsible corporate citizen, SIGA has made a commitment to our customers, employees, stakeholders and suppliers to advocate the responsible use of its gaming products and to minimize the potential for harm.

MISSION

SIGA will strengthen the lives of First Nations people through employment, economic growth, positive community relations and financial self reliance. This will be done through the operation of distinctive First Nations gaming destination resorts that reflect the traditional aspects of our First Nations culture and hospitality.

GUIDING PRINCIPLES & BUSINESS VALUES

As a First Nations organization employing First Nations people, SIGA has adopted five principles to encourage balance, while incorporating the traditional aspects of First Nations culture. While our five guiding principles are presented here in Cree, there are parallel expressions in the Saulteaux, Dene and Lakota, Dakota and Nakota languages.

TÂPWÊWIN

The principle of Tâpwêwin advocates speaking with precision and accuracy. From a business perspective, this means SIGA must be accountable for its actions and conduct business with integrity, honour and discipline.

PIMÂCIHOWIN

Pimâcihowin stresses the importance of “making a living” and is today’s realization of our First Nations’ treaty relationship. The financial and operational success of SIGA provides the means to exercise a holistic approach to improving the quality of life for our people.

MIYO-WÍCÉHTOWIN

The value of getting along with others is embodied in the word Miyo-wicéhtowin. By conducting our business in a manner that reflects our First Nations hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First Nations heritage is a source of competitive advantage.

MISKÂSOWIN

Miskâsowin signifies the value of finding one’s sense of origin and belonging. A fundamental goal of SIGA is to bring about this sense in a positive way. This value speaks to instilling a sense of pride in ourselves and our province’s First Nations heritage.

WÎTASKÊWIN

Living together on the land is the fundamental value conveyed by the word Wîtaskêwin. “Sharing Success” talks to the concept of sharing our land or, in today’s terms, sharing resources. This value directs us to give back to the communities where we live and work.

Message from the FSIN



The 2011/2012 year has been an exciting year for the Saskatchewan Indian Gaming Authority.

The positive economic impact generated by SIGA continues to benefit the First Nations in this province. As SIGA continues to honour and respect its values by conducting business with integrity, developing good relations and giving back to the communities, its long-term sustainability and strong focus on the future will provide many more benefits to all First Nations as well to citizens in Saskatchewan.

When SIGA was established in 1995 as a non-profit organization, the Chiefs of Saskatchewan had a vision of sharing success and strengthening the lives of First Nations people through employment, economic growth, and community relations. The impact SIGA has had on First Nations people and the province of Saskatchewan since then has been unprecedented.

I would like to acknowledge everyone at SIGA for continuing to provide our patrons with the very best in service and entertainment. By focusing on serving our customers and careful management of our resources we have been able to produce steady progressive gains in our performance.

SIGA continues to strengthen the lives of Saskatchewan and First Nations people through employment, economic growth and community relations initiatives. More than 1,900 people are now working for the organization, including over 1,200 First Nations people. On behalf of the Chiefs of Saskatchewan I am proud to report that SIGA is one of the largest and most successful First Nations employers in Canada.

One of SIGA's guiding principles, "Witaskēwin," speaks to sharing the land or sharing resources. Giving back to the communities, whether it is in Education, Health, Elders or Youth programs is at the heart of SIGA's identity. By investing in employment, tourism, First Nations culture, or sports and recreation, SIGA enriches the lives of Saskatchewan and First Nations people across the province.

It is with great pride that I submit the Saskatchewan Indian Gaming Authority Inc. report ending March 31st, 2012.

A handwritten signature in black ink that reads "Morley Watson". The signature is fluid and cursive.

VICE CHIEF MORLEY WATSON
Federation of Saskatchewan Indian Nations

Message from SIGA's Board Chairman

It is an honour to represent the Board of Directors of the Saskatchewan Indian Gaming Authority (SIGA) in presenting the 2011/12 Annual Report.

At SIGA, our vision is to deliver sustainable net income and employment opportunities to support First Nations development in Saskatchewan. The SIGA Board members remain focused on the governance of the corporation and on serving our stakeholders through organizational performance. With everyone on the SIGA Board and within the organization working toward a common end - SIGA has achieved unprecedented success this year - with revenues of \$267.2M and a profit of \$81.6M for the 2011/2012 fiscal year. This represents an increase of 27% over the previous year's net earnings.

Since opening its doors, SIGA has generated over \$600 million dollars in revenue for our beneficiaries. As a fairly young company this is an outstanding accomplishment, one that we can all be proud of.

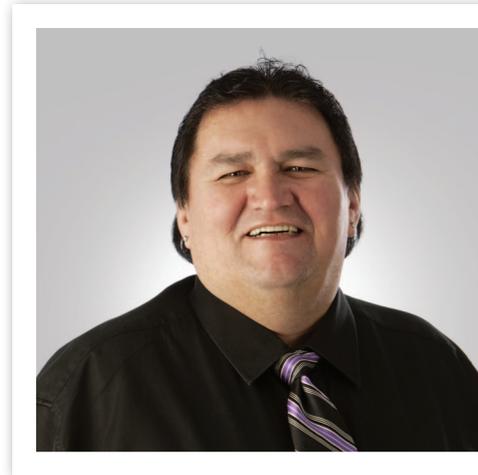
As stewards of the organization, the Board sets out a course for the future by implementing the strategic direction for the company. Always looking five years ahead, SIGA continues to reinvest in its facilities and its people, and implement initiatives that focus on the outcomes required by our shareholders, customers, and employees.

In June of 2012 I will have completed my time as Interim Board Chairman for SIGA's Board. I have appreciated the opportunity to serve in this capacity and I want to thank the Directors, the management team, and all SIGA employees for their engagement and efforts, and for their understanding of what is possible in our future as a company. I look forward to continuing on as Board Member and through a common vision we will see success.



CHIEF EDWARD HENDERSON

SIGA Interim Board Chairman



Message from President & CEO



I would like to take this opportunity to thank our customers for their continued patronage. In addition, I would like to express our pride and gratitude to our employees. Not only do they deliver traditional First Nations hospitality to our patrons, which is second to none, but they generously give of their time as volunteers in our communities. By keeping a focus on serving our customers and careful management of our resources we have been able to produce steady progressive gains in our performance.

We have had an extremely successful year as we recorded record revenues of \$267.2M and a profit of \$81.6M for the 2011/2012 fiscal year. This represents an increase of 27% over the previous year's net earnings. The mild weather and favourable market conditions including a strong provincial economy contributed to increased visitation to the casinos and overall revenue. In addition, the improved performance can be attributed to SIGA's continued focus on efficiency improvements and investments made in prior years to enhance our facilities.

Over the past 16 years SIGA has been very successful in developing a vibrant gaming and entertainment industry in Saskatchewan.

We have grown our company into a First Nations development model that is consistently looked upon as a leading example of how to maximize benefits from First Nations business development. During the past 6 years we have expanded our operations into two new markets in Saskatchewan. And with the help of our First Nations development partners, we have created an unprecedented \$125M in economic investment on reserves in Saskatchewan. We are proud that our casinos have become a valued attraction to the communities in which we operate. SIGA has been and continues to be an important business entity owned and operated by Saskatchewan First Nations.

With over 1900 employees, SIGA is one of Saskatchewan's largest employers. In addition, it is the largest employer of First Nations people in Canada. First Nations employees represent 65% of SIGA's workforce. The company continues to strengthen the lives of First Nations people in Saskatchewan through employment, economic growth and community relations initiatives. Our family of casinos offer a distinct First Nations entertainment experience that reflects the traditional aspects of First Nations heritage and hospitality.

Thank you to our SIGA Board members. They remain focused on the governance of the corporation and serving our stakeholders through organizational performance. SIGA operates in one of Canada's most highly regulated industries; as a result, SIGA has developed policies and standards consistent with industries of similar size and nature. We have been recognized, both provincially and nationally, for our operational excellence.

This year, SIGA once again invested \$1.3M to support hundreds of community groups across Saskatchewan through our sponsorship program. By embracing and implementing the teachings of our Elders, we foster our philanthropic commitment by giving back to our communities. This important aspiration is inherent in who we are as a First Nations organization. This investment is on top of the 100% of gaming profits which are returned to our beneficiaries. Through "Sharing Success" initiatives, SIGA will continue to build and enrich communities in Saskatchewan and as a result, everyone will benefit.

Since opening its doors in 1996 SIGA has demonstrated it has been committed to operate in a socially responsible manner by maintaining a responsible gaming environment. Promoting responsible gambling, and being responsive to the issue of problem gambling. We make a concerted effort to provide our patrons with the resources to make informed decisions about their level of gambling.

Our mission is built around strengthening the lives of First Nations people through employment, economic growth, positive community relations, and financial self-reliance. My colleagues and I have been working hard to build a reputation that our shareholders, our patrons, and our employees can support and be proud of. We are, and still remain, a successful, award-winning business committed to providing an exceptional service to our patrons.

Sincerely,



ZANE HANSEN

President & CEO

Operational Highlights

SIGA operates six First Nations owned casinos in Saskatchewan. The casinos feature 1,870 slot machines; 52 live table games; a full line of food and beverage services and a live entertainment stage in each facility. In addition, the casinos provide their own unique brand of First Nations hospitality and service.

SIGA's intent with each casino is to design a modern facility that reflects the region, the people and First Nations tradition. SIGA continues to reinvest in our casinos with features that are rooted in First Nations culture and natural elements reflecting the area.

CAPITAL REINVESTMENT

The improvements to our facilities and our focus on a number of operational enhancements have improved the entertainment experience for our customers and will provide long-term sustainable returns for our beneficiaries.

Over the past five years, we have successfully grown our company by expanding our operations to two new markets in Saskatchewan. With the help of SIGA's First Nations development partners, the company has created an unprecedented \$125M in economic investment on reserves in Saskatchewan.

During 2011, we completed major expansions to both the Dakota Dunes and Northern Lights Casinos to provide a better environment for all our staff and patrons. We are proud that our casinos have become a valued attraction to the communities in which we operate.

SIGA also invests to provide the newest product, quality food, and outstanding hospitality and service to ensure our customers receive outstanding entertainment value.

BUILDING CAPACITY

Providing employment opportunities for First Nations people is an essential part of SIGA's mission and vision as an organization. Overall, SIGA employs over 1,200 First Nations people, or 65% of the total staffing complement, making the company one of the largest employers of First Nations people in the country.

Our people are our most valuable resource, and SIGA remains committed to developing our employees by investing in our people through a variety of learning opportunities. SIGA Human Resources conducted over 5,000 learning events in 2011/2012. Training included orientation, responsible gaming, and job-specific knowledge and skills. SIGA also provided opportunities and support to employees for future growth, with a full time career counsellor assisting employees in developing career goals, designing an educational development plan and creating career plans with SIGA providing educational support. In 2011, SIGA also began to focus on providing opportunities to improve essential skills, by partnering with the Saskatchewan Ministry of Advanced Education & Labour and the Saskatchewan Indian Institute of Technologies (SIIT) on the Workplace Essential Skills project. Through these and many other opportunities, SIGA remains committed to providing opportunities for our employees to develop the skills they need to succeed in the workplace now and in the future.



LIVE ENTERTAINMENT

SIGA strives to present live entertainment that appeals to our core demographic, entices new audiences to visit the casinos and adds to the atmosphere of ongoing events. By booking artists at more than one casino, we are also able to secure prestigious talent at a preferred rate. Some of the shows which performed at more than one location and served to satisfy our key clientele include The Tennessee Three, George Canyon, Kenny Shields & Streethart, Loverboy, Walter Ostanek & The Western Senators, Les McKeown's Legendary Bay City Rollers, and Ricky Skaggs & Kentucky Thunder. Many people who had never been to a SIGA casino before came out to take in performances by artists such as Steve Earle, Default, The Trews and Leon Russell.

Northern Lights Casino featured some incredible dinner shows over the year, and attracted fans of the long-running sitcom 'Cheers' by inviting George Wendt (Norm!) to sign autographs. The casino also maintained the well-established Seniors' Monday musical performances in the Starlight Lounge. In addition to ticketed concerts, Gold Eagle Casino treated VIPs to special performances by Michelle Wright and the fabulous "John Mueller's Winter Dance Party", a unique tribute to Buddy Holly, the Big Bopper and Ritchie Valens. Notable performances at Dakota Dunes Casino included a stop by Ian Tyson on his farewell tour and highly successful return visits by Terri Clark and Andrea Menard. Concerts at Living Sky Casino's Sky Centre generally sold-out very quickly, and free shows were offered on the lounge stage at least four nights each month to entertain players on the gaming floor. Painted Hand Casino celebrated the start of their annual powwow with a very special performance by Buffy Sainte-Marie, and also saw increased attendance as dinner shows gained in popularity. Bear Claw Casino & Hotel held their inaugural dinner show in the casino basement in February, 2012 (sold out!), and hosted a wildly successful outdoor concert in September, 2011 featuring music icons The Nitty Gritty Dirt Band.

CONVENIENT SERVICES

Providing valet parking, shuttle service, and line runs to our casinos is another way SIGA provides convenient services to our valued guests. These services continue to prove popular, with 13,385 patrons using our Valet Parking service, and nearly 129,029 traveling to and from five of our casinos using the shuttle. SIGA also ran line runs from designated communities, bringing in an additional 4,220 patrons this year. In addition to these services provided by SIGA, independent motor coach tours brought in more than 13,176 guests.

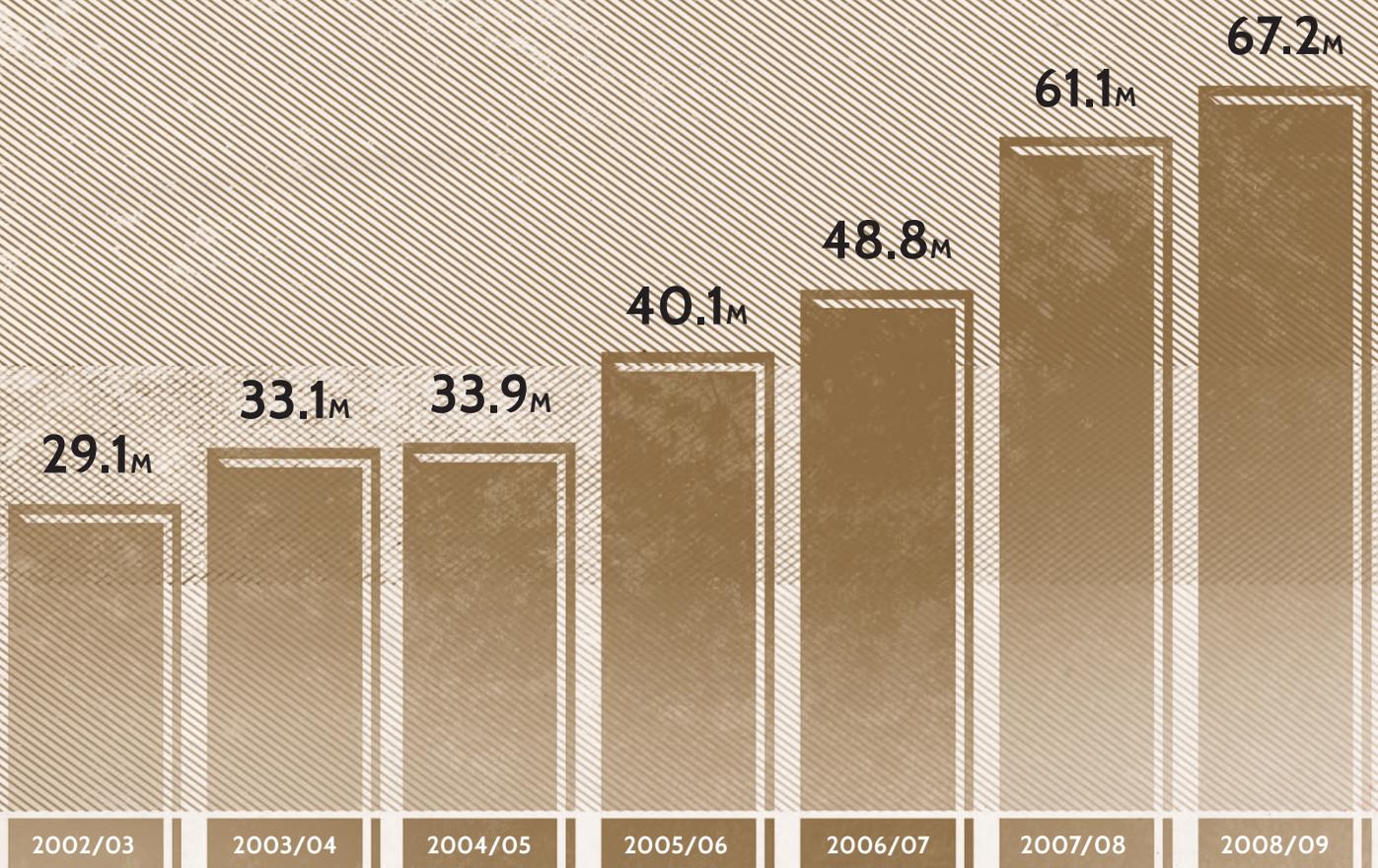
RECOGNITION AND APPRECIATION: PLAYERS CLUB

SIGA's Players Club loyalty program offers exclusive rewards to Members. Cash back for points earned, invitations to exclusive events, and personalized free play offers are just a few of the benefits of our free membership. The Club celebrated its 9th Anniversary this year with 3,600 Member's winning over \$150,000 in free play and 15 lucky Members each winning a \$5,000 cruise! Monthly Member birthday parties continue to be hugely popular, with interactive games to win free play, entertainment, and cake for Members and their friends. In March, SIGA rewarded select Members with a private performance by Canadian musician Jim Cuddy of Blue Rodeo (image above).

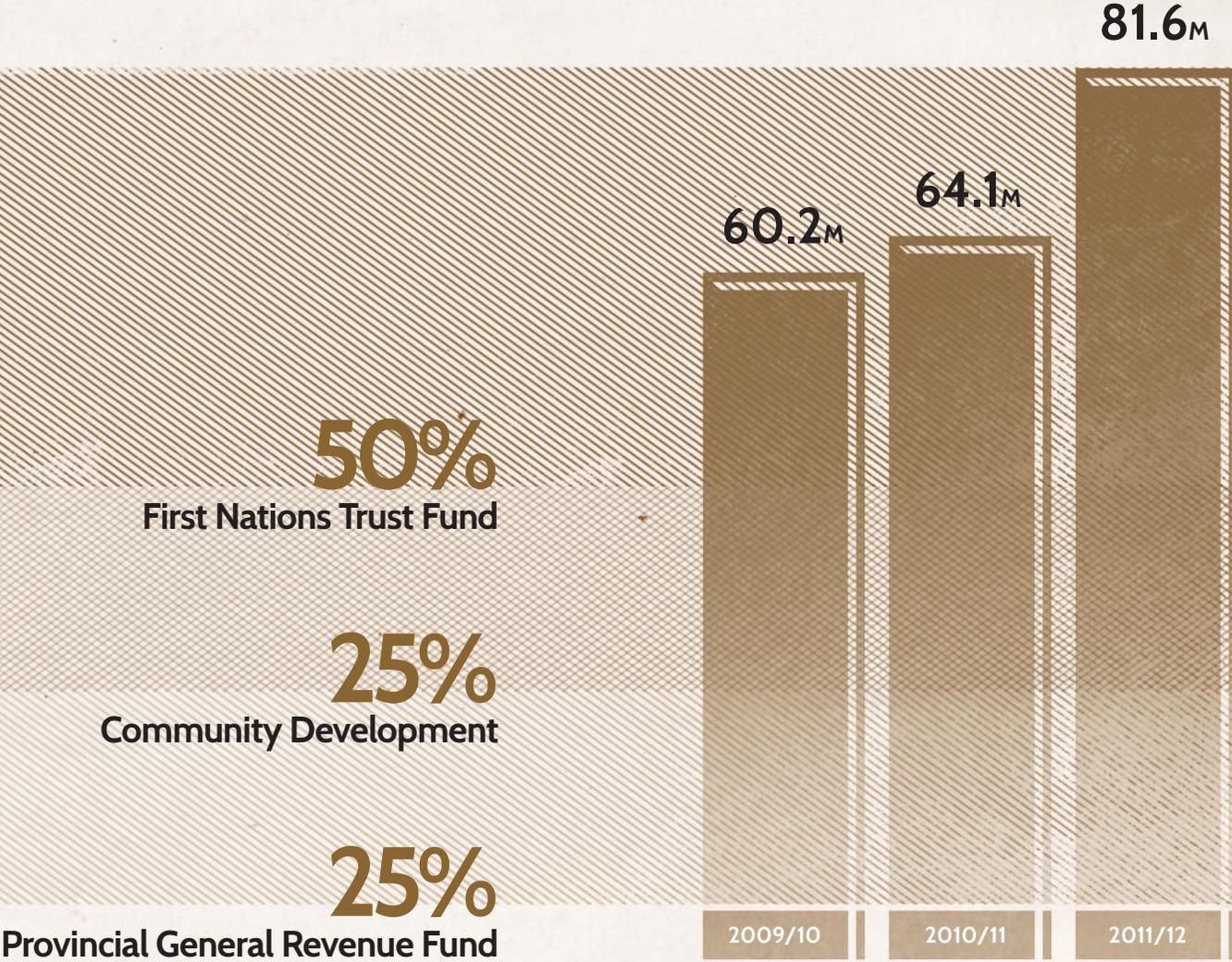
This year marked the start of our new Jackpot Parties, where qualifying Member's are invited to an exclusive party to celebrate winning. These parties were so popular we've had to double the number of parties and cash prizes for next year!

During the summer SIGA proudly launched the new Rewards Centres. These interactive kiosks addressed the demand for a faster and more automated self-serve experience. Upon each visit, Members swipe their Club card at the Centre to participate in personalized draws and promotions. All draws are now performed electronically with winners names being televised throughout the casino. The elimination of paper draw entry forms is convenient for the Members as well as a 'greener' solution for our casinos. In the first nine months of operations, the new Rewards Centres produced over 3.5 million player interactions.

Annual Profits



Profit Distribution



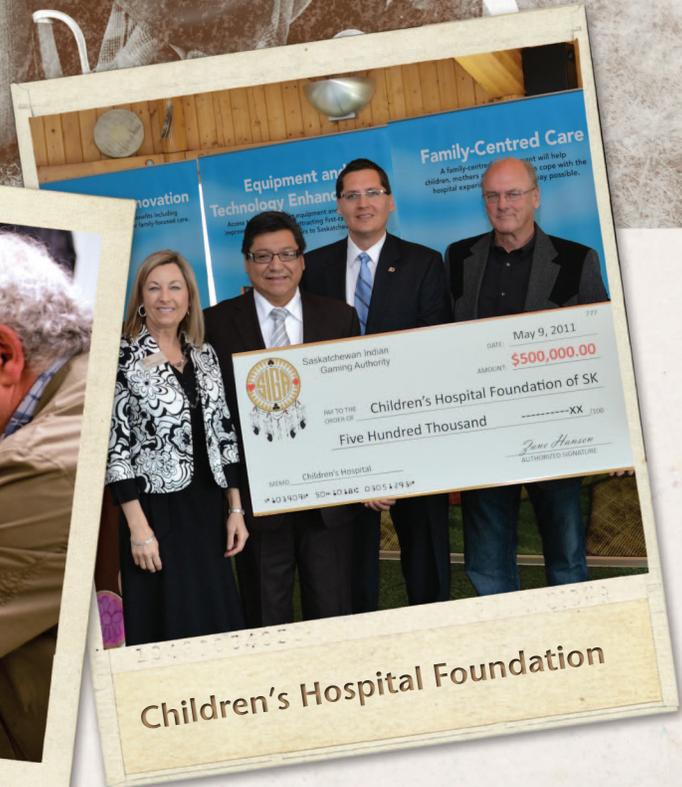
Community Relations & Investment



Witaskêwin
Warriors



Regina Symphony Orchestra



Children's Hospital Foundation

SPONSORSHIP

At SIGA, one of our values speaks to the sharing of our land and sharing our resources. The guiding principle, Wítaskêwin, reminds us to give back to the communities where we live and operate.

SIGA's community relations sponsorship program provides a \$1.3M annual investment into charitable and non-profit based organizations in Saskatchewan. SIGA continues to make a positive impact through its investment in its targeted sectors. These sectors include Education/ Training, Health and Well-being, Sports and Recreation, Business/Tourism, and Arts and Culture. SIGA continues to make a difference in the quality of life for the socially, physically and economically disadvantaged as well as those with special needs.

In 2011/12, SIGA contributed to hundreds of community organizations, including Children's Health and Hospital Foundation, Camp Circle O' Friends, Saskatchewan First Nations Summer Games, Wicihitowin Foundation, Traveling Diabetes Resource Program, St. Paul's Hospital Foundation, Ronald McDonald House, Spirit of Our Nations Cultural Pow-Wow, Children's Haven, Regina Symphony Orchestra Education and Outreach Program: Piapot Project and Piapot Festival, Saskatchewan Abilities Council and many others.

CHILDREN'S HOSPITAL FOUNDATION OF SASKATCHEWAN

The Children's Hospital Foundation of Saskatchewan is the sole foundation responsible for fundraising for the new Children's Hospital of Saskatchewan. The new provincial hospital will serve children from across the province, offering leading edge healthcare equipment and technology, research programs and innovation, with a focus on family care. This sponsorship reflects the second instalment of \$100,000 toward a total commitment from SIGA of \$500,000 for the creation of the Ante Partum Unit at the new Children's Hospital of Saskatchewan.

This unit will provide care to women with complex obstetrical complications such as pre-term labour, unstable diabetes, hypertension, medical induction of labour and miscarriages. The new children's hospital will benefit families, mothers and children from across the province for years to come.

The Children's Hospital Foundation of Saskatchewan has existed since 1992. Their goal is to raise awareness and funds for the children's health care in our province. Saskatchewan and Prince Edward Island are the only two provinces in Canada without a designated hospital for kids. The Royal University Hospital in Saskatoon is a provincial referral centre for pediatric care and the demand for this type of care is overwhelming.

2011 SASKATCHEWAN FIRST NATIONS SUMMER GAMES - THUNDERCHILD FIRST NATION

The Saskatchewan 2011 First Nation Summer Games were hosted by the Thunderchild First Nation. The Town of Turtleford and the Village of Edam near Thunderchild were also able to accommodate athletes, coaches, volunteers and spectators as well as some of the events in the games.

The Games were held from August 6 to August 11, 2011. Thunderchild and its community partners played host to 4,500 of the best young First Nation athletes in Saskatchewan aged 8-17 years. In addition, 1,200 coaches, managers & chaperons, 400 volunteers, 50 Officials and approximately 4,500 proud parents and spectators attended and supported these bi-annual Summer Games.

Athletes from Saskatchewan's ten tribal councils and independent First Nation communities gathered in the name of sportsmanship and community well-being. Friendships were forged in the name of spirited competition and displays of athleticism. The athletes gathered to compete in various sporting events including archery, track and field, canoeing, golf, soccer and softball.

With our focus on youth, SIGA's sponsorship of these games enable First Nation youth to gain access to athletic competition and experience the long lasting benefits of camaraderie, teamwork, a sense of pride, and relationships that will last a lifetime. The Saskatchewan First Nations Summer Games has a unique legacy to our First Nation communities which provide a showcase of athletic, cultural and artistic skill of our youth. The Games helped develop and foster athlete's self confidence, self esteem, cultural pride and social skills. SIGA has been a supporter of the First Nations Summer Games since SIGA opened its doors in 1996.

RIDER GAME DAY

On September 24, 2011, SIGA sponsored the Saskatchewan Roughriders for the 15th annual Rider Game Day. Each year SIGA invites over 300 inner city children and youth as well as First Nations Veterans to an end zone barbeque at Mosaic Stadium in Regina to watch the Rider game.

Many of these youth may not have had an opportunity to attend a Rider game and had a lot of fun showing their Rider pride. This year the youth were able to take photos of their favourite players from the end zone and mingle with our First Nations Veterans during the pre-game barbeque. This year we also had face-painting for the youth and handed out Rider souvenirs for those in attendance. The Veterans in turn, proudly carried their flags and participated and were honoured in the pre-game ceremony.

FSIN/SPIRIT OF OUR NATIONS POW-WOW

The 2011 'Spirit of our Nations' FSIN Cultural Celebration included a Youth Educational Symposium and Pow-wow that was held on November 10 - 13, 2011 in Saskatoon. For the past number of years, FSIN had hosted this event but in 2011 the pow-wow and youth symposium was hosted by the Saskatchewan Indian Cultural Centre.

The Cultural Celebration included a symposium which provided an educational element to the students of the Catholic and Separate School Systems in Saskatoon. The symposium was targeted to youth with a focus on cultural education. The symposium was held at the White Buffalo Youth Lodge.

The pow-wow brought thousands of dancers, drummers and singers from across North America to the province of Saskatchewan. The number of dancers, family members, participants, audience and volunteers surpassed 10,000 in attendance. The pow-wow provided an opportunity for people to learn more about First Nations culture and tradition. This event had a significant impact on the business and tourism sector in and around Saskatoon. SIGA has been a proud sponsor of this pow-wow for several years.

FEDERATION OF SASKATCHEWAN INDIAN NATIONS - 2011 WORLD INDIGENOUS YOUTH SUMMIT

The FSIN Lands and Resource Secretariat, in conjunction with the Department of Indian and Northern Affairs Canada and the United Nations, hosted the "*Only a Matter of Time: 2011 World Indigenous Youth Summit*" which ran from July 24-29, 2011 at the Saskatoon Inn Hotel and Conference Centre. SIGA was a proud sponsor of this event.

The 2011 World Indigenous Youth Summit was set to coincide with the United Nations' International Year of the Youth and International Day of the Forest. The primary focus of the Summit was to empower and build solidarity among Indigenous youth from around the world. The Summit focused on four major issues facing Indigenous youth worldwide: World Indigenous Youth Perspectives on the Environment & Sustainable Economic Development; Environmental Protection & Climate Change; Forests and Forest Protection; and Partnerships & Funding Initiatives. The Summit brought together hundreds of delegates from both international and domestic regions to discuss and learn about these important issues.

REGINA SYMPHONY ORCHESTRA EDUCATION AND OUTREACH PROGRAM: PIAPOT PROJECT AND PIAPOT FESTIVAL

In early 2011, SIGA partnered with the Regina Symphony Orchestra's (RSO) Executive Director Maxim Antoshin and RSO Concertmaster Eduard Minevich, went to the Piapot First Nation and met with the Piapot Chief and Council to discuss an opportunity of a year-round RSO music education program at the reserve. This resulted in the development of the Piapot Project.

In October, 2011 the RSO set up its first annual music program at the Piapot First Nation. This program was introduced as a part of Piapot School's curriculum this year and will run until May, 2012. This includes weekly classes to grade one students to teach students about music history and theory, as well as offer instruction in music performance. As a part of the program RSO will take the students from Piapot School to RSO concerts in Regina. At these concerts, the students will get an opportunity to meet with musicians and have a backstage tour. The Piapot Project provides a unique musical education enrichment opportunity to a group of First Nations students that normally would not be exposed to orchestral music education.

Over the next several years, the RSO is planning to turn this project at the Piapot First Nation into an example for other First Nations communities. Long-term plans include the creation of a music education network between First Nation communities in Saskatchewan.

SIGA'S RESPONSIBLE GAMING STRATEGY

Since its opening in 1996, SIGA has demonstrated it has been committed to operate in a socially responsible manner by maintaining a responsible gaming environment, promoting responsible gambling, and being responsive to the issue of problem gambling. At SIGA, we make a concerted effort to provide our patrons with the resources to make informed decisions about their level of gambling.

SIGA's Responsible Gaming Strategy consists of four key elements.

- Responsible Gaming Policies and Procedures
- Assisting Patrons
- Game and Venue Features
- Employee Training

Responsible Gaming Information Kiosks have been operational at all SIGA casinos since September 2009. The kiosks are located on the gaming floor providing education and awareness for casino patrons. In 2011/2012, the Play Responsibly kiosks received 5421 touches.

Training employees in responsible gaming is a key area within the SIGA Responsible Gaming Strategy. The training provides information on SIGA's responsible gaming policy, how gambling works, gambling behaviour, and staff responsibility in the responsible gaming strategy. New hires receive Responsible Gaming Level 1 training during their orientation and in 2011/2012, 281 staff members received training in Responsible Gaming Level 2.

SIGA is a member of the Saskatchewan Partnership for Responsible Gambling and also has partnerships with support agencies at the local, provincial and national level, such as First Nation Addiction Rehabilitation Foundation, SaskHealth, SaskGaming Corporation, Gamblers Anonymous, and the Canadian Mental Health Association. SIGA provides \$2.25 million annually to the First Nation Addiction Rehabilitation Foundation.

Five new Responsible Gaming brochures were developed and distributed to the six casino sites. These brochures provide responsible gambling information to assist patrons in making informed decisions. These brochures were titled; How to Play Responsibly, Self Exclusion, Slot Machines, Self Assessment, and Know How Gambling Works.

2011 SIGA SCHOLARSHIP AWARDS

The SIGA First Nation Scholarship Program is an incentive to encourage First Nation individuals to pursue education and continued learning in academic areas considered to be vital to the continued success of First Nations employment in Saskatchewan. The wide range of applicants consists of students pursuing post-secondary

education in a multitudinous array of subject matter, from trades to PhDs and everything in between. Since the programs' inception in 2009, SIGA has seen a 38% increase in qualified applicants overall and SIGA has awarded a total of \$75,000 in scholarship funds over the past 3 years, with \$25,000 awarded each year.

In November 2011, SIGA announced the recipients of the 2011 SIGA First Nation Scholarship Awards (\$25,000 is available annually to First Nations students in Saskatchewan to assist them in their educational pursuits). In total, 24 First Nations students from across the province were awarded scholarships.

The SIGA First Nations Scholarships Awards program provides opportunities to encourage education and continued learning. The program also helps students successfully achieve career goals within SIGA and the broader community. SIGA developed the scholarship program to address fields where recruiting has traditionally been a challenge.

SIGA VOLUNTEER PROGRAM

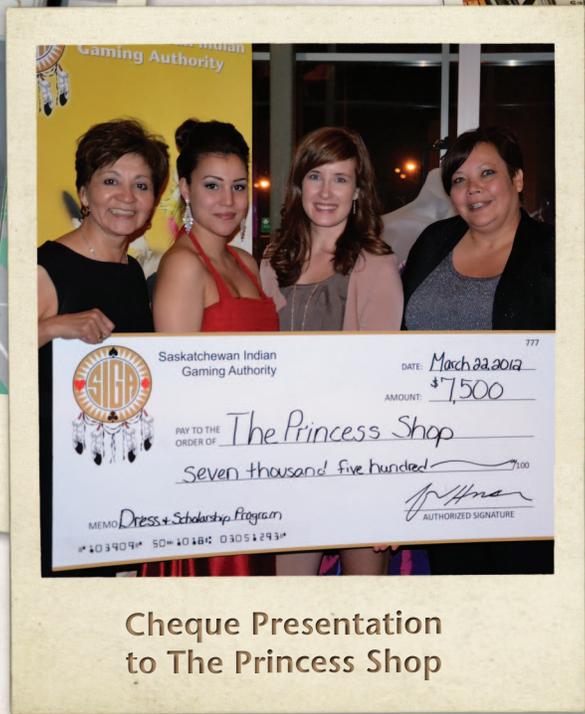
SIGA employees volunteer for many causes in their communities. SIGA's Volunteer Program demonstrates SIGA's commitment to Building Success in our communities.

SIGA has continued supporting community initiatives by developing an employee owned and driven volunteer program. The program includes coordination of the Volunteer Program Advisory Committee. The past year has involved rolling out the Volunteer Program to all of our casino sites including our Central Office. The first step was recruiting local site volunteer coordinators and committees, and the designation of rewards for volunteers including Volunteer T-shirts for team members. Community partners were chosen in each community to become our designated charities of choice for our team members to demonstrate the commitment through volunteerism.

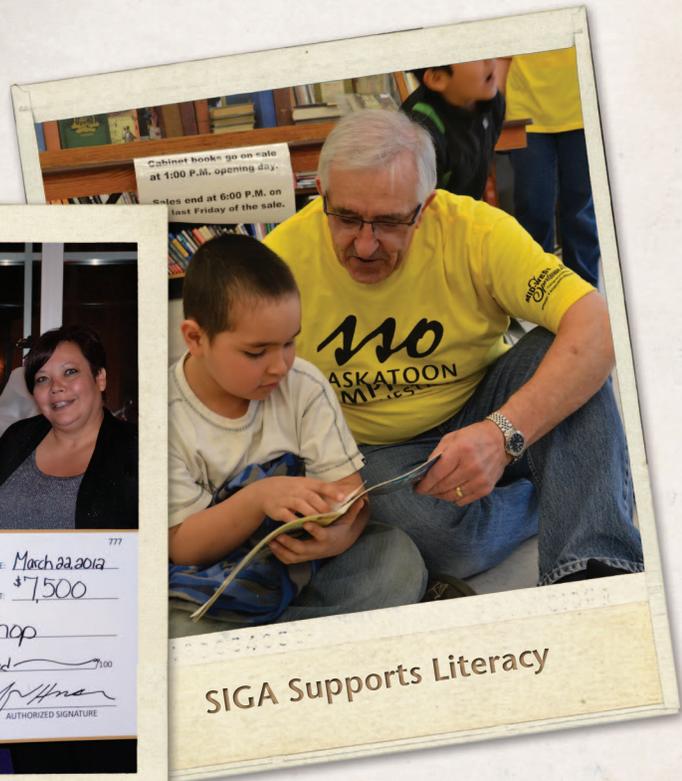
The SIGA volunteer program was rolled out at all of our SIGA properties in 2011 and 2012. Volunteer coordinators and their volunteer committees have been working on recruitment and are committed to working with their partner organizations. With 14% of SIGA's 1,900 employees signed up for the program, this amounted to hundreds of hours of volunteer time. We are very proud of sharing success through our Community Investments programs.



First Nations Winter Games



Cheque Presentation to The Princess Shop



SIGA Supports Literacy

Our Operations

Saskatchewan Indian Gaming Authority casinos provide exceptional entertainment value through the excitement of all the latest gaming products in addition to a unique brand of traditional First Nations hospitality and service.

Visitation increased once again this year at SIGA casinos, and as a result of this and an organization-wide focus on improving efficiency and managing cost, the organization met projections in both visits and financial results. The casinos welcomed over 4.2M guests while surpassing revenues of \$60M in 2011/2012 for the fifth consecutive year. This past year, SIGA continued to reinvest in its existing properties, including expansions at Dakota Dunes and Northern Lights Casinos. These investments ensure we provide our customers with an enjoyable facility to visit, while providing our employees with a comfortable working environment.

The six casinos located across Saskatchewan feature 1,870 slot machines, 52 live table games, a full line of food and beverage services, and a live entertainment stage in each facility. SIGA's intent with each casino is to design a modern facility that reflects the region, the people and First Nations tradition.

SIGA continues to build and design casinos with features that are rooted in First Nations culture and natural elements reflecting the area. Each of our casinos is different and unique.

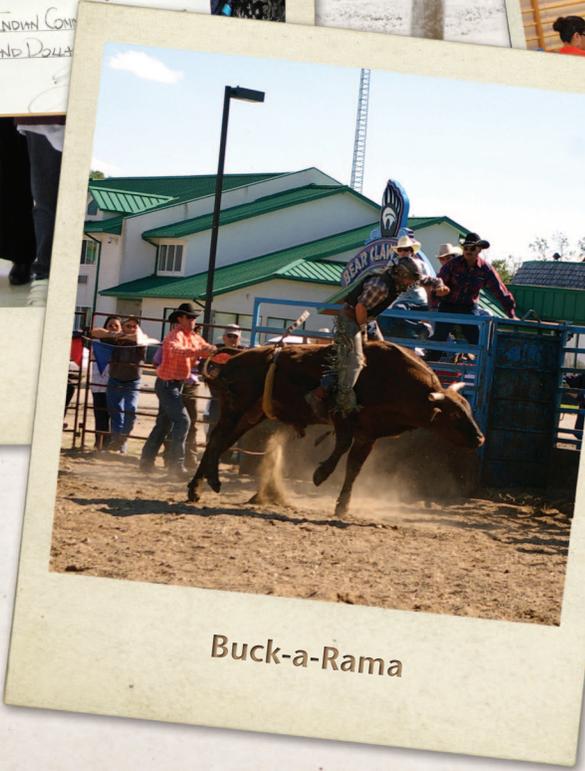
As a non-profit gaming and entertainment company, all profits are returned to the people of Saskatchewan. 50% of profits support First Nations communities, 25% supports local community development and 25% is returned to the Provincial Gross Revenue Fund.



Chili For Children



White Bear Round Dance



Buck-a-Rama

Bear Claw Casino & Hotel

White Bear First Nation

EDWARD LITTLECHIEF, GM

Located in southeast Saskatchewan, the Bear Claw Casino & Hotel is SIGA's most historic casino. Originally opened in 1993 on the White Bear First Nation, near Carlyle, SK, it was shut down in what was a highly contentious and emotional part of history between First Nations and the provincial government regarding gaming in Saskatchewan. The casino re-opened in November 1996 and has been successfully operating ever since.

With 178 employees, the Bear Claw Casino & Hotel includes 30,000 square feet of floor space, with 125 slot machines and 4 live table games, complete indoor access to the gaming room floor, Growlers Restaurant and Bear Necessities gift shop. Bear Claw's live entertainment stage played host to a variety of entertainment acts in 2011 including Kenny Shields & Streethart, the Northern Pikes and Loverboy.

The casino also has free parking and convenient bus and RV parking that tie in nicely with the Moose Mountain Provincial Park.

The Bear Claw Casino & Hotel took on a new direction in gaming for Saskatchewan and SIGA with the opening of the first SIGA operated 36 room hotel on July 1, 2010. The hotel interior was completely retrofitted with a new look that stands out from the competition in the southeast Saskatchewan area. At the same time as the opening of our new hotel, the newly renovated Growlers Restaurant (60-seat) was unveiled, giving the restaurant a new upscale, high-end appeal.



Community
Clean-up



Kinsmen Telemiracle Donation



St. Mary's Community
School Luncheon

Whitecap Dakota First Nation

GARY DANIELS, GM

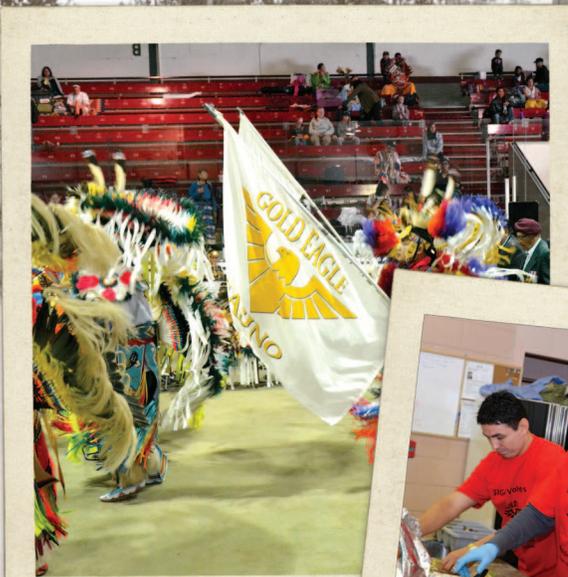
Dakota Dunes Casino is SIGA's largest casino employing 470 people. The \$60M casino opened in August 2007 and is located on the Whitecap Dakota First Nation, 20 kilometres south of Saskatoon.

The 86,500 square foot entertainment facility which was recognized for its award winning design, offers the excitement of 575 slot machines, 18 live table games and a Touchbet Roulette game featuring 10 stations. The casino also provides the convenience of a deli, a restaurant and a fully functional multi-purpose Tatanka Tipi room. Dakota Dunes Casino has hosted a variety of conferences and performances over the past year including Bill Medley of the Righteous Brothers, Ian Tyson's Farewell Tour, Terry Clark and Matt Dusk to name a few.

In 2011, Dakota Dunes Casino marked the grand opening of the newly renovated and expanded smoking room. The 5,000 square foot \$3M expansion addressed an increased demand in the casino, and allowed us to improve the air quality for our patrons and our employees. The project involved expanding the gaming floor, as well as adding a dedicated washroom and a full service bar.



**GOLD EAGLE
CASINO**



**Gold Eagle Casino
Pow-wow**



**Community Volunteering
Cornerstone Lunch**



**Indian & Métis Friendship
Centre Donation**

GOLD EAGLE CASINO
MARCH 15 2011
PAY TO THE ORDER OF BATTLEFORD'S INDIAN METIS FRIENDSHIP CENTRE
SEVEN THOUSAND ONE HUNDRED TWENTY SIX
SPONSORSHIP
Kelley Atchey

Mosquito First Nation

KELLY ATCHEYNUM, GM

Gold Eagle Casino opened its doors in March 1996 and is located along the Yellowhead Highway in North Battleford. It is one of the Battlefords areas largest employers, employing 320 local residents.

The 39,000 square feet of floor space includes a large gaming floor, featuring: 285 slot machines, 8 live table games, the Kihiw Restaurant and the casino's multi-purpose room, the Gold Ridge Centre.

The Gold Ridge Centre continues to play a major role in the casino's ongoing success, lending space for meetings, weddings, entertainment/shows, various promotions, and conferences. This venue has hosted a variety of entertainment acts over the past year including John Michael Montgomery, Default, The Trews and John Mueller's Winter Dance Party, a tribute to the Big Bopper, Richie Valens and Buddy Holly.

Gold Eagle Casino employees are active volunteers in the local community. Through the employee led Gold Eagle Casino Volunteer Committee, they have made an impact in many local organizations and charities by donating valuable volunteer hours, building positive community relations in keeping with SIGA guiding principles.



Living Sky Casino
Pow-wow



Abilities Council Donation



Dr. Nobel Irwin Healthcare
Foundation Radiothon

Nekaneet First Nation

LIONEL TOOTOOSIS, GM

This \$35M casino opened to the public on December 29, 2008 in Swift Current. The Living Sky Casino features a circular gaming floor with exciting slot machines, challenging live table games and a delicious menu in Horizons Restaurant. The casino is conveniently located along the Trans-Canada Highway, enticing visits from more than a million vehicles travelling through Swift Current annually.

In partnership with the File Hills Qu'Appelle Tribal Council, in 2008 this was the sixth and newest market that SIGA entered into. It was shortly after that the Living Sky Casino opened a state-of-the-art performing arts and convention centre known as the "Sky Centre" in February 2009.

The casino has played host to a variety of top notch entertainment acts over the past few years including the legendary Wayne Newton, George Canyon, Steve Earle, Ricky Skaggs and Kentucky Thunder and Dr. Hook featuring Ray Sawyer. The Sky Centre is utilized by community groups for everything from black-tie gala fundraisers to musical theatre, choir performances, and dance recitals.

Living Sky Casino employs over 190 staff members, contributing to the economic growth of local businesses. In addition, the Living Sky Casino volunteer committee has made an impact in many local organizations and charities by donating valuable volunteer hours and building positive community relations in keeping with SIGA guiding principles.

As a major employer in the province's southwest market and as a valuable entertainment and tourist destination, Living Sky Casino is contributing to the economic growth of this region.

NORTHERN LIGHTS CASINO

NORTHERN LIGHTS CASINO



Northern Lights Casino Pow-wow



Bernice Sayese Community Center Christmas Supper



La Ronge Native Women's Council Donation

Peter Ballantyne Cree Nation

RICHARD AHENAKEW, GM

Since 1996 the Northern Lights Casino has been a primary entertainment destination in western Canada. It is located in what is known in Saskatchewan as the “gateway to the north”.

The 46,300 square foot facility offers a large gaming floor that hosts 525 slot machines and the excitement of 11 live table games. Visitors to the casino can also experience fine dining at the casino’s North Star restaurant and entertainment in the multiple award-winning Star Light lounge. A host of internationally-known artists have found their way to the live stage at the Northern Lights Casino over the past 16 years. Northern Lights has played host to various entertainment acts and appearances including the Nitty Gritty Dirt Band, Brent Butt, George Wendt from “Cheers” fame and continues to host the only weekly live fiddling show in Canada.

The casino has undergone a number of renovations to stay new and modern for the over 1.2 million guests who visit each year. The casino recently completed its parking lot expansion and is now home to one of Saskatchewan’s largest annual car shows. In 2011, Northern Lights Casino opened the doors to a new 4,500 square foot addition to the south side of the casino. The expansion holds 203 slot machines. In addition to the casino expansion, major renovations of the existing casino were completed including painting

the exterior of the building, new carpet, new interior wall finishes and upgrades to the Starlight Lounge. This expansion meant that the existing gaming floor became smoke free.

Constantly striving to exceed customer expectations and the completion of these renovations is part of Northern Lights Casino’s commitment to ensure their patrons and employees are offered the most comfortable and entertaining environment available, including enhanced ventilation systems. Northern Lights Casino management and staff are happy to have completed these renovations and continue to offer their patrons a first class entertainment experience in comfort.

With over 420 employees the casino is one of Prince Albert’s largest employers. Over the past 16 years the Northern Lights Casino and their countless staff-driven volunteer efforts have made an impact in many local organizations and charities by donating valuable volunteer hours, building positive community relations in keeping with SIGA guiding principles.

Northern Lights management and staff are active in the community sitting on local community boards and associations as well as being active as volunteers with local initiatives like the Prince Albert Food Bank and the Bernice Sayese Community Center.



Painted Hand
Casino Pow-wow



Yorkton Santa Claus Parade



Yorkton Film Festival Donation

Kahkewistahaw First Nation

JONATHAN PASAP, GM

The Painted Hand Casino is a modern \$30M facility and is a joint project with the Yorkton Tribal Council conveniently located across the street from Yorkton's Gallagher Centre. The casino is one of Yorkton's largest employers, with over 240 local employees.

This 43,000 square foot facility includes a large gaming floor with 220 slot machines and 7 live table games. The uniquely sculpted circular gaming floor includes a deli, bar lounge and the Legends restaurant. Painted Hand is also capable of hosting a wide variety of events in the multi-function facility known as the Parkland Room. The casino has hosted a variety of dinner shows and performances including Les McKeown's Legendary Bay City Rollers, Buffy Sainte-Marie and "Memories of Conway Twitty" as performed by son Michael and grandson Tre. Free valet parking service was added to improve convenience and the overall experience for visitors.

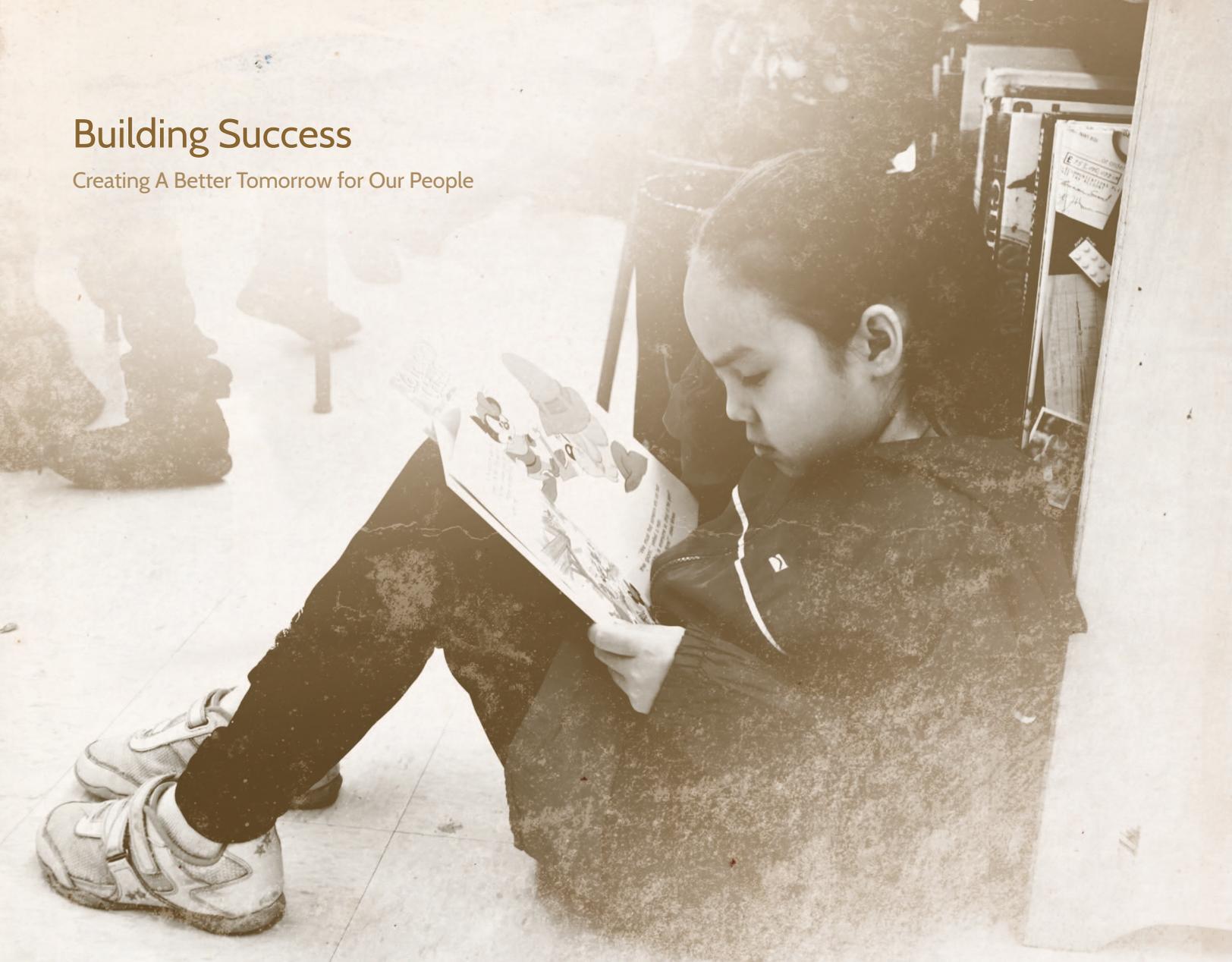
The Painted Hand Casino is one of the top entertainment attractions in east central Saskatchewan. The casino has also been a large contributor to the Yorkton economy and to local events in the area, and is a proud member of the Yorkton community. The Painted Hand Casino is proud to be a part of the Yorkton community and encourages all visitors to experience what Yorkton and its surrounding communities have to offer.

The casino is home to one of the largest bronze commissions in Saskatchewan: the "Counting Coup" sculpture. The "Counting Coup" statue is an enlargement of a work created by accomplished Saskatchewan First Nations artist Lionel Peyachew in 2010. With a concept based on the casino's name, the statue is prominently displayed in front of the main entrance at the Painted Hand Casino.

The casino's employees contribute considerable economic benefit to local businesses. In addition, the Painted Hand Casino Volunteer Committee has made a positive impact in many local organizations and charities by donating valuable volunteer hours, building positive community relations in keeping with SIGA guiding principles of giving back to the communities in which we live and work.

Building Success

Creating A Better Tomorrow for Our People



STRATEGIC PLAN OVERVIEW

SIGA's strategic plan focuses on developing an intimate relationship with customers and offering products and services to those customers that increase revenue, income and employment. Utilizing the balanced scorecard methodology SIGA has developed strategic objectives and strategic initiatives. For each strategic objective performance measures and targets have been established for a rolling five year period. For strategic initiatives SIGA has designated a member of the executive team to act as project sponsor and milestone have been established to track the progress of the initiative.

SIGA has developed its strategic plan utilizing the Balanced Scorecard model to look at our business from the viewpoint of owners and customers to determine what products and services we must offer and what key business process satisfy customer needs.

The model allows SIGA to demonstrate how staff is supported in meeting customer needs by the organizations investments in educational programs and technology.

While the Balanced Scorecard Strategic Planning model is very complex it also recognizes that a strategy that cannot be clearly communicated throughout an organization will not succeed. The model resolves the conflict between a complex plan and simple communication through a tool called a strategy map. This tool is a graphical representation of the outcomes that a company must deliver to its shareholders and customers, the key business process it must excel at, and the employee skills and technologies that can be applied to complete those processes.

SHAREHOLDER PERSPECTIVE

What are the outcomes expected by our owners?

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Optimize Net Income	Revenue	\$267,222,998
	Net Income	\$81,641,301
Grow & Develop First Nations Employment	Total Number of First Nations Employees	64.5% of our Employees are First Nations (1,262 employees)

CUSTOMER PERSPECTIVE

What are our customers looking for?

Our Strategy is “customer intimacy”

Strategic Objectives	Performance Indicators	Progress
Entertainment Experience	Become the first choice entertainment destination for customers by offering unique entertainment options in the markets we serve.	Large segment of population rate casino as top entertainment destination in town. There was a high percentage of adults in local market who have visited the casino once in the last year.
Recognition and Appreciation	Value the contribution of every customer through personal interaction. Guest Satisfaction target was 36.5% of guests being extremely satisfied.	Guest satisfaction with friendliness of staff was rated very high. Guest satisfaction rated very high that they are recognized and appreciated by staff. Increased visits and increased Players Club Membership. Overall Guest Satisfaction was 51.1%; 9% above previous year.
Quality Value Priced Dining	Be recognized for providing consistent, high quality dining options that meet the expectations of each of the market segments we serve and are rated by our customers as providing exceptional value for the price charged.	Standardized menu implemented. Guest surveys indicate a very high satisfaction level with Quality of Food
Memorable Facilities & Convenient Services	Be recognized as the highest quality entertainment facility in each market we operate in by incorporating customer convenience into the services we provide.	45% of guests who are very satisfied with Overall Atmosphere Surveys showed that guest were very appreciative that all casinos were found to be attractive, clean and enjoyable. Dakota Dunes and Northern Lights Casino expansions completed in 2011.

INTERNAL PERSPECTIVE

What services do we need to provide to excel?

To achieve our desired outputs, SIGA will focus on several business process enhancements that are grouped in three primary themes: Customer Service Excellence, Grow and Develop the Business, and Organizational Excellence.

	Strategic Objectives	Performance Indicators	Progress
Customer Service Excellence	Tend to VIP Customers	Recognize the importance of customers with a high value through segmented pricing, promotion, and customer service standards.	28 VIP Hosted Events (dinner shows, parties, concerts, etc) First Nations hospitality program. Increased number of VIP interactions.
	Ensure Exciting Entertainment	Create a winning atmosphere by celebrating wins and engaging customers with exciting and innovative promotions and events.	Over 398 entertainment events held. Two annual SIGA-wide events (Poker and Slot tournament). Players Club Membership has grown to over 260,000 Members. Players Club visits exceeded targets. A dynamic variety of promotions and activities held at each casino.
	Know the Customer	Developing psychographic and demographic profiles of our customers will ensure that customer's wants and desires are captured, analyzed and integrated as a regular part of our decision-making process.	74.6% of Carded Net Win There was an increase in the number of new or improved customer interfaces per year (New measure) Currently Include: ATM, VRT, Show are, Infocast Signs, Marketing Kiosk, Responsible Gaming Kiosk, SIGA website, Marquee Signs, Reward Aide, Wireless Showare scanners, iview displays in slot machines (CMS), and Cool Signs.
	Customer Service Technology	Utilize technology to enhance the delivery of customer service.	During the year we enhanced the Player's Club Kiosks for ease of use and quick service.
Development	First Nations Economic Development	SIGA will pursue business opportunities with First Nations partners.	\$21.2M in goods and services paid to First Nations companies.
	Product Development	To research and develop gaming related products and services that will add value to our customers.	One new product or service introduced this year.
Organizational Excellence	Reputation for Excellence	Ensure SIGA maintains the highest standards for gaming integrity, internal controls, and corporate governance to ensure a high standard of stakeholder and consumer confidence.	Met or exceeded targets for public opinion polling. Regular internal auditing conducted.
	Operational efficiency	Increasing the efficiency of key business processes to optimize productivity and income.	Met targets to reduce salaries and benefits budget by controlling variable labour.

LEARNING & GROWTH

Our most important resource is our people

For SIGA and our strategic plan to be successful we must invest in our most important resource – our people.

Strategic Objectives	Performance Indicators	Progress
Talented workforce	Attract, retain, develop and reward talented individuals that can become integrated into high performance teams.	Increased our Learning Investment per employee Increased employee awareness of Career Counsellor and Personal Development Planning. Focus on delivering CORE training to employees; exceeded target.
Inspirational Leadership	Support and mentor employees within SIGA to develop the leadership competencies required by the organization to motivate and inspire teams to accomplish SIGA's vision. Create an alignment in SIGA's educational, experiential and compensation programs to recognize and reward individual skills and performance.	Over 5000 learning and development events. SIGA's vision, mission and objectives are communicated at each staff assembly, employee handbook, on-line orientation, on posters/ plaques posted in employee lounges, etc, further efforts to improve this rating are on-going.
Live SIGA's Culture	Support a culture that celebrates our First Nations values/traditions and engages employees to contribute to the goals and objectives of a leading First Nations organization.	Employer Supported Volunteer Program launched at all seven SIGA site (including Central Office). Employee Volunteer Coordinators identified and trained. Employee participation targets achieved.
Modern Technology Infrastructure	Maintaining a modern technical infrastructure will ensure that SIGA maintains a competitive advantage through new product introductions, efficient operations, access to actionable information and risk mitigation.	Significant percentage of SIGA employees agree that SIGA provides the technology that allows them to do their job.

Key Risks



RISK MANAGEMENT

At SIGA, business risk is defined as the degree of exposure associated with the achievement of key strategic, financial, organizational and process objectives. In relation to the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations and the safeguarding of assets within an ethical organizational culture.

Principal risks and uncertainties that could affect SIGA's future business results going forward is of primary concern.

RISK MANAGEMENT GOVERNANCE STRUCTURE

Although the SIGA Board is ultimately accountable for overseeing risk management within the Authority as a whole, it has assigned responsibility to the Audit & Finance Committee to oversee the Authority's risk assessment and risk management processes. SIGA senior executives are responsible for ensuring key business risks are identified, defined and prioritized. Executive risk owners are engaged and charged with risk mitigation within limits established by the SIGA Board of Directors. This data is compiled in a corporate risk profile that is reported to the Audit & Finance Committee on a quarterly basis. Results of the quarterly risk and control assessment are incorporated into the development strategic planning process.



There are a range of factors that may impact SIGA's results. Principal risks that could negatively affect our results and performance include:

STRATEGIC RISKS

Risk to Reputation – We recognize damage to reputation as the most severe risk SIGA faces. Our efforts to mitigate reputation risks include continual building of goodwill by effective communication with stakeholders, commitment to sustainability, transparency, leading-edge corporate governance and best practices.

Economic Slowdown – Changes in the economy impact the amount of disposable income people have to spend on entertainment, resulting in reduced gaming revenues. SIGA monitors the external environment and the individual performance of each property.

FINANCIAL RISKS

Liquidity Risk – The risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive costs. SIGA manages its cash resources based on financial forecast and anticipates cash flows.

Theft of Assets – We recognize the extreme importance of maintaining strong controls over the safeguarding of cash and cash equivalents, as specific to the gaming industry. SIGA manages these risks through the design of internal controls to mitigate such occurrences.

ORGANIZATIONAL AND PROCESS RISKS

Risk with Loss of Key Personnel – SIGA recognizes the impact to the organization if there was a loss of key personnel. In order to mitigate the impact of such a loss, executive and senior management succession plans are in place.

Information Risks – SIGA recognizes information for decision making requires accurate, complete, and timely reporting of financial and operational performance. SIGA manages these risks through continual evaluation of the internal controls over financial reporting for new and existing systems.

Independent Auditor's Report

To the Members of the Saskatchewan Indian Gaming Authority Inc.

We have audited the accompanying financial statements of the Saskatchewan Indian Gaming Authority Inc., which comprise the statement of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010, and the statements of comprehensive income, changes in deficit, and cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Indian Gaming Authority Inc. as at March 31, 2012, March 31, 2011 and April 1, 2010, and its financial performance and its cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with International Financial Reporting Standards.



Chartered Accountants
June 5, 2012
Saskatoon, Saskatchewan

Saskatchewan Indian Gaming Authority Inc.

Statement of Financial Position
as at March 31, 2012

	March 31, 2012	March 31, 2011	April 1, 2010
			(Note 24)
CURRENT ASSETS			
Cash and cash equivalents	\$ 67,924,259	\$ 54,215,189	\$ 57,069,307
Short-term investments (Note 4)	252,500	252,500	252,500
Accounts receivable (Note 5)	6,268,523	1,926,309	2,105,135
Inventories (Note 6)	623,110	602,593	553,174
Prepays	1,705,500	1,597,464	1,343,484
	76,773,892	58,594,055	61,323,600
INTANGIBLE ASSETS (Note 7)	741,736	1,224,688	1,671,987
PROPERTY AND EQUIPMENT (Note 8)	109,275,312	119,096,361	121,853,797
	\$ 186,790,940	\$ 178,915,104	\$ 184,849,384
CURRENT LIABILITIES			
Due to Saskatchewan Liquor and Gaming Authority (Note 9)	\$ 60,277,788	\$ 46,136,295	\$ 51,274,319
Accounts payable and accrued liabilities (Note 10)	18,166,200	19,036,659	17,019,861
Current portion of long-term debt (Note 11)	5,452,622	4,970,718	5,497,985
Current portion of finance lease obligation (Note 12)	1,043,052	852,693	749,871
	84,939,662	70,996,365	74,542,036
LONG-TERM DEBT (Note 11)	57,831,301	63,249,304	67,600,587
FINANCE LEASE OBLIGATION (Note 12)	44,019,977	44,669,435	42,706,761
INTEREST RATE SWAP LIABILITY (Note 11)	7,636,994	5,147,896	5,492,969
	194,427,934	184,063,000	190,342,353
DEFICIT RESULTING FROM UNREALIZED LOSSES ON INTEREST RATE SWAPS	(7,636,994)	(5,147,896)	(5,492,969)
	\$ 186,790,940	\$ 178,915,104	\$ 184,849,384

COMMITMENTS AND CONTINGENCIES (Note 23)

See accompanying notes to the financial statements

APPROVED BY THE BOARD



Director



Director

Saskatchewan Indian Gaming Authority Inc.

Statement of Comprehensive Income

year ended March 31, 2012

	2012	2011
Revenue (Note 14)	\$ 267,222,998	\$ 251,238,200
Salaries and benefits expense	77,077,078	81,630,836
Materials and consumables (Note 15)	21,799,061	21,526,102
Advertising	21,577,842	20,534,733
Slot machine reimbursement	17,366,964	17,245,354
Depreciation and amortization expenses	14,617,689	13,900,454
Building rent and occupancy	10,636,575	9,677,932
Finance costs (Note 17)	9,774,884	9,725,004
Other expenses (Note 16)	6,899,472	7,071,482
Payment to Indigenous Gaming Regulators Inc. (Note 23)	3,232,128	3,232,128
Payment to Saskatoon Prairieland Park Corporation (Note 23)	2,600,004	2,600,004
	185,581,697	187,144,029
INCOME DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY (Note 1)	81,641,301	64,094,171
Unrealized (loss) gain on interest rate swaps (Note 11)	(2,489,098)	345,073
TOTAL NET INCOME AND COMPREHENSIVE INCOME FOR THE YEAR BEFORE DISTRIBUTION TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY (Note 1)	\$ 79,152,203	\$ 64,439,244

See accompanying notes to the financial statements

Saskatchewan Indian Gaming Authority Inc.

Statement of Changes in Deficit
year ended March 31, 2012

	2012	2011
DEFICIT		
Balance, beginning of year	\$ (5,147,896)	\$ (5,492,969)
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	79,152,203	64,439,244
Distribution payable to Saskatchewan Liquor and Gaming Authority (Note 9)	(81,641,301)	(64,094,171)
Balance, end of year	\$ (7,636,994)	\$ (5,147,896)

See accompanying notes to the financial statements

Saskatchewan Indian Gaming Authority Inc.

Statement of Cash Flows

year ended March 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	\$ 79,152,203	\$ 64,439,244
Adjustments for:		
Depreciation and amortization	14,617,689	13,900,454
Finance costs	9,774,884	9,725,004
Unrealized loss (gain) on interest rate swaps (Note 11)	2,489,098	(345,073)
Change in non-cash operating working capital:		
Accounts receivable	(4,342,214)	178,826
Inventories	(20,517)	(49,419)
Prepays	(108,036)	(253,980)
Accounts payable and accrued liabilities	(870,459)	2,016,798
Payments to Saskatchewan Liquor and Gaming Authority (Note 9)	(67,499,808)	(69,232,195)
	33,192,840	20,379,659
INVESTING ACTIVITIES		
Purchase of intangible assets	(2,935)	(22,638)
Purchase of property and equipment	(3,858,051)	(7,825,783)
Purchase of short-term investments	(252,500)	(252,500)
Proceeds on disposal of short-term investments	252,500	252,500
	(3,860,986)	(7,848,421)
FINANCING ACTIVITIES		
Interest paid	(9,774,884)	(9,725,004)
Repayment of finance lease obligation	(911,801)	(781,802)
Repayment of long-term debt	(4,936,099)	(4,878,550)
	(15,622,784)	(15,385,356)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,709,070	(2,854,118)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	54,215,189	57,069,307
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 67,924,259	\$ 54,215,189

See accompanying notes to the financial statements

1. GENERAL INFORMATION

Saskatchewan Indian Gaming Authority Inc. ("SIGA") is incorporated under the *Non-profit Corporations Act, 1995* of Saskatchewan as a Charitable Corporation. The Federation of Saskatchewan Indian Nations ("FSIN") owns the only issued Class A Membership in SIGA. Class B Memberships in SIGA were issued to each of ten Tribal Councils in Saskatchewan that are recognized by the Saskatchewan Indian Gaming Commission of the FSIN as well as one independent member. The Government of Saskatchewan and the FSIN completed a Framework Agreement in 2002 that authorizes SIGA to operate casinos. SIGA operates six casinos in accordance with the 2002 Casino Operating Agreement ("Agreement") with Saskatchewan Liquor and Gaming Authority ("SLGA"). SLGA is responsible for the overall conduct and management of the slot machines in those casinos as required under *The Criminal Code of Canada*. Under the Agreement, SIGA is entitled to withhold the casinos' operating expenses, incurred in accordance with the operating policies and directives approved by SLGA, from slot machine revenues. SIGA is required to deposit the remainder into a trust account for SLGA in accordance with the procedures and formulas specified in the Agreement as outlined below. Under the Agreement, SIGA is entitled to recover, in any year, any net loss from the operation of licensed table games and ancillary operations from the net income earned from the operation of slot machines. The Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. The Agreement expires on June 10, 2027.

The Agreement also provides for SIGA to remit to SLGA the net income from the operation of the slot machines in the SIGA casinos. More specifically, net income from the operation of slot machines is remitted to SLGA in accordance with a formula as defined in the Agreement. This formula provides for SIGA to remit to SLGA, on a weekly basis, one-half of the amount by which actual slot machine gaming revenue exceeds one-fifty-second of SIGA's annual budget. Shortfalls in weekly slot machine gaming revenue as compared to budget are recoverable against future remittances. The remaining one-half of the amount determined above is remitted to SLGA within one-hundred and eighty days of the applicable week. Pursuant to the Agreement, if, at the end of any operating year, SIGA has not been fully reimbursed for amounts to which it is entitled for the operation of casinos, such amounts may be recovered from future operations. SIGA is allowed to retain \$5,000,000 as a capital reserve for the sole purpose of acquiring capital assets.

Also, under the Agreement, SIGA has granted a first charge security interest on all its present and after acquired assets to SLGA to secure contractual obligations of SIGA under the Agreement. However, the Agreement requires that upon joint written request by SIGA and its lenders, SLGA shall postpone such security in favour of the lenders who require a prior charge relating to funds lent to SIGA for the financing of its operations carried out in accordance with the Agreement.

On June 11, 2002, the Government of Saskatchewan and the FSIN signed a gaming Framework Agreement which expires on June 10, 2027. The Government must distribute, in accordance with the provisions of the Framework Agreement, the income remitted to SLGA. Under the provisions of the 2002 Framework Agreement, the Government of Saskatchewan, as represented by the Minister responsible for SLGA, is entitled to recover its proportion of expenses that SLGA determines are not in accordance with the approved operating policies and directives from the future amounts payable to the First Nations Trust Fund.

Effective for the year ended March 31, 2008 and subsequent years, the Casino Operating Agreement between SLGA and SIGA was amended to exclude unrealized gains and losses on interest rate swaps from the calculation of net Casino profits payable to SLGA.

SIGA was incorporated under The Non-Profit Corporations Act of Saskatchewan and is not subject to income tax under the provision of paragraph 149(1)(l) of the Income Tax Act. SIGA pays Goods and Services Tax and Provincial Sales Tax to government agencies and claims input tax credits on its ancillary operations.

SIGA is a corporation domiciled in Canada. SIGA's head office is located at 103 Packham Avenue in Saskatoon, Saskatchewan, Canada, S7N 4K4.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). SIGA's financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). As these financial statements represent SIGA's initial presentation of its earnings, financial position and cash flows under IFRS, they were prepared in accordance with IFRS 1, *First-time Adoption of IFRS* ("IFRS 1").

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of SIGA is provided in Note 24.

The financial statements were authorized for issue by the Board of Directors on June 5, 2012.

BASIS OF MEASUREMENT

These financial statements are presented in Canadian dollars, which is SIGA's presentation currency. SIGA has prepared these financial statements using the historical cost basis except for financial instruments which are classified as fair value through profit and loss, which are measured at fair value.

USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management estimates and judgments are further described in the following summary of significant accounting policies and related notes:

- Useful lives and depreciation and amortization of property and equipment and intangible assets (Notes 3, 7 and 8)
- Customer loyalty program (Note 3)

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2012, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which become effective for annual periods beginning on or after April 1, 2012:

- IFRS 9, *Financial Instruments*. IFRS 9 (2010) expands on IFRS 9 as issued in 2009. The 2010 version has a significant impact on financial liabilities designated under the fair value option. In addition, IFRS 9 (2010) retains virtually all of the classification and measurement guidance in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 (2010) is effective for annual periods beginning on or after January 1, 2015.
- IFRS 13, *Fair Value Measurement*. IFRS 13 defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.
- IAS 19, *Employee Benefits*. IAS 19 prescribes the accounting and disclosure for all employee benefits. IAS 19 is effective for annual periods beginning on or after January 1, 2013.

SIGA does not have any plans to early adopt any of the new or amended standards. The extent of the impact on adoption of these standards is not known at this time, however is not expected to be material.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements and in preparing the opening IFRS statement of financial position at April 1, 2010 for the purposes of the transition to IFRS. The following is a summary of significant accounting policies:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash and certain short-term investments. The short-term investments included in cash and cash equivalents are highly liquid investments with an original maturity of less than three months.

SHORT-TERM INVESTMENTS

Short-term investments include any investments that have a term of more than three months, but less than one year from the statement of financial position date.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Management evaluates collectability of receivables depending on the customer and the nature of the balance. Collectability of receivables is reviewed and the allowance for doubtful accounts is adjusted quarterly if required. Account balances are charged to comprehensive income when management determines that it is probable that the receivable will not be collected.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined using the most recent cost. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs to make the sale.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets. SIGA ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Depreciation is recorded in the accounts on a straight-line basis commencing when they are available for use, at rates expected to depreciate the cost of the assets over their estimated useful lives as follows:

Asset	Rate
Leasehold improvements	lesser of the useful life of the asset and term of the lease
Casino development	term of the lease
Furniture & equipment	4-5 years

Depreciation methods and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

When property and equipment are disposed of or retired, the related costs less accumulated depreciation are de-recognized. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in other revenue or expenses.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost, less any accumulated amortization and accumulated impairment losses, if any. SIGA's only identifiable intangible asset is software. Software costs include the cost of externally purchased software packages and, for internally developed programs, related external and direct labour costs. Maintenance of existing software programs is expensed as incurred.

Amortization is calculated on a straight-line basis over its estimated useful life of between 1 to 5 years. The amortization method and estimated useful life is reviewed annually and any changes are applied prospectively.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to SIGA. All other leases are classified as operating leases.

Assets held under a finance lease are initially recognized as assets of SIGA and are recorded at their fair value at the inception of the lease, or if lower, at the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expense and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities. The interest component is recognized in finance costs in the statement of comprehensive income.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, SIGA reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, SIGA estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units that a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES

Gaming revenue (slot and table revenues) represent the net win from those gaming activities calculated as the difference between amounts wagered and pay-outs by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and promotion allowances from the players club program.

Ancillary revenues include hotel, food, beverage, and concession revenue and such revenues are recognized when the goods and services are provided.

Revenues exclude the retail value of food, beverage and other promotional allowances provided on a complimentary basis to guests. The cost of providing the complimentary items is included in direct operating expenses.

COMMITMENT OF NET PROCEEDS OF TABLE OPERATIONS

Liabilities are recorded when amounts to be distributed are approved by the Board of Directors.

ALLOCATION OF EXPENSES

Table game operations

Costs allocated to table game operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross table revenue to total revenue on an individual casino site basis.

Central office costs are allocated to table game operations based on a percentage of gross table revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's table net income to all casinos' table net income before the allocation of indirect site expenses.

Slot machine operations

Costs allocated to slot machine operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross slot revenue to total revenue on an individual casino site basis.

All remaining central office costs net of table games and ancillary allocations are allocated to slot operations. These central office costs are then allocated to each casino site based on its percentage of casino slot net income net of indirect site expenses.

Ancillary operations

Costs allocated to ancillary operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross ancillary revenue to total revenue on an individual casino site basis.

Central office costs are allocated to ancillary operations based on a percentage of gross ancillary revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's ancillary net income to all casinos' ancillary net income before the allocation of indirect site expenses.

CUSTOMER LOYALTY PROGRAM

As part of its customer loyalty initiative, SIGA offers a players club program to patrons. Under the program, club members accumulate reward points based on amounts wagered on slot machines. Members can redeem their points for cash or vouchers for free or discounted goods or services. SIGA records the points earned as a reduction of gaming revenue. Accounts payable and accrued liabilities are accrued for the estimated cost of the earned points balance at the end of the period under the players club program. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services related to a customer loyalty program and remains in accounts payable and accrued liabilities until the promotional consideration is provided.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS

A defined contribution pension plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. SIGA's matching contributions to the defined contribution pension plan for employees are recorded as salaries and benefits expense in the statement of comprehensive income when services are rendered by employees.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to SIGA's functional currency at the exchange rate at that date. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

FINANCIAL INSTRUMENTS

Classification and measurement

SIGA classifies its financial instruments into one of the following categories: financial instruments at fair value through profit or loss ("FVTPL"); loans and receivables; and other liabilities. All financial instruments are measured at fair value on initial recognition and recorded on the statement of financial position. Measurement in subsequent periods depends on the classification as described below.

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that SIGA manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held-for-trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with SIGA's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39, Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial instruments classified as FVTPL are subsequently measured at fair value, with changes in fair value recognized in comprehensive income. FVTPL include financial instruments held for trading or financial instruments designated upon initial recognition as FVTPL. Financial instruments are held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments that are not designated as hedging instruments.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Other financial liabilities are all financial liabilities not recorded at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Classification and measurement (continued)

Financial instruments classified as loans and receivables and other liabilities are subsequently measured at amortized cost using the effective interest method, less any impairment. The effective interest rate amortization is included in finance costs in the statement of comprehensive income.

Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case they are expensed as incurred. Purchases and sales of financial assets are recognized on the trade date.

SIGA derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by SIGA is recognized as a separate asset or liability. SIGA derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in the statement of comprehensive income.

As at March 31, 2012, SIGA had no contracts (March 31, 2011 – none) with embedded derivatives that are required to be valued separately.

Fair value of financial instruments

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair values are determined by reference to quoted bid or asking prices in an active market. In the absence of an active market, SIGA determines fair value based on internal or external valuation models, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles. SIGA's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

SIGA classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Impairment of financial assets (including receivables)

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

FINANCE COSTS

Finance costs comprise interest expense on borrowings not subject to capitalization, amortization of costs related to borrowings, interest on finance leases, and impairment losses recognized on financial assets.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of investments in guaranteed investment certificates. The \$52,500 guaranteed investment certificate earns interest at an annual rate of 1.03% and matures on October 4, 2012. The \$200,000 guaranteed investment certificate earns interest at an annual rate of 1.00% and matures on March 26, 2013.

5. ACCOUNTS RECEIVABLE

	March 31, 2012	March 31, 2011	April 1, 2010
Trade accounts receivable	\$ 5,558,358	\$ 1,307,746	\$ 1,958,785
GST input tax credits receivable	374,203	299,599	51,607
Advances to suppliers, contractors and employees	335,962	318,964	94,743
	\$ 6,268,523	\$ 1,926,309	\$ 2,105,135

SIGA's exposure to credit and currency risks, and impairment losses related to trade and other receivables, is disclosed in Note 20.

6. INVENTORIES

Inventories totalling \$6,016,402 were recognized as food and beverage cost of goods sold for the year ended March 31, 2012 (2011 – \$6,172,045). No write-downs of inventories were noted for the year ended March 31, 2012 (2011 – \$nil), and there were no reversals of write-downs from previous years.

7. INTANGIBLE ASSETS

	Software
Cost	
Balance at April 1, 2010	\$ 3,955,424
Additions	22,638
Balance at March 31, 2011	3,978,062
Additions	2,935
Balance at March 31, 2012	\$ 3,980,997
Accumulated amortization and impairment	
Balance at April 1, 2010	\$ 2,283,437
Amortization expense	469,937
Balance at March 31, 2011	2,753,374
Amortization expense	485,887
Balance at March 31, 2012	\$ 3,239,261
Net Book Value – April 1, 2010	\$ 1,671,987
Net Book Value – March 31, 2011	\$ 1,224,668
Net Book Value – March 31, 2012	\$ 741,736

The amortization expense for software for the year ended March 31, 2012 was \$485,887 (2011 – \$469,937) and is included in depreciation and amortization expenses in the statement of comprehensive income. There were no write-downs of software due to impairments for the year ended March 31, 2012 (2011 – \$nil).

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Casino Developments	Furniture & Equipment	Construction in Progress	Total
Cost					
Balance at April 1, 2010	\$ 34,886,541	\$ 96,046,403	\$ 32,579,206	\$ 1,949,480	\$ 165,461,630
Additions	4,855,796	5,626,823	1,723,637	5,782,843	17,989,099
Transfers	-	-	-	(7,399,634)	(7,399,634)
Balance at March 31, 2011	39,742,337	101,673,226	34,302,843	332,689	176,051,095
Additions	1,513,145	1,117,626	1,917,783	-	4,548,554
Disposals	-	-	(166,729)	-	(166,729)
Transfers	-	-	-	(234,867)	(234,867)
Balance at March 31, 2012	\$ 41,255,482	\$ 102,790,852	\$ 36,053,897	\$ 97,822	\$ 180,198,053
Accumulated depreciation and impairment					
Balance at April 1, 2010	\$ 14,648,877	\$ 10,243,245	\$ 18,715,711	\$ -	\$ 43,607,833
Depreciation expense	3,124,734	5,513,413	4,708,754	-	13,346,901
Balance at March 31, 2011	17,773,611	15,756,658	23,424,465	-	56,954,734
Depreciation expense	3,402,150	5,003,368	5,562,489	-	13,968,007
Balance at March 31, 2012	\$ 21,175,761	\$ 20,760,026	\$ 28,986,954	\$ -	\$ 70,922,741
Net Book Value					
April 1, 2010	\$ 20,237,664	\$ 85,803,158	\$ 13,863,495	\$ 1,949,480	\$ 121,853,797
March 31, 2011	\$ 21,968,726	\$ 85,916,568	\$ 10,878,378	\$ 332,689	\$ 119,096,361
March 31, 2012	\$ 20,079,721	\$ 82,030,826	\$ 7,066,943	\$ 97,822	\$ 109,275,312

Construction in progress represents costs incurred for capital projects under construction at existing casinos. Upon completion, these costs are transferred into the appropriate capital asset category.

Included in casino development above are the following assets under finance lease:

	March 31, 2012	March 31, 2011	April 1, 2010
Net carrying amount of leased assets			
Base Building Costs			
- Painted Hand Casino	\$ 10,027,397	\$ 10,684,931	\$ 11,342,466
- Living Sky Casino	15,870,340	14,010,593	14,871,579
- Dakota Dunes Casino	13,149,606	16,463,899	14,474,667
	\$ 39,047,343	\$ 41,159,423	\$ 40,688,712

9. DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

	March 31, 2012	March 31, 2011
Balance, beginning of year	\$ 46,136,295	\$ 51,274,319
Income due to Saskatchewan Liquor and Gaming Authority	81,641,301	64,094,171
Payments to Saskatchewan Liquor and Gaming Authority	(67,499,808)	(69,232,195)
Balance, end of the year	\$ 60,277,788	\$ 46,136,295

As described in Note 1, SIGA is required to remit to Saskatchewan Liquor and Gaming Authority (“SLGA”) the net income from the operation of the slot machines in accordance with a formula as defined in the Agreement. According to the Agreement, unrealized gains and losses on interest rate swaps are excluded from the calculation of net casino profits payable to SLGA.

Included in the above balance of the due to SLGA is the \$5,000,000 that has been retained as a capital reserve as disclosed in Note 1.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

SIGA is required to pay SLGA an amount equivalent to the imputed Goods and Services Tax (“GST”) that is payable by SLGA on gaming expenses incurred by SIGA related to its slot machine operations. Included in accounts payable and accrued liabilities are amounts owing to SLGA for GST of \$379,690 (2011 – \$365,497). Also, \$4,078,076 (2011 – \$4,912,394) is due to SLGA for slot machine and operating system reimbursement and is included in accounts payable and accrued liabilities.

11. LONG-TERM DEBT**CASINO PROJECTS FINANCING**

In 2007, SIGA entered into a long-term financing agreement with a financial institution (“Bank”) for \$79 million to finance all of its casino projects. The Bank syndicated this financing with a secondary lender to provide SIGA with \$20 million. The Bank, as the lead lender, is providing SIGA with the remaining \$59 million.

SIGA has drawn on the remaining approved financing to complete the construction of its casinos.

The long-term financing agreement is secured by a general security agreement and mortgage of leasehold interests of SIGA’s casinos.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

11. LONG-TERM DEBT (CONTINUED)

CASINO PROJECTS FINANCING (CONTINUED)

The long-term debt obligations are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Construction Facility Tranche B repayable in monthly instalments of \$117,762 plus interest at bankers acceptance rate plus 1%, maturity August 2024.	\$ 17,664,392	\$ 19,077,536	\$ 20,419,511
Construction Facility Tranche C repayable in monthly instalments of \$88,889 plus interest at bankers acceptance rate plus 1%, maturity August 2024.	13,333,330	14,399,998	15,537,835
Term Loan Tranche D – Fixed Rate repayable in monthly instalments of \$165,355 including interest at 5.68%, maturity April 2023.	16,294,190	17,296,962	18,242,183
Term Loan Tranche D – Floating Rate repayable in monthly instalments of \$116,667 plus interest at bankers acceptance rate plus 1%, maturity April 2023.	15,516,667	16,916,667	18,316,667
Term Loan Tranche A – Fixed Rate repayable in monthly instalments of \$4,460 plus interest at 2.50%, maturity March 2019.	475,344	528,859	582,376
	63,283,923	68,220,022	73,098,572
Less current portion	(5,452,622)	(4,970,718)	(5,497,985)
	\$ 57,831,301	\$ 63,249,304	\$ 67,600,587

Principal repayments required for the above loans, based on maturity dates, are as follows:

2013	\$ 5,452,622
2014	46,631,307
2015	11,199,994

Assuming these facilities are able to be renegotiated at similar terms, the principal payments required would be as follows:

2013	\$ 5,030,791
2014	5,098,480
2015	5,170,344
2016	5,246,641
2017	5,327,643
2018 and subsequent	37,410,024

Due to the uncertainty surrounding the terms that would currently be available for debt of similar terms and maturities, fair value information has not been disclosed as fair value cannot be reliably measured.

11. LONG-TERM DEBT (CONTINUED)**CASINO PROJECTS FINANCING (CONTINUED)**

In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects on December 12, 2007. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 5.09% and 5.09% respectively over the term of the loans. These loan terms are March 2023, March 2024, and March 2024 respectively. The interest rate swap arrangements came into effect for the Dakota Dunes construction project on April 1, 2008 and came into effect for the Living Sky and Painted Hand construction projects on April 1, 2009. A liability of \$7,636,994 has been recorded at March 31, 2012 (2011 – \$5,147,896, April 1, 2010 – \$5,492,969), representing the fair value of the instruments. Changes to the fair value are recorded as an unrealized gain or loss in the current period. The notional amount of the interest rate swaps at March 31, 2012, were \$15,516,667 for Dakota Dunes, \$15,243,528 for Living Sky, and \$14,419,444 for Painted Hand.

SIGA has established an unsecured \$2,000,000 line of credit with a financial institution. Interest is charged on the line of credit at the financial institution's prime rate plus 1%. At March 31, 2012, no amount is owing on the line of credit (2011 – \$nil).

12. FINANCE LEASE OBLIGATION

On December 23, 2004, SIGA entered into an agreement with STC Casino Holdings Limited Partnership, a related party, for lease of Dakota Dunes Casino on Whitecap Dakota First Nation. Beginning in April 2007, SIGA leased the property from that Partnership for approximately 20 years at an annual cost of \$2,248,477. In 2011, there was an addition to this capital lease, for approximately 16 years, at an annual cost of \$380,969. In 2012, there was a further addition to this lease for approximately 15 years, at an annual cost of \$60,571.

On October 26, 2005, SIGA entered into an agreement with PHC Holdings Limited Partnership, a related party for lease of Painted Hand Casino in Yorkton. Beginning in February 2009, SIGA leased the property from that Partnership for approximately 19 years at an annual cost of \$1,646,400.

On January 26, 2006, SIGA entered into an agreement with FHQ Casino Holdings Limited Partnership, a related party, for lease of Living Sky Casino in Swift Current. Beginning in December 2008, SIGA leased the property from the Partnership for approximately 19 years at an annual cost of \$2,195,200.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 11.30% to 13.72% (2011 – 12.18% to 13.72%) per annum.

The minimum lease payments under the capital lease obligation are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Total future minimum lease payments	\$ 100,918,080	\$ 109,094,115	\$ 106,366,464
Less future finance charges on finance leases	(55,855,051)	(63,571,987)	(62,909,832)
Present value of finance lease obligation	45,063,029	45,522,128	43,456,632
Less current portion of finance lease obligation	(1,043,052)	(852,693)	(749,871)
Finance lease obligation	\$ 44,019,977	\$ 44,669,435	\$ 42,706,761

As at March 31, 2012, scheduled future minimum lease payments of the finance lease obligation are as follows:

	1 year	1-5 years	More than 5 years
Future minimum lease payments	\$ 6,531,617	\$ 26,126,469	\$ 68,259,994
Present value of finance lease obligation	6,178,984	18,486,883	21,627,546

Due to the related party nature of the capital lease obligation, fair value information has not been disclosed as fair value cannot be reliably measured.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

13. UNCOMMITTED NET PROCEEDS OF TABLE OPERATIONS

The Casino Operating Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. Distributions of funds were made during the year as follows:

	March 31, 2012	March 31, 2011
Balance, beginning of year	\$ –	\$ –
Net loss from table operations (Note 22)	(3,031,979)	(4,248,236)
Net loss from table operations allocated to slot operations	3,031,979	4,248,236
Amounts disbursed	–	–
Balance, end of year	\$ –	\$ –

14. REVENUE

	2012	2011
Gaming	\$ 244,162,453	\$ 232,085,710
Ancillary	23,060,545	19,152,490
	\$ 267,222,998	\$ 251,238,200

15. MATERIALS AND CONSUMABLES

	March 31, 2012	March 31, 2011
Food and beverage cost of goods sold	\$ 6,016,402	\$ 6,172,045
Imputed goods and services tax	4,430,378	4,211,232
Building repairs and maintenance	2,130,654	1,955,491
Consulting	1,894,786	1,614,220
Accounting and internal audit services	1,631,189	1,452,247
Insurance	1,074,985	985,469
Staff benefits and recruitment	1,012,940	989,848
Postage and stationary	637,676	706,979
Software licenses and agreements	609,343	994,243
Board remuneration and travel	596,883	900,010
Legal	570,195	467,317
Miscellaneous	408,459	420,500
Telephone	375,734	365,081
Bank charges	209,803	177,309
Dues and subscriptions	199,634	114,111
	\$ 21,799,061	\$ 21,526,102

16. OTHER EXPENSES

	March 31, 2012	March 31, 2011
Other	\$ 1,669,364	\$ 1,547,055
Departmental supplies	1,058,327	1,102,791
Printing	1,036,158	966,270
Uniforms and laundering	826,120	944,969
Travel and sustenance	743,300	787,784
Equipment lease	689,718	733,567
Staff training	510,432	571,625
Equipment repairs	366,053	417,421
	\$ 6,899,472	\$ 7,071,482

17. FINANCE COSTS

	March 31, 2012	March 31, 2011
Interest on long-term debt	\$ 4,165,164	\$ 4,384,830
Interest on finance lease obligations	5,609,720	5,340,174
	\$ 9,774,884	\$ 9,725,004

The weighted average capitalization rate on funds borrowed generally is 6.58% per annum (2011 – 6.58 % per annum).

18. EMPLOYEE BENEFITS

Effective April 1, 1997, SIGA established a pension plan for employees. The plan is a defined contribution plan administered by Great West Life. Substantially all of SIGA's full-time employees participate in the plan. SIGA's financial obligation is limited to matching the required amounts contributed by employees, 6% of salary, which totalled \$3,620,339 in fiscal 2012 (2011 – \$3,705,265).

19. CAPITAL DISCLOSURES

SIGA's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of the Corporation, and to ensure adequate returns to the shareholders.

SIGA funds its capital requirements through the \$5,000,000 capital reserve from SLGA, internal operating activities and debt. SIGA also has an available line of credit of \$2,000,000 at a financial institution (Note 11).

SIGA limits the amount of risk in proportion to its capital. The initial financing option of the Dakota Dunes, Living Sky, and Painted Hand casino projects ("casino projects") was limited to variable rate loans. SIGA entered into three interest rate swap agreements to exchange the variable rate debt instruments to fixed rate loans to mitigate fluctuations in interest rates. SIGA also performs environmental scanning to determine if any factors have the potential to change the capital structure of the organization. Risk management reports are presented to the Audit and Finance Committee and Board of Directors on a quarterly basis.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

19. CAPITAL DISCLOSURES (CONTINUED)

SIGA entered into a credit agreement with financial institutions in order to obtain financing for the casino projects. The agreement identified five financial covenants which are reported on a quarterly basis to the financial institutions. SIGA monitors its capital structure using these covenants. The financial covenants are as follows:

- (a) The senior fund debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio shall be less than or equal to 2.0:1.0 for each fiscal quarter;
- (b) The interest coverage ratio shall not be less than 5.0:1.0;
- (c) The total debt service coverage ratio shall not be less than 2.0:1.0;
- (d) The fixed charge coverage ratio shall not be less than 1.0:1.0; and
- (e) The earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") coverage ratio shall not be less than 2.0:1.0.

Ratios at year-end were 0.72, 8.98, 6.09, 1.31, and 4.80 respectively. In all instances during the year ended March 31, 2012 (and March 31, 2011), SIGA was in compliance with the above covenants.

20. FINANCIAL RISK MANAGEMENT

SIGA, through its financial assets and liabilities, has exposure to a number of risks from its use of financial instruments. The following analysis provides a measurement of these risks as at March 31, 2012:

RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of SIGA's risk management framework and is responsible for developing and monitoring SIGA's risk management policies.

SIGA's risk management policies are established to identify and analyze the risks faced by SIGA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SIGA's activities.

SIGA's Board of Directors oversees how management monitors compliance with SIGA's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SIGA. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

CREDIT RISK

SIGA's principal financial assets are cash and cash equivalents, short-term investments, and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent SIGA's maximum credit exposure at the statement of financial position date.

SIGA does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the various casino locations. The credit risk on cash and cash equivalents and short-term investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies. Credit risk is not considered significant.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)**CREDIT RISK (CONTINUED)**

The following reflects an aging summary of SIGA's trade accounts receivable balances:

	March 31, 2012	March 31, 2011	April 1, 2010
Current	\$ 5,507,746	\$ 1,109,392	\$ 1,920,865
30-59 days	14,091	38,105	3,323
60-89 days	–	10,246	–
90 days or greater	36,521	150,003	34,597
	5,558,358	1,307,746	1,958,785
Allowance for doubtful accounts	–	–	–
	\$ 5,558,358	\$ 1,307,746	\$ 1,958,785

The allowance for doubtful accounts is reviewed quarterly based on an estimate of outstanding amounts that are considered uncollectible. Historically, SIGA has not written-off a significant portion of its trade accounts receivable balances.

INTEREST RATE RISK

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects on December 12, 2007. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 5.09% and 5.09% respectively over the term of the loans.

At March 31, 2012, if interest rates at that date had been 100 basis points lower with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$2,771,694 (2011 – \$2,929,244) lower, arising mainly as a result of higher unrealized losses on interest rate swaps, partially offset by lower interest expense on variable borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$2,771,694 (2011 – \$2,929,244) higher, arising mainly as a result of lower unrealized losses on interest rate swaps, partially offset by higher interest expense on variable borrowings.

FOREIGN EXCHANGE RISK

SIGA faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. The risk is not considered significant.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK

Liquidity risk is the risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive cost. SIGA manages its cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of SIGA's financial liabilities based on undiscounted payments:

2012	Contractual cash flows					
	Carrying Amount	0 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Financial Liabilities						
Due to SLGA	\$ 60,277,788	\$ 60,277,788	\$ -	\$ -	\$ -	\$ 60,277,788
Accounts payable and accrued liabilities	18,166,200	18,166,200	-	-	-	18,166,200
Long-term debt	63,283,923	9,242,465	62,625,731	15,104,794	-	86,972,990
Finance lease obligation	45,063,029	6,531,617	6,531,617	19,594,851	68,259,994	100,918,080
Interest rate swap liability	7,636,994	-	-	-	7,636,994	7,636,994
	\$ 194,427,934	\$ 94,218,070	\$ 69,157,348	\$ 34,699,646	\$ 75,896,988	\$ 273,972,052

2011	Contractual cash flows					
	Carrying Amount	0 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Financial Liabilities						
Due to SLGA	\$ 46,136,295	\$ 46,136,295	\$ -	\$ -	\$ -	\$ 46,136,295
Accounts payable and accrued liabilities	19,036,659	19,036,659	-	-	-	19,036,659
Long-term debt	68,220,022	9,091,190	8,822,670	77,596,074	-	95,509,934
Finance lease obligation	45,522,128	6,471,046	6,471,046	19,413,137	76,738,887	109,094,115
Interest rate swap liability	5,147,896	-	-	-	5,147,896	5,147,896
	\$ 184,063,000	\$ 80,735,190	\$ 15,293,716	\$ 97,009,211	\$ 81,886,783	\$ 274,924,899

Management believes its ability to generate funds will be adequate to support these financial liabilities.

CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

	Classification	Fair value level	March 31, 2012	March 31, 2011	April 1, 2010
Cash and cash equivalents	L&R	N/A	\$ 67,924,259	\$ 54,215,189	\$ 57,069,307
Short-term investments	L&R	N/A	252,500	252,500	252,500
Accounts receivable	L&R	N/A	6,268,523	1,926,309	2,105,135
Due to SLGA	OL	N/A	60,277,788	46,136,295	51,274,319
Accounts payable and accrued liabilities	OL	N/A	18,166,200	19,036,659	17,019,861
Interest rate swap liability	FVTPL	2	7,636,994	5,147,896	5,492,969

FVTPL – Fair value through profit and loss, L&R – Loans and receivables, OL – Other liabilities.

Derivatives are carried at their fair value. Derivative instrument fair value is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

The fair value of long-term debt, which is classified as other liabilities, is addressed in Note 11.

21. RELATED PARTY TRANSACTIONS

Significant related parties to SIGA include the FSIN, holder of the Class A membership in SIGA, and entities related to the FSIN (including Saskatchewan Indian Institute of Technologies, First Nations University of Canada, Indigenous Gaming Regulators Inc., Saskatchewan Indian Cultural Centre, and Saskatchewan Indian Equity Foundation). Related parties also include the Tribal Councils of Saskatchewan (and their related entities) that hold Class B memberships in SIGA. These transactions were made in the normal course of business and have been recorded at exchange amounts agreed upon between the parties.

The following are balances outstanding with related parties:

Amounts owed by related parties	March 31, 2012	March 31, 2011	April 1, 2010
	\$ 7,010	\$ 152,469	\$ 116,332
Amounts owed to related parties	March 31, 2012	March 31, 2011	April 1, 2010
	\$ 1,350	\$ -	\$ 4,250

Significant transactions with related parties throughout the year are as follows:

Purchase of goods and services	2012	2011
Finance lease payments (principal and interest)	\$ 6,521,522	\$ 6,121,825
Building rent and occupancy	9,843,632	8,001,260
Sponsorship	333,735	328,810
Other	38,350	2,750
Indigenous Gaming Regulators Inc.	3,262,728	3,257,728

There is also a revenue share agreement regarding automated teller machine revenues that are not included above.

KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to salaries, SIGA provides non-cash benefits to key management personnel, defined as the President, Vice-Presidents and Board members of SIGA. Key management personnel compensation is comprised of:

	2012	2011
Employee compensation and benefits	\$ 1,968,261	\$ 2,313,319
Post-employment benefits	86,766	91,405
	\$ 2,055,027	\$ 2,404,724

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and the notes thereto.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

22. SEGMENTED INFORMATION

SIGA operates in three segments – table operations, slot operations and ancillary operations. The following table shows key amounts by segment.

					Total	
	Slot Operations	Table Operations	Ancillary Operations	Elimination of Intercompany Transactions	2012	2011
Revenues	\$ 238,473,582	\$ 10,638,386	\$ 23,060,545	\$ (4,949,515)	\$ 267,222,998	\$ 251,238,200
Expenses	146,299,869	13,670,365	30,560,978	(4,949,515)	185,581,697	187,144,029
Profit (loss) before the following:	\$ 92,173,713	\$ (3,031,979)	\$ (7,500,433)	\$ –	\$ 81,641,301	\$ 64,094,171
Unrealized (loss) gain on interest rate swaps (Note 11)					(2,489,098)	345,073
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1 & 9)					\$ 79,152,203	\$ 64,439,244

The accounting policies of the reportable segments are the same as SIGA's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of unrealized (loss) gain on interest rate swaps and distribution to Saskatchewan Liquor and Gaming Authority. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

23. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

SIGA has obligations under operating leases for buildings, equipment and vehicles. The minimum lease payments required under these operating leases are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Less than one year	\$ 5,417,832	\$ 5,021,510	\$ 5,409,932
Between one and five years	15,999,296	14,387,525	17,939,530
More than five years	4,692,995	6,437,259	9,716,210
	\$ 26,110,123	\$ 25,846,294	\$ 33,065,672

The above commitments include amounts committed to related parties of \$20,183,518 for years 2012 through 2016 and \$4,692,995 for the years beyond 2016.

During the year ended March 31, 2012 an amount of \$11,326,293 (2011 – \$10,411,962) was recognized as an expense in comprehensive income in respect of operating leases.

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)**CAPITAL COMMITMENT – SLOT MACHINES**

The Casino Operating Agreement requires SLGA to supply slot machines and the slot management system to SIGA for use in its casinos and for SIGA to reimburse to SLGA the cost of these machines over the estimated useful life of the equipment. Included in expenses is \$12,574,280 (2011 – \$12,687,410) for reimbursement of the purchase of slot machines and the slot machine management system. SIGA estimates total costs over the next five years, based on the machines currently in use, as follows:

2013	\$ 6,143,481
2014	2,983,132
2015	1,374,178
2016	872,308
2017	354,820

LETTERS OF CREDIT

SIGA has two letters of credit with First Nations Bank of Canada, \$52,500 payable to the City of Swift Current, and \$200,000 payable to the City of Yorkton.

OTHER

The Casino Operating Agreement requires SIGA, upon receiving direction from SLGA, to pay to Indigenous Gaming Regulators Inc. (“IGR”) the amount of IGR’s annual operating budget. SLGA has directed SIGA to pay IGR \$3,232,128 for 2012-2013 (2011-2012 – \$3,232,128).

SIGA entered into an agreement with Saskatoon Prairieland Park Corporation (“SPPC”) regarding the maintenance of a certain level of income when SPPC closed its casino. Under this agreement, SIGA agreed to pay SPPC \$216,667 monthly, subject to certain conditions, effective August 10, 2007 and continuing for 30 years.

CONTINGENCIES

SIGA enters into contractual arrangements with suppliers of services, products and facilities in the normal course of business. Contracts are subject to legal interpretation from time to time and disputes do arise. Management plans to account for such dispute resolutions in the year such disputes are settled, as they cannot be reasonably estimated prior to this time.

In addition, various other claims and lawsuits are pending against SIGA in the ordinary course of business. While it is not possible to determine the ultimate outcome of such actions at this time, and there exist inherent uncertainties in predicting such outcomes, it is SIGA’s belief that the ultimate resolution of such actions is not reasonably likely to have a material adverse effect on its financial position or results of operations.

24. TRANSITION TO IFRS

The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2012, the comparative information for the year ended March 31, 2011, and the preparation of the opening IFRS statement of financial position at April 1, 2010, SIGA’s date of transition to IFRS (“transition date”).

The adoption of IFRS requires the application of IFRS 1. IFRS 1 generally requires that an entity retrospectively apply all IFRS effective at the end of its first IFRS reporting period. However, IFRS 1 provides certain mandatory exceptions and permits limited optional exemptions. The IFRS 1 optional exemptions that have been applied are described in this note.

In preparing its opening IFRS statement of financial position at April 1, 2010 and comparative information for the year ended March 31, 2011, SIGA has adjusted amounts previously reported in financial statements prepared in accordance with CGAAP. An explanation of how the transition from CGAAP to IFRS has affected SIGA’s financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables for significant transition adjustments.

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

24. TRANSITION TO IFRS (CONTINUED)

ELECTED IFRS 1 EXCEPTIONS AND EXEMPTIONS APPLICABLE TO THE PRESENTATION OF THE OPENING IFRS FINANCIAL POSITION

SIGA has elected and applied the following IFRS 1 exemptions:

Significant estimates (mandatory exception)

An entity's estimates under IFRS at the transition date shall be consistent with estimates made at the same date under previous CGAAP (after adjustments to reflect difference in accounting policies) unless there is objective evidence that those estimates were in error. All of SIGA's estimates reflect conditions in effect at transition.

Borrowing costs

IFRS 1 provides the option to apply IAS 23, *Borrowing Costs* ("IAS 23"), prospectively from the transition date to IFRS (April 1, 2010), or from a particular pre-transition date elected by the first time adopter. Borrowing costs may be capitalized on qualifying assets for which the commencement date for capitalization was on or after the date selected. SIGA has elected to apply IAS 23 on its inception as a corporation. Based on this election, SIGA will capitalize borrowing costs incurred on all qualifying assets.

LEASES

This exemption applies to first-time adopters who have made a determination of whether an arrangement contained a lease in accordance with a previous CGAAP. If the determination made under the entity's previous CGAAP would have given the same outcome as that resulting from applying IAS 17 – Leases and IFRIC 4 – Determining whether an Arrangement contains a Lease, then the first-time adopter need not reassess that determination when it adopts IFRS. SIGA has elected to apply this exemption, and as a result has not reassessed any arrangements entered into or modified after January 1, 2005 as they were previously assessed under equivalent CGAAP guidance.

MANDATORY EXCEPTIONS TO RETROSPECTIVE APPLICATION

In preparing these financial statements in accordance with IFRS 1, SIGA has applied the following mandatory exceptions from full retrospective application of IFRS:

ESTIMATES

Hindsight was not used to create or revise estimates. Accordingly, the estimates previously made by SIGA under previous CGAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

SIGA has applied the derecognition requirements of IAS 39 – *Financial Instruments: Recognition and Measurement*, prospectively for transactions occurring on or after January 1, 2004.

24. TRANSITION TO IFRS (CONTINUED)**EFFECT OF TRANSITION**

There is no material difference between the statement of financial position presented under IFRS and the statement of financial presented under previous CGAAP.

The following table sets out a reconciliation of total comprehensive income for the year before distribution to SLGA for the year ended March 31, 2011 under previous CGAAP to total comprehensive income for the year before distribution to SLGA under IFRS for the same period:

March 31, 2011					
	Note	Previous Canadian GAAP	Effect of Transition to IFRS	Reclasses	IFRS
Revenue	a	259,821,502	–	(8,583,302)	251,238,200
Cost of Sales	a/b	(14,755,347)	–	14,755,347	–
Net Revenue		\$ 245,066,155	\$ –	\$ 6,172,045	\$ 251,238,200
Salaries and benefits expense		81,630,836	–	–	81,630,836
General and administrative	b	46,701,956	–	(46,701,956)	–
Depreciation and amortization expense	b	–	–	13,900,454	13,900,454
Other operating	b	24,316,836	–	(24,316,836)	–
Slot machine reimbursement	b	–	–	17,245,354	17,245,354
Advertising, promotion and sponsorships	b	20,534,733	–	(20,534,733)	–
Building repairs and maintenance	b	1,955,491	–	(1,955,491)	–
Building rent and occupancy	b	–	–	9,677,932	9,677,932
Materials and consumables	b	–	–	21,526,102	21,526,102
Advertising	b	–	–	20,534,733	20,534,733
Payment to Indigeneous Gaming Regulators Inc.		3,232,128	–	–	3,232,128
Payment to Saskatoon Prairieland Park Corporation		2,600,004	–	–	2,600,004
Other expense	b	–	–	7,071,482	7,071,482
Finance costs	b	–	–	9,725,004	9,725,004
		\$ 180,971,984	\$ –	\$ 6,172,045	\$ 187,144,029
Income due to Saskatchewan Liquor and Gaming Authority		64,094,171	–	–	64,094,171
Unrealized gain on interest rate swaps		\$ 345,073	\$ –	\$ –	\$ 345,073
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority		\$ 64,439,244	\$ –	\$ –	\$ 64,439,244

Saskatchewan Indian Gaming Authority Inc.

Notes to the Financial Statements

year ended March 31, 2012

24. TRANSITION TO IFRS (CONTINUED)

EFFECT OF TRANSITION (CONTINUED)

Notes to the Reconciliations:

The following notes explain the impact of the significant differences between the previous historical CGAAP accounting policies and the current IFRS accounting policies applied by SIGA.

a) Revenue

Under CGAAP, the retail value of goods and services provided to guests without charge was included in revenue and then deducted as promotional allowances. Under IFRS, revenue is reported net of promotional allowances.

There is no impact to comprehensive income.

b) Presentation Reclassifications

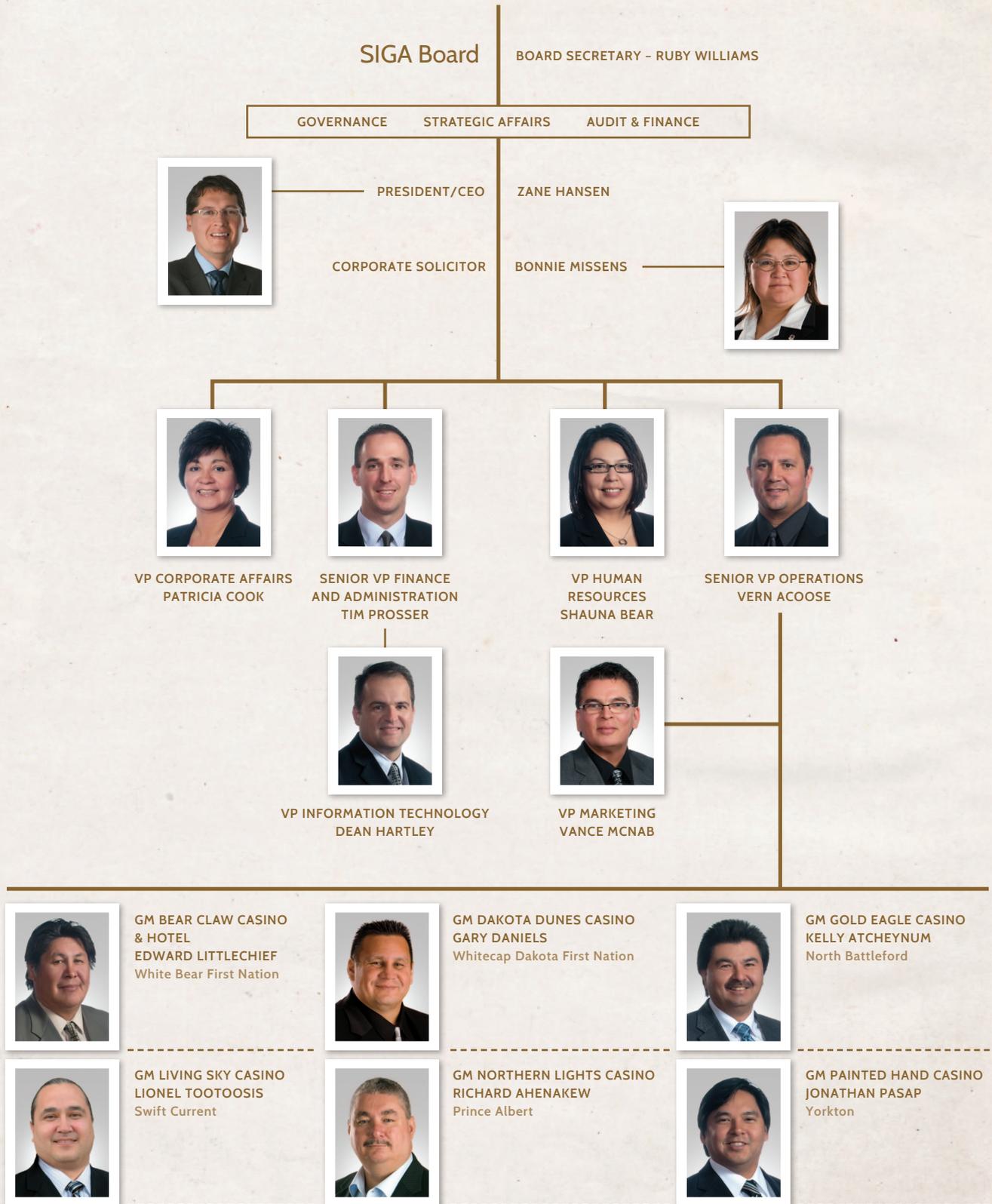
Certain expenses which were previously included in cost of sales; general and administrative; other operating; building repairs and maintenance; and advertising, promotion and sponsorships have been reclassified on the statement of comprehensive income.

There is no impact to comprehensive income.

c) Material adjustments to the Statement of Cash Flows for the year ended March 31, 2011

Interest paid has moved into a separate line item in the financing activities section of the comprehensive statement of cash flows, whereas they were previously disclosed as part of the net income in the operating activities section. There are no other material differences between the statement of cash flows presented under IFRS and the statement of cash flows presented under CGAAP.

Federation of Saskatchewan Indian Nations & Chiefs in Assembly



Board of Directors



CHIEF EDWARD HENDERSON

Former Acting Chair – 2011-2012 Chief Edward Henderson of the Montreal Lake Cree Nation joined the Board in December 2005 (1st Term – November 6, 2003). He is a past Chair of the Little Red Reserve School Authority and Woodland Cree Board and currently serves on the boards of PAGC Education, Forestry, Women's Commission, Sports Culture and Recreation, Saskatchewan Indian Equity Foundation, First Nations University of Canada and the Saskatchewan Indian Education & Training Commission. Edward completed a second term as Vice Chief of the Prince Albert Grand Council, and was recently elected Chief of the Montreal Lake First Nation.



CHIEF LARRY AHENAKEW

Chief Larry Ahenakew was appointed to the SIGA Board of Directors on May 11, 2010. Originally from Ahtahkakoop Cree First Nation, Chief Ahenakew represents the Battlefords Agency Tribal Chiefs (BATC) where he was appointed Tribal Chief in April 2010. Chief Ahenakew graduated from the University of Saskatchewan with a Native Studies degree. Chief Ahenakew was formerly a band councillor on his reserve, which he held for twelve years before he decided to take on the larger role of Chief. Chief Ahenakew is currently fulfilling a third term.



CHIEF RICHARD BEN

Chief Richard Ben joined the SIGA Board on October 30, 2009. Prior to being elected as Chief of Makwa Sahgaiehcan First Nation, he served one term as a band councillor. Chief Ben's experience includes terms with the FSIN Education and Justice Commissions, as well as a number of boards with the Meadow Lake Tribal Council. Chief Ben's background also includes three years in the army reserve, four years as a Recreation Director on his home reserve, as well as an education in Police Sciences and Information Technology.



CHIEF PERRY BELLEGARDE

Chief Perry Bellegarde joined the SIGA Board on June 21, 2010. A member of the Little Black Bear First Nation, Chief Bellegarde served for 12 years on the executive of the Touchwood File Hills-Qu'Appelle Tribal Council. Including terms as the Vice-President/Assistant Tribal Representative and the President/Tribal Council Representative. Chief Bellegarde served as Chief of the FSIN from 1998 to 2003, where he negotiated and signed the twenty-five year gaming agreement with the Province of Saskatchewan. Chief Bellegarde served as a band councillor with the Little Black Bear First Nation and was elected Chief in 2010.



CHIEF REGINALD BELLEROSE

On March 19, 2008, Chief Reginald Bellerose joined the Saskatchewan Indian Gaming Authority Board of Directors. He was re-elected in February of 2009 to his third term as Chief of Muskowekwan First Nation. Chief Bellerose has a Bachelor of Arts degree from Concordia University College in Edmonton, and MBA in Project Management from the University of Saskatchewan.



CAROLE BRYANT

Carole Bryant rejoined the SIGA Board on January 25, 2010. Carole is currently VP of Administration and Quality Improvement with the Ranch Ehrlo Society. She has diverse career experience in social work, community development, human services, corporate services, board governance and communications. Carole is the past-president of the Saskatchewan Association of Social Workers and former President of the Regina and District Food Bank. In November of 2011 Carole was elected Treasurer of the Association of Social Work Boards, headquartered in Culpeper, VA. Carole is vice-president of the Regina Rotary Club and Knox-Metropolitan Church. She is a former board member of Investment Saskatchewan. Carole has both an undergraduate and master's degree in social work. She also completed her MBA from Queen's University in Kingston and has her CMA designation.



BOB GEROW

Bob Gerow was appointed to the SIGA Board of Directors by the Agency Chiefs Tribal Council (ACTC) on March 19, 2008. Bob, a member of the Victoire Métis Local, has worked in First Nations Education and Administration for the past 34 years. He is currently the Executive Director with the Agency Chiefs Tribal Council. Bob holds a B.A., B.Ed, P.G.D. and a Masters in Education.



AMANDA LOUISON

Amanda Louison was appointed to the SIGA Board in March, 2012 and is a member of the Kahkewistahaw First Nation representing the Yorkton Tribal Council. This is the third time she has served on SIGA's Board. Amanda holds a diploma of Associate in Administration from the University of Regina. She was elected the first female Chief for Kahkewistahaw First Nation in 1995, and served on her Band Council for five terms. In 2003-2004 she was appointed Tribal Chief (first female) by acclamation.



KEVIN POOCK

Kevin was appointed to the SIGA Board on February 14, 2012 by Battlefords Tribal Council. Kevin is a Chartered Financial Planner who has 25 years experience in the financial services industry. He was instrumental in the financing and opening of the first four casinos operated by SIGA. In 1998 he joined Battlefords Tribal Council to assist their Economic Development Division. He currently is part of a group that manages several diversified businesses, holding companies and analyzes new opportunities for First Nations.



CHIEF STANDINGREADY

On March 19, 2008, Chief Standingready rejoined the Board. He was first appointed to the Board on May 6, 2003 holding the position of Chair until January 2007. Brian has held a variety of positions including Chief, council member, and Band Manager at the White Bear First Nation, near Carlyle. He has also served as the district representative for the Yorkton Tribal Council and has sat on numerous boards, committees and commissions. Chief Standingready was re-elected as Chief of White Bear First Nation in 2007. Also in 2007 he was advisor to the FSIN GFA Negotiating Team. In 2011 he was re-elected as Chief of White Bear First Nation. He has now served as Chief for 25 years. In 2011 he received a Lifetime Achievement Award from the Canadian Gaming Association.



TRIBAL CHIEF FELIX THOMAS

Newly elected Chairman of the Board - June of 2012, Tribal Chief Thomas joined the SIGA Board of Directors on March 19, 2008. He was elected Tribal Chief of the Saskatoon Tribal Council in October 2008 and has sat on a variety of boards including IGC, IGR and HSDC. Tribal Chief Thomas has also participated on the committee on Health for the Assembly of First Nations. Previously Chief of Kinistin First Nation, Felix participated on the Chiefs Committee for the Assembly of First Nations. Tribal Chief Thomas holds a Bachelor of Arts and a Bachelor of Science in Physical Education (BSPE).



CHIEF DELBERT WAPASS

Chief Delbert Wapass joined the SIGA Board on February 22, 2011. A fluent speaker of the Cree language, Chief Wapass holds a Bachelor of Arts in Native Studies, a Bachelor of Education (B.Ed.) and a Master of Education (M.Ed.). Chief Wapass has previously served with the FSIN as both the Second and Third Vice Chief, with portfolio experience in economic development, education and health. A very traditional and cultural person, Chief Wapass was raised by his grandparents on the Thunderchild First Nation, and is an avid pow-wow dancer and singer.



SENATOR ROLAND CROWE (ADVISOR)

Senator Roland Crowe of the Piapot First Nation joined the SIGA Board in an advisory capacity on June 9, 2009. Senator Crowe began a career in public life in the 1960s, serving four years as councillor and six years as Chief of his home community. In the 1980s, he committed himself to work in the interests of all Saskatchewan First Nations, serving four years as Vice Chief and three terms as elected Chief of the FSIN. Some of his notable achievements include signing the 1992 TLE agreement, which all of SIGA's casinos are currently on; setting up low income housing in five of our urban communities, which brought into place 1,000 units for local people; and negotiating the original gaming agreement with the province of Saskatchewan.

Former Members:

GARY LAPLANTE

Former Board member - Gary LaPlante had been a member of the SIGA Board since 2003, after serving briefly in 2000. Gary has served as Board Member and Chair of the Reserve Creation Committee for the First Nations University of Canada. A member of the Moosomin First Nation, Gary has a Bachelor of Arts Degree and a Business Administration Diploma. His work is primarily in Inter-Governmental Relations as a Policy Advisory and Liaison. He also dedicates time towards the Young Chipewyan First Nation Reclamation and the Moosomin TLE Saskatoon selections.

ISABEL O'SOUP

Former Board member - Isabel O'Soup of Norquay had been a Board member with the Saskatchewan Indian Gaming Authority since April 2007 and has served as the elected Chief of the Key First Nation. She was President of "Women on the Move" and a member of the Board for the First Nations University of Canada and the Saulteaux Healing and Wellness Centre. Isabel O'Soup is also a current Board member for the Sunrise Regional Health Authority.

Corporate Governance

AUTHORITY

Under the First Nations Gaming Act, the Federation of Saskatchewan Indian Nations created the Saskatchewan Indian Gaming Authority (SIGA) on June 10, 1995. SIGA was then incorporated under The Non-Profit Corporation Act of Saskatchewan on January 11, 1996, and is designated as a charitable corporation. The FSIN owns the only issued Class A Membership. Class B Memberships are held by the Tribal Councils and independent First Nations.

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

The Province of Saskatchewan, through the Saskatchewan Liquor and Gaming Authority (SLGA), regulates SIGA. This authority is responsible for the approval of budgets, operating policies and procedures and expansion of services. Constant dialogue takes place between the management and employees of both organizations.

OUR STRUCTURE

SIGA's gaming operations are a revenue source for the Saskatchewan's First Nations, the Provincial Treasury and for the Community Development Corporations (CDCs) situated in the six casino locations. The CDCs distribute this money to charitable and not-for-profit community organizations. Profits generated from SIGA's operations are administered by the Province of Saskatchewan using the following breakdown: 50% to Saskatchewan First Nations, as distributed through the First Nations Trust; 25% to the CDC's; and 25% to the Provincial Government's General Revenue Fund.

ROLE OF THE BOARD

The Board of Directors is responsible for the stewardship of the organization and is ultimately accountable for the management of the affairs and business of SIGA. In meeting this responsibility, the Board works with management to develop and approve the organization's strategic plan and annual budgets, and ensures that a communication policy is in place. It has established terms of reference addressing its principal duties and responsibilities as a board.

While focusing on the strategic direction of the organization, the Board delegates day-to-day operations to the President and CEO. The Board has resolved to adopt a policy governance model that empowers

the President and CEO and holds him accountable for achieving the Board's directives, managing risks, and complying with the Casino Operating Agreement and Board policies. In addition, the organization has a comprehensive Delegation of Authority Policy that governs the approvals and spending authorities for all managers consistent with their responsibilities, accountabilities and budgetary allocations, and specifies those matters that require Board approval: items specific to capital expenses (including renovation projects) planned over \$1,000,000; and unplanned \$500,000, any property management, land and building leases, and all other operating expenses and contracts over \$500,000.

All of its Directors are independent of management and no member of management serves as a Director. The Board held ten meetings in the 2011/12 fiscal year.

BOARD CHAIR - CHIEF EDWARD HENDERSON (INTERIM)

The Chair provides leadership by guiding the Board, coordinating its activities and fostering relationships in the best interests of the organization. The Chair, while working closely with the President and CEO, retains an independent perspective to best represent the interests of SIGA, the Board, and the communities they serve. The Chair, on behalf of the Board, reports to the FSIN Gaming Commission and the FSIN Legislative Assembly on the affairs of the corporation, including all business aspects of casinos owned or operated by SIGA. The Chair, in turn, reports to the Board of Directors any recommendations offered by the Gaming Commission and the Assembly. The Board has delegated authority and assigned responsibility to the Board Chair for managing SIGA's relationship with the shareholders as per policy BO3-012 Board Chair - Terms of Reference.

DIRECTORS

The Board of Directors was comprised of twelve Members for the majority of the year. The Federation of Saskatchewan Indian Nations and the Tribal Councils nominate these Members (one per Tribal Council). Only individuals registered as gaming employees under The Alcohol and Gaming Regulation Act 1997 may be Members of the Board.

As per the Casino Operating Agreement, SIGA, having met the requirements of sustained progress, a change in the structure and composition of the SIGA Board took place on January 30, 2008. The new Board structure is comprised of no more than 13 Directors and will have a Senate appointment as per the FSIN Legislative Assembly Senate Act. The 2011/12 Directors are as follows:

- Chief Edward Henderson
- Tribal Chief Felix Thomas
- Chief Reginald Bellerose
- Chief Brian Standingready
- Robert Gerow
- Chief Richard Ben
- Carole Bryant
- Chief Larry Ahenakew
- Chief Perry Bellegarde
- Chief Delbert Wapass
- Amanda Louison Joined the Board in March 2012
- Kevin Pooock Joined the Board in February 2012
- Isabel O'Soup left the Board October 2011
- Gary LaPlante left the Board August 2011
- Kirk Goodtrack left the Board in August 2011

The Board also has an Advisor:

- Senate Advisor, Roland Crowe

COMMITTEE STRUCTURE

The Board may appoint any committees that it considers necessary for the efficient conduct of the affairs and business of SIGA and may prescribe the duties of any committee it appoints. It is important to note that assignment of responsibility by the Board to a committee does not absolve the full Board from responsibility for a committee's work or decisions. The Chair is ex-officio on all committees and may attend any meeting as deemed appropriate. All committees have established terms of reference governing their conduct and mandate.

The Board has three (3) committees with established terms of reference governing their code and mandate. These three committees are as follows: Audit and Finance, Governance (includes, Human Resource, Compensation & Ethics and Governance mandates) and Strategic Affairs.

AUDIT AND FINANCE COMMITTEE – ISABEL O'SOUP, CHAIR AND CAROLE BRYANT, CHAIR

The Audit and Finance Committee monitors the financial performance and internal controls of SIGA, assesses risk management strategies, and acts as a liaison between the internal and external auditors and the Board. This committee is responsible for the internal audit function and has retained an independent internal auditor who has unimpeded access to corporate information and reports directly to the Audit and Finance Committee. SIGA's internal auditor is Price Waterhouse Coopers (PWC). The fee for the internal audit function for the fiscal year is \$754,188.64. The committee monitors internal controls over the financial reporting process, auditing matters and financial reporting issues. The SIGA audit is completed by the audit firm Deloitte and Touche. In addition to the statutory audit requirements, Deloitte and Touche submits management letters that contain internal control recommendations and identification of management and system control risks. Deloitte and Touche has examined the corporation's financial statements and issued an auditor's report included in this annual report. Deloitte & Touche provided non-audit services (IFRS conversion related work converting from Canadian GAAP to IFRS) of \$7,836.56 and (presentation/speaking fees) of \$1,611.92. This committee met six times in the 2011/12 fiscal year.

STRATEGIC AFFAIRS COMMITTEE – PERRY BELLEGARDE, CHAIR

The Strategic Affairs Committee is mandated to ensure that there are sufficient processes in place to develop, maintain and monitor the strategic plan, provide direction on shareholder and stakeholder relations and review and provide direction on new business opportunities. The Strategic Affairs Committee is also responsible for reviewing, assessing and monitoring strategic level risk in SIGA's risk management plan and ensuring the appropriate risk mitigation strategies are in place. Further, the Committee will review and provide recommendations on the Casino Operating Agreement and the Framework Agreement. The committee met four times in 2011/12 fiscal year.

GOVERNANCE COMMITTEE – REGINALD BELLEROSE, CHAIR

The Governance Committee is responsible for, and reports to the Board about, the corporate governance processes of the Board. The Governance Committee monitors the functioning of the Board and committees of the Board, and recommends governance issues to be discussed by the Board and committees of the Board. It is also responsible for ensuring timely and complete information and decision-making at the Board and committee levels. The Governance Committee is responsible to ensure annual review of the terms of reference of the Board and its committees. The committee coordinates the bi-annual evaluations of the Board, the Board Chair, committees and the Director's self-assessments. The evaluations of the Board and its committees was completed in 2012. The Governance Committee also oversees the annual evaluation of the CEO. The Board engaged with the audit firm of Meyer Norris Penny, (MNP) an independent third party, to conduct the evaluation of the President and CEO and the Board and its Committees. This committee met four times in the 2011/12 fiscal year.

GOVERNANCE PRACTICES

The SIGA Board has formally adopted a governance model with generally-accepted governance practices, and a suite of corporate governance policies. These policies ensure continuity of good governance practices and provide ongoing direction for the Board, its committees, and management. To ensure that SIGA continues to exemplify high standards of corporate governance, it has been mandated by the Board that the corporation's governance practices be monitored annually and an audit of all governance practices be conducted every three years with the most recent audit expected to be completed in July 2012 by the audit firm of Price Waterhouse Coopers.

According to the previous audit completed by the firm Prosser and Associates, SIGA's current governance and disclosure practices are consistent with the guidelines advocated in the Ontario Securities Commission National Policy 58-201. SIGA's current disclosure practices are consistent with the guidelines set out in the Ontario Securities Commission National Policy 58-101.

The Board substantially complies with its corporate governance policies. Unlike a publicly held entity, SIGA is not required to comply with these policies. The corporation, however, has adopted an approach of benchmarking itself to these standards.

SIGA's alignment with the CSA Corporate Governance Guidelines is set out in the following scorecard:

CSA Corporate Governance Policy

NP58 – 201, AND DISCLOSURE INSTRUMENT, NI58 – 101FI

COMPOSITION OF THE BOARD

NP 58-201, section 3.1

The Board should have the majority of independent Directors.

NI 58-101FI, sections 1(a) and (d)

1 (a) Disclose the identity of Directors who are independent;

(b) Disclose the identity of Directors who are not independent and the basis for that determination;

(c) Disclose whether the majority of Directors are independent; and

(d) Disclose whether a Director is a Director of any other issuer that is a reporting issuer.

NP 58-201, section 3.2

3.2 The Chair of the board should be an independent director who is the effective leader of the board, who ensures that the board's agenda will enable it to successfully carry out its duties.

SIGA's Governance Practices

The Directors on the SIGA Board are (13 out of 13) independent.

*SIGA's Board composition is 13 Members with 13 of those Directors being confirmed as of this date.

Edward Henderson, Vice Chair: Independent – Chief, Montreal Lake Cree Nation

Felix Thomas, Director: Independent – Tribal Chief, Saskatoon Tribal Council

Reginald Bellerose, Director: Independent – Chief, Muskowekwan First Nation

Brian Standingready, Director: Independent – Chief, White Bear First Nation

Robert Gerow, Director: Independent – Executive Director, Agency Chiefs Tribal Council

Richard Ben, Director: Independent – Chief, Makwa Sahgaiehcan First Nation

Carole Bryant, Director: Independent – CFO, Ranch Erhlo Society

Larry Ahenakew, Director: Independent – Chief, Ahtakakooop First Nation

Perry Bellegarde, Director: Independent – Chief, Little Black Bear First Nations

Delbert Wapass, Director: Independent – Chief, Thunderchild First Nation

Kevin Poock, Director: Independent – Chartered Financial Planner, Battlefords Tribal Council

Amanda Louison, Director, Independent – Yorkton Tribal Council

Gary LaPlante, Director: Independent – Political and Policy Advisor Battlefords Tribal Council

Isabel O'Soup, Director: Independent – Consultant, Key First Nation

Kirk Goodtrack, Director, Independent – Lawyer, Wood Mountain First Nation

This criterion is met by all current Board Members being external directors (i.e. not managers or employees of SIGA) and by having each Board member complete and sign code of conduct acknowledgement and conflict of interest disclosure forms. All Directors have completed COI forms on file. Section 1(d) does not apply to SIGA, as SIGA does not have share capital, and is not an issuer.

The Chair of the Board is an independent Director who provides leadership in board organization, processes, effectiveness and renewal and serves as a liaison between the roles of the Board, shareholders and that of President and CEO.

Does SIGA Align?

Yes

Yes

Yes

NI 58-101F1, section 1(f)

1 (f) Disclose whether the chair of the board is an independent director; disclose the identity of the chair and describe the role of the chair.

MEETINGS OF INDEPENDENT DIRECTORS

NP 58-201, section 3.3

3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and Members of management are not present.

1 (g) Disclose whether the independent directors hold regularly scheduled meetings at which Members of management are not present, disclose the number of such meetings held in the previous 12 months; if such meetings are not held, disclose what the board does to facilitate open and candid discussion among independent directors.

SIGA's Governance Practices

Edward Henderson assumed the interim Chair responsibilities in July 2011 and is an independent director.

The Chair reports to the Board and ultimately to the shareholders and is responsible for presiding over meetings of the Board and ensuring the Board discharges its fiduciary and legal responsibilities. The chair's primary duties include:

- Act as a sounding board and counselor for the President and CEO, including helping to identify problems, reviewing strategy, maintaining accountability, building relationships and ensuring that the President and CEO is aware of concerns of the Board and the communities the Authority serves.
- Lead the Board in monitoring and evaluating the performance of the President and CEO and the corporation.
- Ensure that corporate strategy, plans and performance are presented to the Board.
- Ensure the President and CEO presents management succession and development plans at least annually and implements them.
- Foster a constructive and harmonious relationship between the Board and management.
- Together with the President and CEO, act as a spokesperson for the Authority and oversee the Authority's interfaces with government and other stakeholders.
- Ensure the Board has full governance of the Authority's business and affairs and is alert to its obligations to the Authority, to the communities it serves, to management and under the law.
- Provide leadership to the Board; assist the Board in reviewing and monitoring the policy, directions and strategy of the Authority and the achievement of its objectives.
- Communicate with the Board to keep it up-to-date on all major developments, including timely discussion of potential developments.
- Chair Board meetings and attend committee meetings, where appropriate, as ex-officio member of each committee.
- Ensure that the Board and management clearly understand their respective roles and respect the boundaries between Board and management responsibilities.
- Ensure that the Board has adequate resources to support its work.
- Is jointly responsible with the President and CEO for developing ways to involve the Board in the ongoing processes of strategic planning and risk management.
- While working closely with the President and CEO, retains an independent perspective to best represent the interests of the Authority, the communities it serves and the Board.
- On behalf of the Board, shall report to the Economic Community Development Commission (ECDC) on the affairs of the corporation including all business aspects of casinos owned or operated by the corporation and shall, if so requested, report on the same matters to the FSIN Legislative Assembly.
- Reports to the Board of directors any guidance or advice that ECDC has offered to the corporation.
- Is a non-executive appointment.

This criterion is met by all current Board Members being external directors. The terms of reference for the Board and each committee require that the Board and each committee meet regularly without management present. In-camera sessions are a standing agenda item.

There were 10 Board meetings held in 2011/12 and during each regular meeting, in-camera sessions are a standing agenda item. Board practices that facilitate open and candid discussion allow for open and direct communication on issues that it may not be appropriate to discuss with representatives of management.

The Board is satisfied that its governance practices foster full and open discussion and debate and that it retains the independence of mind to make decisions in the best interest of the corporation and the shareholder.

Does SIGA Align?

Yes

Yes, SIGA substantially meets this requirement

NI 58-101F1, sections 1(g)

1 (g) Disclose the attendance record of each director for the board meetings held in the most recently completed financial year.

SIGA's Governance Practices

The Board held a minimum of 10 meetings in 2011/12. The number of Board meetings attended by each Director is set out below:

Directors	Meetings Attended*	Total Meetings
Edward Henderson, Chair	9	(10)
Gary LaPlante, Director	7	(7)
Larry Ahenakew, Director	9	(10)
Isabel O'Soup, Director	8	(8)
Reginald Bellerose, Director	9	(10)
Brian Standingready, Director	9	(10)
Felix Thomas, Director	10	(10)
Robert Gerow, Director	8	(10)
Carole Bryant, Director	9	(10)
Richard Ben, Director	9	(10)
Perry Bellegarde, Director	9	(10)
Delbert Wapass, Director	6	(10)
Kevin Pooch, Director	1	(1)
Kirk Goodtrack, Director	4	(4)

*For purposes of this report, Members who attended meetings in part were considered to be present. Figures in brackets represent the maximum number for the period in which the individual was a board member.

Does SIGA Align?

Yes

BOARD MANDATE

NP 58-201, section 3.4

3.4 The board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and responsibility for:

- (a) to the extent possible, satisfying itself as to the integrity of the CEO and executive and that they have created a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and approving at least annually a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning, including appointing, training and monitoring senior management;
- (e) adopting a communications policy for the corporation;
- (f) the integrity of the corporation's internal control and management information systems; and
- (g) developing the corporation's approach to corporate governance, including a set of principles and guidelines specific to the corporation.

NI 58-101F1, section 2

2. Disclose the Board's written mandate.

SIGA's Governance Practices

The Board has adopted a comprehensive written mandate board policy no. B03-001 that complies with the elements required in this policy. Specific policies B03-008 Board Member Responsibilities and B03-012 Board Chair Terms of Reference outline the primary duties and responsibilities of the Board, including the responsibility to function as stewards of the corporation.

- a) One of the Board's principal duties is to choose the President and CEO and monitor and evaluate his/her performance. The President and CEO and senior managers are required to observe the highest standards of ethical conduct, consistent with the values of integrity, impartiality and discretion, both within and outside the workplace, and to promote a corporate culture in which ethical conduct is recognized, valued and exemplified by everyone.
- b) SIGA has five year strategic plan in place for the Authority. This process allows SIGA management and the board to utilize it; the benefit is being able to communicate to our stakeholders our direction and priorities for the next five years. SIGA is using a highly regarded model of planning known as the Balanced Scorecard. This performance management tool helps us ensure that operational activities and initiatives are aligned with the objectives of the company in terms of vision and strategy. The Board approved the strategic measures and targets for the company in July 2011. The President reported on those measures on a quarterly basis. The results are also reported on in this annual report.
- c) The corporation is working to establish an integrated risk management function and the corporate "infrastructure" for the identification and management of the risks that could prevent SIGA from achieving its strategic goals and priorities. The Board delegates this responsibility to the Audit and Finance Committee. Provide assurance to stakeholders about the integrity of the organization's financial and non-financial performance. Refer to page 34 & 35 of this report.
- d) The Board has approved succession plans for the President and CEO and Senior Executive based on recommendations from the Governance Committee. These plans are reviewed on an annual basis with the Board.
- e) The Board has a communications policy with processes in place to ensure effective communications with shareholders, stakeholders and the public. SIGA completes a public opinion survey every six months to obtain feedback from stakeholders on the corporation's activities. A stakeholder newsletter is distributed quarterly to all stakeholder groups. The Chair of the Board and the President and CEO participate in quarterly sessions to provide an update and review the corporation's performance with the FSIN Gaming Commission, which is comprised of shareholders of the corporation. The annual general meeting of the Members was held in November 2011.
- f) A principal duty of the Board is to identify principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and potential returns, and to oversee the implementation of appropriate systems to manage the risks.
- g) The Board has delegated the Corporation's approach to corporate governance to the Governance Committee to oversee. The Governance Committee is working with the internal auditor to complete an audit of the corporation's governance practices which is scheduled to be complete in July 2012.

The board's key responsibilities are described above in NP 58-201 section 3.4. The board's written Mandate, Policy B03-001 can be obtained from the SIGA upon request.

Does SIGA Align?

Yes

Yes

POSITION DESCRIPTIONS

NP 58-201, section 3.5

3.5 The Board should: develop clear position descriptions for the Chair of the Board and the Chair of each committee; together with the CEO, develop a position description for the CEO delineating management's responsibilities; develop or approve corporate goals and objectives that the CEO is responsible to meet.

NI 58-101F1, sections 3(a) and (b)

3 (a) Disclose whether the Board has developed written position descriptions for the Chair of the Board and the Chair of each Board committee and, if not, describe how the Board delineates the role and responsibilities of each such position.

(b) Disclose whether the Board and CEO have developed a written position description for the CEO.

ORIENTATION AND CONTINUING EDUCATION

NP 58-201, sections 3.6 and 3.7

3.6 The board should ensure new directors receive comprehensive orientation and fully understand the role of the board and committees, the contribution individual directors are expected to make and the nature and operation of the business.

3.7 The board should provide continuing education opportunities for all directors to enhance their skills and abilities and ensure their knowledge of the corporation's business is current.

SIGA's Governance Practices

The Board has adopted specific policies (B03-008 Board Member Responsibilities and B03-012 Board Chair Terms of Reference) which outline the primary duties and responsibilities of the Board Chair and Board Members. The Board has adopted mandates for all standing committees, which outline their specific responsibilities. A draft policy for the Committee Chairs has been developed and will be implemented once final approval is received.

The Board's Terms of Reference sets out matters that require Board approval and delegate other matters to management. The Delegation of Authority Policy, applicable to monetary and non-monetary matters, sets out those matters that require Board approval and delegates other matters to management.

The Board annually approves a strategic plan, which includes the Corporate objectives and goals (Balanced Scorecard targets) for the upcoming year. The CEO is ultimately responsible to the Board for meeting these goals and objectives. The Board assesses the CEO against these performance targets.

3 (a) The Board has a Board Chair – Terms of Reference policy in place that sets out the roles and responsibility for the board Chair. Draft policies have been developed for the Vice Chair position and the Committee Chairs and these policies will be implemented once final approval is received.

In addition to this the committees all have written mandates adopted by the Board that delineate the roles and responsibilities of that committee. Each committee met as follows: Governance – 4, Audit and Finance – 6 and Strategic Affairs – 4. The Chairs of each committee review the minutes from their committee meetings with the full Board at the monthly Board meeting. This allows for effective communication and delineation of responsibilities between the committees.

(b) The Board has developed a comprehensive job description for the CEO. The corporation's strategic plan identifies the goals, objectives and performance targets that are to be achieved by the CEO in the fiscal year.

3.6 Through their mandate, the Governance Committee holds the responsibility to ensure and to monitor whether the proper orientation and continuing education training opportunities are made available to the Board. SIGA management has provided comprehensive orientation training to the Directors about the business and the industry. SIGA also provides all Directors with a comprehensive binder that contains essential reference materials.

3.7 The corporation has made available to the directors the opportunity to participate in comprehensive education programs such as: The Directors College – Chartered Directors Program. A certified comprehensive education program with specific focuses on key roles and responsibilities of boards, committees and directors. With one Director graduating from the program this past year. Other experts have been brought in to support the Board's development such as outside legal counsel, with expertise in Board governance, to outline the Board's legal and fiduciary responsibilities as well as industry experts. All the Directors have participated in a Financial Literacy training program provided by SIGA's Sr. VP of Finance & Admin. A number of the Directors have participated in industry related conferences in 2011/12.

Does SIGA Align?

Yes

Yes

Yes

CODE OF BUSINESS CONDUCT AND ETHICS

NP 58-201, section 3.8

3.8 The Board should adopt a written code of business conduct and ethics applicable to Directors, officers and employees of the corporation designed to promote integrity and deter wrongdoing. The code should address:

- (a) conflicts of interest, including transactions and agreements where a Director or officer has a material interest.
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the corporation's security holders, customers, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of illegal or unethical behaviour.

NI 58-101F1, sections 5(a)

5 (a) Disclose whether the Board has adopted a written code of ethical business conduct for the Directors, officers and employees of the corporation; how to obtain a copy of the code; how the Board monitors compliance with the code; and reference any material change report in the most recent financial year relating to any conduct of a Director or officer that constitutes a departure from the code.

NP 58-201, section 3.9

3.9 The Board should monitor compliance with the code and any waivers granted for the benefit of Directors and executive officers should be granted by the Board or committee. Any waivers for a material departure from the code for any Directors or officers should disclose full details of the material change.

SIGA's Governance Practices

3.8 SIGA has developed a written Code of Conduct and Ethics Policy applicable to all Directors, a separate Code of Conduct and Ethics Policy that is applicable to Senior Management and a Code of Conduct and Ethics Policy applicable to the employees.

The Directors Policy: The purpose of this document is to establish guidelines for conduct required of all Directors of the Saskatchewan Indian Gaming Authority. In addition, each Director must complete a Conflict of Interest Declaration form and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Board Secretary's office. Copies are to be provided to the Governance Committee. Conflict of Interest declarations are completed at every Board and Committee meeting.

The President and CEO and Senior Management Policies: President and CEO and senior managers are required to observe the highest standards of ethical conduct, consistent with the values of integrity, impartiality and discretion, both within and outside the workplace, and to promote a corporate culture in which ethical conduct is recognized, valued and exemplified by everyone.

The President and CEO and all senior managers must sign a declaration form upon commencement of employment with SIGA, acknowledging that they have read and agree to follow SIGA's Code of Conduct and Ethics Policy, sign a Conflict of Interest and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Corporate Solicitor's office and are reviewed with the Governance Committee.

5 (a) A copy of the Directors, President and CEO Code of Conduct Policy can be obtained by contacting SIGA.

The Board Chair and the Governance Committee monitor compliance with the code of conduct policy for the Directors and the President and CEO. The President and CEO monitors compliance with the code of conduct policy for senior management. The Audit and Finance Committee is responsible for: monitoring and reviewing the financial performance and internal controls of the Authority; monitoring, reviewing and ensuring the adequacy of the Authority's risk management policies and procedures; enhancing the credibility and objectivity of the Authority's financial reports; and acting as a communication link between the Board of Directors, the external and provincial auditors and the internal auditor. The mandate of the Audit and Finance Committee shall be tabled at the annual general meeting for review by the Members. The Governance Committee shall review the Authority's overall compensation programs and recommend compensation for the President and CEO and Senior Executive, and ensure that the overall compensation structure provides appropriate incentives to management and employees at all levels.

3.9 The Board has delegated to the Board Chair and the Governance Committee the responsibility for monitoring compliance with the Authority's Code of Conduct Policy.

The Governance Committee is responsible to receive and consider Directors and Managers COI and Relationship Declaration Forms. In 2011/12 one COI was reviewed with a recommendation from the committee that was forwarded to the Board.

Does SIGA Align?

Yes

Yes

Yes

NI 58-101F1, section 5(b)

5 (b) Describe steps the Board takes to ensure Directors exercise independent judgement in considering transactions and agreements where a Director or officer has a material interest

5 (c) Describe other steps the Board takes to encourage and promote a culture of ethical business conduct.

NOMINATION OF DIRECTORS

NP 58-201, section 3.10

3.10 The Board should appoint a nominating committee composed of entirely independent Directors.

COMPENSATION

NP 58-201, section 3.15

3.15 The Board should appoint a compensation committee composed entirely of independent Directors.

NP58-201, section 3.16

3.16 The compensation committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations (including any authority to delegate to individual Directors or subcommittees) and manner of reporting to the Board. In addition, the compensation committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work.

NP 58-201, section 3.17

3.17 The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on the evaluation; making recommendations to the Board respecting non-CEO officer and Director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation prior to public disclosure.

SIGA's Governance Practices

SIGA has a written code of conduct policy applicable to all Directors. The corporation has a Director's Conflict of Interest Policy meant to protect the Authority's interest by outlining guidelines for the Authority's Board which ensures that a conflict of interest does not exist or appear to exist. The corporation has a Disclosure of Wrongdoing Policy in place and, to further support that, the Board has implemented an employee hotline that is independently operated. The hotline provides a means for employees to report allegations of serious wrongdoing and identify situations where wrongdoing is or has occurred so it can be eliminated.

As identified in the by-laws of the corporation, the Board structure will be comprised of no more than 13 Directors. The Federation of Saskatchewan Indian Nations and the Tribal Councils appointing twelve of these directors (one per Tribal Council) with the SIGA Board appointing one independent director with financial expertise. All appointments are ratified by the Federation of Saskatchewan Indian Nations Legislative Assembly.

The SIGA Board has undertaken the responsibility of developing a skills profile for its Board Members. It is distributed to all shareholders for their use as criteria to base their nomination/selection of directors.

The Board has appointed a Governance Committee (the Governance Human Resources & Ethics committees were amalgamated in January 2011), of entirely independent directors who are responsible for compensation matters.

The Board has approved a new mandate for the Governance Committee with the responsibilities to:

- Annually review and monitor Senior Executive contracts, compensation and benefits program and recommend changes where appropriate.
- Ensure there are ongoing executive development programs that help promising individuals within the organization develop the critical skills identified in the succession plan.
- Annually review the administration of all management and staff benefit and compensation plans to ensure conformity with approved policies.
- Review on a regular basis the mechanisms that management has in place for employee recruitment and to monitor the retention of employees with a process for monitoring risk.
- Based on the CEO evaluation results, the Governance Committee reviews and makes recommendations to the Board regarding the CEO's compensation.

The Board evaluates the performance of the President and CEO annually. The Governance Committee oversees the evaluation of the President and CEO. They are responsible for ensuring that the evaluation results are reported in writing to the Board. The President and CEO shall be held to account for achieving the performance targets, as stated in the corporate strategic plan, and for complying with management limitations policies prescribed by the board. The results of the CEO's performance are approved by the full Board. This policy is monitored by the Chair of the Board. The President and CEO evaluation is scheduled to be completed by the end of July 2012.

Does SIGA Align?

Yes

N/A

Yes

Yes

Yes

BOARD ASSESSMENTS

NP 58-201, section 3.18

3.18 and each individual Director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:

(a) in the case of the Board or a Board committee, its mandate or charter, and

(b) in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.

NI 58-11F1, sections 7(a) and (b)

7 (a) Describe the process by which the Board determines compensation for the Directors and officers of the corporation.

(b) Disclose whether the Board has a compensation committee composed entirely of independent Directors and, if not, describe the steps the Board takes to ensure an objective process for determining such compensation.

NI 58-101F1, sections 7(c)

(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee.

NI 58-101F1, sections 7(d)

(d) If a compensation consultant has been retained, at any time during the corporation's most recently completed fiscal year, to assist in determining compensation for any of the corporation's Directors and officers, disclose the identity of the consultant and briefly summarize their mandate. If retained to perform any other work, state that fact and briefly describe the nature of the work.

OTHER BOARD COMMITTEES

NI 58-101F1, section 8

8 If the Board has standing committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.

SIGA's Governance Practices

The Board, Committees, and the Chairman evaluation occur on a two-year cycle. The evaluations were conducted by Meyers Norris Penny, an external consultant, and will be completed in July 2012.

The Board and its Committees review their Terms of Reference annually. The Board have developed skills matrix that will be utilized for future planning.

7 (a) The corporation has developed a number of policies to assist in determining rates for Director compensation. Directors will be compensated for serving on SIGA's Board through a combination of retainer fees and per diems. Directors will be reimbursed for travel and business expenses in accordance with Corporate Policy No. BO3-017 Travel and Business Expenses (Board Members). The monitoring of compensation for Directors is the responsibility of the Governance Committee, who review this on a bi-annual basis. The Board determines compensation by retaining the services of an external consultant to complete a market survey utilizing industry standards. The internal auditor PWC completed a review of the current compensation rates.

(b) Board Members receive the following retainer fees on an annual basis to be paid in quarterly instalments:

Board Chairperson \$18,000;

Committee Chair \$12,000;

Director \$10,000;

Board/Committee Chairperson meeting fee \$700;

Board/Committee Member meeting fee \$600.

The Governance Committee serves as SIGA's compensation committee. This is a standing committee and serves as an advisory committee appointed by the Board. The committee's core responsibilities are identified above.

The Board did not retain the services of a compensation consultant in 2011/12. This work was completed by the internal auditors.

The SIGA Board has appointed the following standing committees to conduct the business of the corporation: Governance Committee (the Governance, Human Resources & Ethics committees were amalgamated in January 2011), Audit & Finance Committee and the Strategic Affairs Committee. All committees have comprehensive mandates that meet the policy requirements. All committee mandates are available upon request from SIGA.

Does SIGA Align?

Yes

Yes

Yes

Yes

Yes

SIGA Casinos





At SIGA, one of our values speaks to the sharing of our land and sharing our resources. The guiding principle, Wîtaskêwin, reminds us to give back to the communities where we live and operate.

SIGA.sk.ca

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