

MARKET STATISTICS

Exchange / Symbol	NYSE: UWN
Price:	\$2.19
Market Cap (\$mm):	\$36.90
Enterprise Value (\$mm):	\$37.43
Shares Outstanding (mm):	16.85
Float (%):	53.38
Volume (3 month avg.):	22,978
52 Week Range:	\$1.87-\$2.86
Industry:	Casino & Gaming

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	1/31/2018
Cash & Cash Equivalent:	\$8.60
Cash/Share:	\$0.51
Equity (Book Value):	\$33.87
Equity/Share:	\$2.00

CONDENSED INCOME STATEMENTS

(\$mm, except per share data)

FY - 04/30	Revenue	Op. Income	Adj. EBITDA	EPS
FY14	\$62.81	\$2.30	\$4.72	\$0.03
FY15	\$64.35	\$3.30	\$5.64	\$0.11
FY16	\$70.03	\$3.37	\$7.80	\$0.08
Fy17	\$74.63	\$1.77	\$6.25	\$0.03

LARGEST SHAREHOLDERS

Lafitte Capital Management	1,534,826
Ocho Investments	1,504,389
Carl Giudici	1,194,256
Renaissance Technologies Corp.	1,156,700
TCW Investment Management	1,114,559
Stephen Haberkorn	1,004,843
Esplanade Capital	868,296
Wynnefield Capital	772,188
The Vanguard Group	347,547
Bridgeway Capital Management	194,400
LVM Capital Management	143,156

STOCK CHART



COMPANY DESCRIPTION

Nevada Gold & Casinos (NGC) is an established player in the gaming industry with mini-casino operations in Washington and slot route operations in South Dakota. These mini-casinos are complete with a bar, restaurant, and table games at each location. The Company also acquired the Club Fortune Casino in Nevada on November 30, 2015. Club Fortune Casino hosts a 25,000 square foot gaming area complete with roughly 440 slot machines, 7 table games, poker room, restaurant and two bars. The Company currently operates 604 slot machines in South Dakota, nine mini-casinos in Washington, and the Club Fortune Casino in Nevada. The Company was established in 1977 and is headquartered in Las Vegas, Nevada.

SUMMARY

Nevada Gold & Casinos brings to the marketplace an interesting opportunity for investors looking to benefit from the casino and gaming industries without being directly tied to the Las Vegas area. With significant market share in niche markets throughout the Pacific Northwest United States and Nevada, NGC hopes to continue its growth by:

- Increasing its geographic footprint into the lucrative Nevada gaming market with the accretive acquisition of Club Fortune Casino in Q3FY16, which has dramatically increased revenue and profitability due to Club Fortune's location and loyal customer base
- Benefiting from further economic expansion as the gaming industry has a strong correlation to the state of the improving US economy
- Continuing to increase its market share in geographic regions such as the state of Washington, where Nevada Gold & Casinos holds an estimated 18% market share
- Operating in niche markets such as South Dakota, where NGC is the only slot route operator and has a long history with competitive market share
- Growing its slot route operations throughout Deadwood as the city looks to invest \$14 million into infrastructure and entertainment to increase tourism throughout the city
- Continuing the trend of profitability since the end of the 2012 fiscal year
- Using the Company's beneficial tax positions and increasing free cash flow to continue to reduce debt on the balance sheet, fund future potential acquisitions, and buy back UWN Shares
- Increasing the profitability and geographic reach by continuing to target acquisition opportunities to further develop its casino business and boost shareholder returns
- Continuing to exhibit strong operational cost control measures such as continuing margin expansion throughout the business
- Having recruited a highly experienced management team led by Michael Shaunnassy, who has a history of over 30 years working in world class hotel and casino management positions

We employ a scenario analysis using both a P/E and EV/EBITDA framework. The details are on page 7. We note that we expect to see increases in both the top and bottom line in fiscal year 2018.

BUSINESS OVERVIEW

Nevada Gold & Casinos is a public company operating in the Western United States, including Washington, South Dakota, and most recently Nevada. Under its current scope of operations, the Company owns, develops, operates and finances gaming projects in the United States. Additionally, in April 2016, NGC sold 268 acres of undeveloped land in Colorado for a sales price of \$750,000. As a developer and operator of mini-casinos, the Company aims to maximize the revenue and profitability of existing gaming properties as well as acquire and develop new gaming properties.

The Company is currently separated into three segments. The Washington segment groups together a variety of mini-casinos in the state of Washington, South Dakota operates a large number of slot machines in South Dakota, and then there is the most recent acquisition of Club Fortune Casino in Nevada. In more detail, NGC's current portfolio consists of:

Washington: This currently includes nine operational mini-casinos as of April 2017 and is the largest operator with an estimated 18% share of that market. Most of the Company's mini-casinos offers a range of table games and has a full-service restaurant with bar. NGC recently condensed all their poker operations to a single location. This shift gives a better overall player experience in a competitive market. Its target audience is a middle-income consumer that lives or works within 5 miles of the facility. As of end of FY17, the Company's casinos hosted an aggregate of about 120 table games, managed by a staff of about 1,050. Washington mainly derives its revenue from games, food, and beverages sold at its nine locations. As of April 2017, this segment made up 73% of NGC's total revenue. The EBITDA margin for NGC's largest segment had seen significant improvement in FY 2016 when compared to FY 2015 and FY 2014. FY 2017 EBITDA took a slight step back; however, we anticipate continued revenue growth in FY 2018. Seven of the Company's casinos are located in the Greater Seattle area, with the remaining 2 in the vicinity of the eastern Tri-Cities.

Exhibit 1: Casino Operations in Seattle

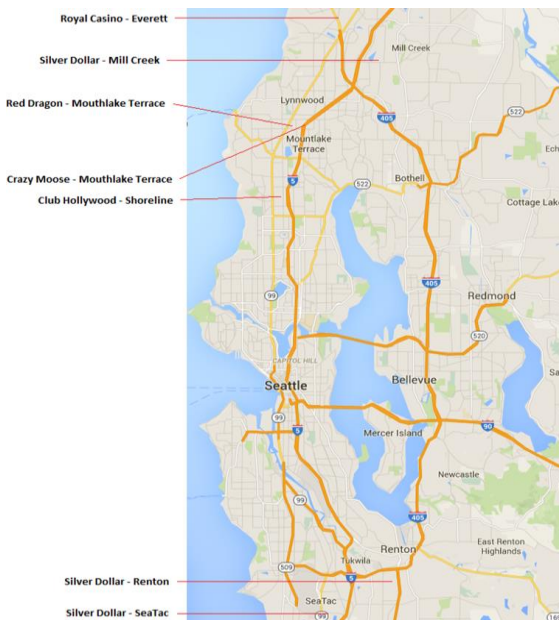
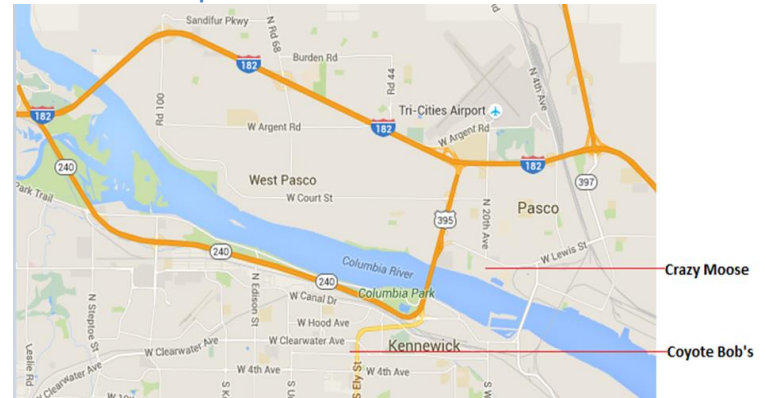


Exhibit 2: Casino Operations in Tri Cities



Source: Company Reports; Stonegate Capital Partners

South Dakota: As of July 2017, this segment operated 604 slot machines throughout Deadwood City, South Dakota. These gaming machines are placed at several third-party locations including hotels, restaurants and bars. This segment accounts for roughly 27 employees and roughly 9% of NGC's total revenue. Since the acquisition of South Dakota operations in January 2012, the number of slot machines has declined from over 900 to 604 primarily as a result of venues closing. This segment is highly seasonal, with most of the venues dependent upon tourist traffic. With roughly 2 million visitors annually, South Dakota's revenue is dependent on the placement of the machines and the subsequent traffic. With Deadwood City's plans to invest \$14 million into the city's infrastructure and entertainment, we expect to see tourism and revenue increase in the coming years.

Club Fortune Casino: In May 2015, NGC entered into a definitive agreement to purchase Club Fortune Casino in Henderson, Nevada. NGC completed the purchase of the Nevada-based casino on November 30, 2015. The casino consists of a 25,000 sq. ft. gaming space, holding 440 slot machines and 7 table games, as well as a poker room, restaurant, entertainment lounge, and two bars. In its first full year, Club Fortune accounted for roughly 18% of NGC's revenue. Club Fortune Casino has a loyal base of customers, which contributed to its 2017 revenue of \$13.5 million, translating into a 11% EBITDA margin. The consolidated business has begun to generate healthy cash flows, thus providing sufficient liquidity to repay debt taken on to fund the acquisition. The latest purchase of the Club Fortune Casino was financed pursuant to an expansion of the Company's existing Credit Agreement with Mutual of Omaha Bank. In addition to the purchase price of \$14,159,623, NGC also paid with 1,190,476 shares of common stock. With NGC's additional free cash flow from the new property, management has begun to aggressively pay down debt taken on to fund the acquisition. Also, we note that with the continued strength of the Company's current operations, as well as the addition of Club Fortune, the leverage ratio is just under 2 times EBITDA. The borrowing rate on the credit facility is LIBOR plus a margin of 2.5%, after the second adjustment date on July 1, 2016.

Source: Company Reports; Stonegate Capital Partners

Exhibit 3: Club Fortune Casino


Source: Company Reports

Some of NGC's facilities generate additional revenue through:

- Pull Tabs
- Pool Tables
- Arcade Games
- Dart Boards
- Game Tournaments

NGC derives revenue primarily from the operation of table games and slot machines. Gaming revenue is the net wins or the amount retained by the casino operator after paying the amount won by bettors. Net wins depend on the gambling volume, which is determined by the amount wagered in slot machines and cash exchanged for chips at table games. Additionally, NGC also earns revenue from the sale of food and beverages. Certain casinos also offer complimentary food and beverages, which are deducted from gross revenue as promotional expenses. Revenues increased heavily from FY2016 to FY 2017 as a result of incorporating Club Fortune Casinos' first full year. We expect to see a continued increase in top line as Nevada Gold & Casinos implements their strategies and marketing initiatives into the new casino.

GROWTH STRATEGY

The Company has a variety of sales and marketing strategies implemented to help organically grow its casinos and slot route operations throughout the West. In Washington, the Company relies on data mining to study customer spending habits and different methods of rewarding customer loyalty while maximizing profitability. Within the Washington market, approximately 80% of the NGC clientele live within 5 miles of the respective facility. With this in mind, the Company does target these customers with a player rewards club card, mailings, email, and text messaging

In South Dakota, the sales and marketing strategy relies heavily on the placement of machines across Deadwood. Currently, the Company's 604 slot machines are placed in a variety of locations in search of producing the most traffic possible for each machine. NGC slot machines are placed in a number of different locations across Deadwood such as restaurants, bars, and hotels that best target tourist visitors. Machine revenue is highly dependent on the individual establishment where each machine is placed. NGC rewards its loyal slot customers in South Dakota on the basis of total dollar amount played. We plan to see continued organic growth in the city of Deadwood, South Dakota, with the city's planned infusion of capital. The Company plans to continue similar marketing efforts for the new Club Fortune Casino. The Company also makes a direct

effort to pull in new customers through sports and various gaming events.

Exhibit 4: Red Dragon Casino


Source: Company Reports

GROWTH THROUGH ACQUISITIONS

NGC is a growth story. In 1994, NGC shifted its focus as a mine company to developing gaming and real estate properties. Since the shift in organizational strategy, Nevada Gold & Casinos has made a number of acquisitions in order to maximize revenues and ultimately, profitability.

The key acquisitions are listed below:

1. Between 2009 and 2011, the Company acquired ten casinos in Washington for an aggregate sum of \$28.2M. This business is currently being conducted through the Company's Washington segment.
2. In January 2012, NGC acquired a South Dakota-based slot route operator for \$5.1M, which forms its South Dakota segment.
3. In November 2015, the Company acquired the assets of Club Fortune Casino in Nevada. The acquisition was aimed at tapping into the target's growth potential and devoted customer base, while furthering the Company's geographic diversification.

A full list of Nevada Gold & Casino’s milestones are listed below.

Exhibit 5: Key NGC Milestones

Year	Event
1977	Comes into existence as Pacific Gold & Uranium Corp. to conduct mining activity in the US
1993	After the acquisition of a majority interest by affiliates of the Company's existing management, shifts focus towards the development of gaming and real estate properties in Colorado
1994	Acquires four lots (properties) in Colorado which were assigned for gaming purposes by the State of Colorado
1997	Starts a joint venture (JV), Isle of Capri-Black Hawk LLC (IC-BH), with a 43% ownership. The IC-BH JV operates a casino comprising over 1,000 slot machines, 14 blackjack tables, three restaurants and an event center
1999	Commences the construction of a \$29M hotel encompassing more than 230 rooms above the casino in Black Hawk
2005	In April 2005, acquires Colorado Grande Casino (CGC) in Cripple Creek, Colorado for \$6.5M
2008	Sells interest in the IC-BH JV for \$64.6M in January 2008
2009	In May 2009, acquires three casinos in Washington for \$15.8M, namely Crazy Moose Casino in Pasco, Coyote Bob's Roadhouse Casino in Kennewick and Crazy Moose Casino in Mountlake Terrace
2010	In July 2010, acquires six mini-casinos and a related administrative center in Washington for \$11.1M. The casinos include Silver Dollar SeaTac, Silver Dollar Renton and Silver Dollar Mill Creek in Bothell, Club Hollywood in Shoreline, Royal Casino in Everett, and Golden Nugget Casino in Tukwila
2011	In July 2011, acquires Red Dragon Casino in Mountlake Terrace in Washington for \$1.3M
2012	In January 2012, acquires A.G. Trucano, Son & Grandsons, Inc., a slot route operator in South Dakota for \$5.1M
2012	Sells CGC for \$3.1M in May 2012
2015	In May 2015, enters into an agreement to acquire the assets of CFC from Gaming Ventures of Las Vegas, Inc. for a cash consideration of \$14.2M and issue of 1.2M common stock of NGC

Source: Company Reports; Stonegate Capital Partners

NGC expects to continue the positive growth trend with its newest acquisition of Club Fortune Casino in Henderson, Nevada. With the acquisition officially closed on November 30th, 2015, NGC saw a significant improvement from FY 2016 to FY 2017 in revenue growth. We expect to see continued top line growth as NGC incorporates their marketing and procedural strategies in Nevada. This acquisition was immediately accretive to free cash flow, and it has also strengthened and diversified the NGC portfolio.

STRONG MANAGEMENT TEAM

Nevada Gold & Casino has a small management team with considerable experience in both the hospitality and gaming industries. With significant hands-on experience in both domestic and international gaming enterprises, Nevada Gold is poised to continue its growth under the current leadership.

Michael Shaunnessy was appointed CEO of Nevada Gold & Casinos in December of 2012. After receiving his B.A. in Business Administration from Lewis University, Mr. Shaunnessy, went on to acquire his M.S. in Accountancy from Northern Illinois University. From his previous positions, Shaunnessy brings financial, hospitality, and gaming experience to Nevada Gold & Casinos. Since Mr. Shaunnessy was appointed in 2012, Nevada Gold has seen significant increases in adjusted EBITDA, all while decreasing corporate overhead costs. Michael is joined by several other members of management with notable experience in the gaming industry that, as a unit, form a well-rounded group of strategic players.

James Meier is the Chief Financial Officer, Vice President and Secretary at Nevada Gold & Casinos. Mr. Meier has held this position since 2014. Mr. Meier has an extensive background in the hospitality and gaming industry, including serving as Chief Financial Officer for Full House Resorts. Mr. Meier is a Certified Public Accountant and Certified Management Accountant with a Master of Science degree in Hotel Administration awarded from University of Nevada, Las Vegas.

INDUSTRY OVERVIEW

The US gaming industry garnered revenue of \$73.1B in 2016, having grown at a CAGR of 1.96% over the last decade (see Exhibit 6). With more than 1,500 operational casinos, commercial and tribal gaming are the key industry segments and jointly contribute over 94% to the overall industry revenue (see Exhibit 7). However, the small markets of iGaming and limited stakes gaming are growing at a faster pace. In terms of 2017 revenue, Nevada and Pennsylvania are the top commercial gaming markets in the US, whereas Washington, California, and Oklahoma are the major tribal gaming destinations.

Exhibit 6: Size of the US Gaming Industry

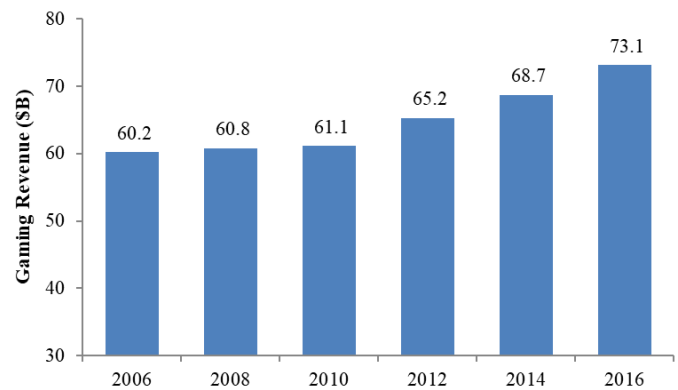
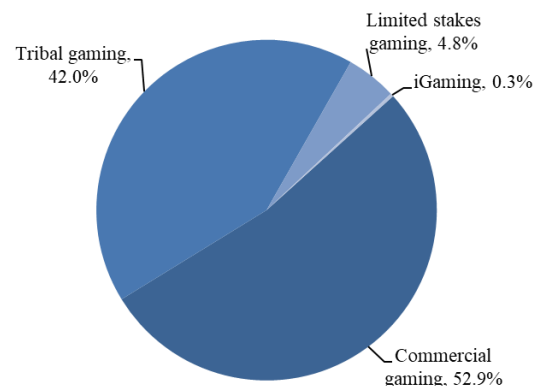


Exhibit 7: The US Gaming Revenue Composition



The gaming industry in the US is highly regulated at the federal as well as the state levels. Each state has its own laws, taxation and licensing requirements for casino operations. The ownership and operation of the casinos are subject to the regulations promulgated in their respective states.

The US gaming industry is highly competitive, with the presence of small as well as large regional, tribal and international casino operators. Players compete across parameters such as scale of operations, quality of the facilities, brand, marketing and growth strategies, financial strength, management expertise and geographic footprint. NGC's casinos in Washington face competition mainly from the Native American casinos operating within the region. However, as NGC's casinos are closer to the larger cities, such as Seattle, they do retain a competitive advantage.

RISKS

The casino industry is subject to extensive regulation and supervision by different federal and state commissions. Gaming operations are heavily taxed in a bid to increase state revenue. The operators within some states are already paying 20% tax on revenue earned on table games and 67% revenue on slot machines, which are the highest among the commercial casinos in the US. Any further increases could reduce the competitiveness of the gaming industry against other states. Any such unfavorable change in the current industry laws and regulations could also have adverse effects on the Company's future.

NGC also faces competition from the nearby tribal casinos in Washington. In February 2015, the Washington State Gambling Commission entered into a deal with 27 tribes to increase the number of slot machines at their casinos. Although they are collectively allowed to install 2,700 additional machines currently, the commission may eventually approve additional machines. In April 2017, The Cowlitz tribe announced the opening of a 100,000-square foot, \$510 million-dollar casino located near La Center, which is located roughly 30 miles north of Portland. The Casino is expected to attract over 4.5 million visitors annually. The opening of additional large tribal casinos are likely to intensify competition around Washington state.

The change in composition of the US population appears less favorable to the growth of the casino industry. There has been a gradual demographic shift in favor of the older age group (65 years and older). An aging population indicates lower participation in the work force and therefore limited earnings, leading to concerns regarding the amount of discretionary income to be spent on leisure activities such as casino gaming. Furthermore, the younger generation has become tech-savvy, with exposure to diverse and urbane mobile-based entertainment. The emerging entertainment applications pose a threat to brick-and-mortar casinos. NGC earns a large portion of its revenue from its table game operations. Table games such as poker, with facilitation of side bets, have been popular among bettors. However, with technological advancement, mobile gaming and server-based gaming hold the potential to adversely affect the popularity of table games. While electronic table games are becoming popular among large casino operators, online gaming is permitted only in Nevada, New Jersey and Delaware. Nevada's online gaming is restricted to poker. The grant of mobile gaming licenses in other states and the proliferation of electronic gaming tables could diminish the total dollars spent on traditional card rooms.

Nevada Gold & Casinos currently employs approximately 1,280 people. Of these 1,280 employees, the combined Washington segment accounts for approximately 1,050 people. Due to recent legislation announcements in the rise in minimum wage in Seattle, we expect to see a continued rise in the minimum wage in the state of Washington over the NGC's next fiscal year. We have reflected these expected increases in wage expenditures in our conservative model on page 8.

GAMING REGULATIONS

Washington, South Dakota, and Nevada each have their own unique rules regulating the gaming industry in their respective states. We have listed a few of the most notable gambling rules and regulations below.

Exhibit 8: Gaming Regulations

	Washington	South Dakota	Nevada
Authority	Washington State Gambling Commission	South Dakota Commission on Gaming	Nevada Gaming Control Board
License fees and requirements	1) Entities applying for a gambling license are required to be engaged in the food and beverage business 2) The license is valid for a year or less from its date of issue 3) The annual license fee for a house-banked card room is \$7,362	1) Gambling activity permitted only in bars and taverns 2) The entity should apply for both operator as well as route operator licenses 3) The license is valid for a year from its date of issue 4) A slot machine operator is subjected to an annual license fee of \$1,000, with a renewal fee of \$200. For a slot route operator, the annual licensing fee is \$1,000, with another \$1,000 for application and a renewal fee of \$200	1) The quarterly fee for a non-restricted license for slot machines is \$20 per machine. The annual fee for the license for other games ranges between \$100 and \$16,000, depending on the number of games
Games portfolio	Amusement games, Card games, Bingo and Punch boards/Pull tabs	Slot machines and Limited card games	Card games, Roulette, Craps, Slot machines, Keno and others
Maximum bets and number of games permitted	1) Up to 15 tables in each house-banked casino are permitted 2) The maximum bet limit for a house-banked card room is \$300	1) The license permits the operation of up to 30 slot machines at a single location 2) The maximum bet limit is \$1,000	No cap on number of games
Tax	1) The maximum tax is 20% of gross gaming revenue (GGR) for public card-room games and either 5% of GGR or 10% of net receipts (as chosen by a local authority) for pull-tabs activities 2) A business and occupational tax of 1.63% of net receipts of all gaming activities is levied	1) Operators are required to pay a tax of 9% of their GGR 2) Every licensed gaming device is subjected to an annual fee of \$2,000	1) Slot machine operators are required to pay a tax of \$250 per machine. The tax for games stands at a total of 3.5% for the first \$50,000 GGR earned during the month, 4.5% of the next \$84,000 and 6.75% of GGR exceeding \$134,000 2) A live entertainment tax is also applicable, if the operator provides live entertainment. The tax rate is 5% of the admission price, if the entertainment is in a facility with 7,500 or more seats. Seating capacity less than 7,500 attracts a tax of 10%, each on the admission price as well as food and refreshments

Source: Company Reports, Washington State Gambling Commission; South Dakota Commission on Gaming; Nevada Gaming Control Board

YEAR OVER YEAR SUMMARY

Exhibit 9: Year over Year Summary Statistics

	Year Over Year Results				Notes
	Q3FY17	Q3FY18	Change	% Change	
Total Revenues	19.6	19.7	0.1	0.4%	Increase in revenue primarily due to conversion of Washington property to all poker play
Promotional Allowances	1.7	1.6	-0.1	(6.8%)	
Net Revenues	17.9	18.1	0.2	1.0%	
Gross Margin	91.2%	91.9%	0.6%		
SG&A	6.3	6.5	0.2	2.4%	
D&A	0.8	0.5	(0.22)	(29%)	
Total Opex	18.4	17.5	(0.93)	(5%)	The decrease in total operating expenses due to an impairment charge of \$1.1 million in Q3FY17
Income from Operations	0.66	0.63	(0.03)	(5%)	
Operating Margin	3.4%	3.2%	(0.00)		
EBITDA - adjusted	1.43	1.20	(0.23)	(16%)	
EBITDA Margin	7.3%	6.1%	(0.01)		
Net Income	(0.68)	0.19	(1.28)	(664%)	The increase in net income is primarily due to an impairment charge of \$1.1 million in Q3FY17
EPS	0.01	(0.04)	(0.05)	(500%)	

Source: Company Reports, Stonegate Capital Partners, Inc.

Revenues Increase – Nevada Gold & Casinos net revenue increased roughly 0.4% from Q3FY2017 to Q3FY2018. The increase in revenues was primarily driven by poker revenue. The increase in poker revenue was due to the conversion of one of the Washington properties into an all poker card room. The quarter ended January 31st, 2018 also saw a slight increase in food revenue in the Washington segment, which was partially offset by an 8% decrease in slot revenue from Club Fortune compared to the year prior. South Dakota's revenue was relatively flat year over year despite having fewer machines available. The Company also decreased promotional allowances year over year.

Operating expenses Decrease – Operating expenses decreased 5% from Q3Fy2017 to Q3Fy2018. The primary cause of the decrease was a \$1.1 million impairment charge in Q3FY17 that did not occur in Q3FY2018. Casino expenses increased \$0.1 million from Washington's minimum wage increase, which was also the main driver of a \$0.2 million increase in food and beverage expense. Marketing and administrative expenses increased \$0.2 million due to additional poker expenses at the Washington poker location. Depreciation and amortization expenses decreased by \$0.2 million due to certain South Dakota assets becoming fully depreciated and certain customer relationship intangibles becoming fully amortized in Washington.

The bottom line – Overall net income increased from approximately \$(.68) million for the quarter ended January 31st 2017 to \$0.19 million for the quarter ended January 31 2018. The main contributors to the increase in net income was the elimination of an impairment charge in Q3 2018 and an increase in top line growth.

VALUATION

For the valuations applied below, we have used our forecasted adjusted EBITDA for the fiscal year of 2018 of \$5.776 million. For our comparisons, we have selected peers operating table games and slot machines throughout different states in the US. We note that several larger casino and gaming companies trade at a premium, which increases the overall industry average.

EV/EBITDA analysis – Nevada Gold & Casinos is currently trading at an EV/EBITDA multiple of 5.9x vs. comparables at 10.8x. We note that the casinos and gaming industry average is considerably higher trading at 13.6x CY 2018. Based on the size and liquidity for NGC, we have used a mid-case of 7.0x and a high-case of 9.0x, which more closely follows the industry averages. Thus our EV/EBITDA analysis arrives valuation range of \$2.36 to \$3.05 after the discount applied per our discussion above.

P/E analysis - NGC currently trades at a forward P/E multiple of 18.8x vs. comparables at 21.6x. The casino and gaming industry average currently trades at 20.5x P/E. We note a discount to the scenarios listed below due the smaller size and lower liquidity of Nevada Gold & Casinos. Using the P/E multiples of 18.0x to 25.0x we note a valuation range of \$2.11 to \$2.93.

Exhibit 10: EV/EBITDA Framework

	EV/EBITDA	
	Mid-Case	High-Case
	7.5x	9.0x
EV (in \$M)	43.25	51.89
Cash	8.60	8.60
Debt	9.13	9.13
MC	\$ 42.71	\$ 51.36
S/O	16.85	16.85
Price	\$ 2.53	\$ 3.05

(1) balance sheet stats as of 1/31/18

Exhibit 11: P/E Framework

	P/E	
	Mid-Case	High-Case
	18.0x	25.0x
Earnings Est.	\$1.976	\$1.976
S/O	16.85	16.85
Price	\$ 2.11	\$ 2.93

(1) balance sheet stats as of 1/31/18

COMPARATIVE COMPANY ANALYSIS

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S		EV/EBITDA		P/E	
						LTM	2018 E	LTM	2018 E	LTM	2018 E
Peers											
Monarch Casino & Resort, Inc.	MCRI	\$ 41.37	17.8	\$ 735.4	\$ 732.4	3.2x	3.0x	13.1x	11.1x	28.5x	21.6x
Century Casinos, Inc.	CNTY	\$ 7.98	29.4	\$ 234.3	\$ 223.7	1.5x	1.3x	9.5x	7.1x	32.0x	21.6x
Golden Entertainment, Inc.	GDEN	\$ 23.40	27.4	\$ 640.9	\$1,523.3	3.0x	1.7x	25.1x	8.1x	249.0x	19.3x
Dover Downs Gaming & Entertainment, Inc.	DDE	\$ 1.29	33.3	\$ 42.9	\$ 52.1	0.3x	nm	6.2x	nm	nm	nm
Full House Resorts, Inc.	FLL	\$ 3.08	23.0	\$ 70.8	\$ 162.8	1.0x	1.0x	10.8x	7.9x	nm	149.2x
					Average	1.8x	1.8x	12.9x	8.5x	103.2x	52.9x
					Median	1.5x	1.5x	10.8x	8.0x	32.0x	21.6x
Nevada Gold & Casinos, Inc.	UWN	\$ 2.19	16.8	\$ 36.9	\$ 37.4	0.5x	0.5x	5.9x	6.5x	17.5x	18.8x

(1) Based on closing price of April 4th 2018

(2) Estimates are from CapIQ except those for Nevada Gold & Casinos, Inc. which are Stonegate estimates

Source: Company Reports, Stonegate Capital Partners

Nevada Gold & Casinos
Consolidated Statements of Income (in thousands \$, except per share amounts)
Fiscal Year: April

	FY 2015	FY 2016	FY 2017	FY 2018 E
Revenues				
Casino	\$ 56,711	\$ 62,233	\$ 66,007	\$ 66,975
Food and Beverage	10,225	11,798	13,439	13,560
Other	1,782	2,043	2,140	2,150
Gross revenues	68,718	76,073	81,586	\$82,685
Less Promotional Allowances	(4,369)	(5,732)	(6,959)	(6,552)
Net Revenues	64,350	70,341	74,627	\$76,133
Operating expenses				
Casino	31,796	\$33,925	36,415	37,481
Food and Beverage	5,387	\$5,452	6,195	6,615
Marketing and Administrative	16,889	18,412	20,920	21,407
Corporate Expense	2,444	3,258	2,719	2,650
Facility	2,060	2,025	2,126	2,020
Depreciation and Amortization	2,168	2,609	3,021	2,348
Other	308	\$1,292	1,460	216
Total operating expenses	61,051	\$66,972	72,856	72,737
Income (loss) from operations	3,299	3,369	1,771	3,395
Other income (expense):				
Interest income	118	95	81	49
Interest expense and amortization of loan issue cost	(706)	(723)	748	(615)
Other income (expense), net	(18)	(218)	151	134
Total other income (expense)	(606)	(846)	(416)	(432)
Pre-tax income (loss)	2,693	2,523	\$1,355	2,963
Provision for taxes (benefit)	886	1,221	\$791	\$987
Net income (loss) from operations held for sale	-	-	-	-
Net income (loss)	\$ 1,807	\$ 1,301	\$ 564	\$ 1,976
Preferred stock deemed dividend	-	-	-	-
Net income (loss) available to common	1,807	1,301	564	1,976
Basic EPS (loss)	\$ 0.11	\$ 0.08	\$ 0.03	\$ 0.12
Diluted EPS (loss)	\$ 0.11	\$ 0.08	\$ 0.03	\$ 0.11
Basic shares outstanding	16,228	17,003	17,688	16,977
Diluted shares outstanding	16,346	17,298	17,991	17,377
Net Income	\$ 1,807	\$ 1,301	\$ 564	\$ 1,976
Adjusted EBITDA	\$5,644	\$7,801	\$6,245	\$5,766

Margin Analysis

Gross margin	93.6%	92.5%	91.5%	92.1%
Casino	46.3%	44.6%	44.6%	45.3%
Food and Beverage	7.8%	7.2%	7.6%	8.0%
Marketing and administration	24.6%	24.2%	25.6%	25.9%
Total Operating Expenses	88.8%	88.0%	89.3%	88.0%
Adj. EBITDA Margin	8.2%	10.3%	7.7%	7.0%
Pre-tax margin	3.9%	3.3%	1.7%	3.6%
Net Income margin	2.6%	1.7%	0.7%	2.4%
Tax Rate	32.9%	48.4%	58.4%	33.3%
Growth Rate Analysis Y/Y				
Total revenues	2.4%	10.7%	7.2%	1.3%
Promotional Allowances	1.1%	-31.2%	21.4%	-5.8%
Casino	-0.9%	6.7%	7.3%	2.9%
Food and Beverage	5.3%	1.2%	13.6%	6.8%
Marketing and administration	3.2%	9.0%	13.6%	2.3%
Operating Income	43.7%	2.1%	-47.4%	91.7%
Adjusted EBITDA	19.6%	38.2%	-19.9%	-7.7%
Pre-tax income	268.9%	-6.3%	-46.3%	118.7%
Net income	304.1%	-28.0%	-56.7%	250.4%
EPS - fully diluted	302.8%	-31.2%	-58.8%	262.8%
Share count - fully diluted	0.3%	5.8%	4.0%	-3.4%

SIGNIFICANT EVENTS

April 25, 2016

NGC announces the sale of approximately 260 acres of vacant land in Colorado for a sales price of \$750,000

November 30, 2015

NGC completes the acquisition of Club Fortune Casino in Henderson, Nevada for \$14.2 million and 1.19 million shares of restricted common stock

November 1, 2014

UWN announces the appointment of James Meier as Chief Financial Officer and Secretary

May 1, 2013

UWN re-enters into an employment agreement with Victor Mena to serve as the Company's Vice President of Washington Operations

December 1 2012

UWN announces the appointment of Michael Shaunnessy as Chief Executive Officer and President

May 25, 2012

Company announces the completed sale of the assets of Colorado Grande Casino in Cripple Creek Colorado for \$3.125 million, and the Company uses the proceeds to pay down debt

January 27, 2012

NGC signs agreement to acquire A.G. Trucano, Son & Grandsons, Inc. for \$5.2 million; the transaction will be financed through \$3.25 million in cash, \$1.8 million in notes and 52,910 common shares

July 18, 2011

Nevada Gold and Casinos signs an agreement to acquire Red Dragon Casino for \$1.3 million, with the purchase price to be paid by \$0.4 million in cash, \$0.5 million in UWN stock and a \$0.35 million promissory note

July 23, 2010

Company announces the completed acquisition of six mini-casinos located in Western Washington State for a total purchase price of \$11.07 million

CORPORATE GOVERNANCE

Mike Shaunnessy, Chief Executive Officer and President – Mr. Shaunnessy was appointed President and CEO of the Company in December 2012. Before joining Nevada Gold & Casinos, he was the Executive Vice President of Operations of MGM Resorts International. In that capacity he was the chief operating and financial officer overseeing all operations of MGM's Railroad Pass and Gold Strike casino hotel properties, both in the Las Vegas area.

Prior to joining MGM, Mr. Shaunnessy served as Vice President of Administration of Monarch Casino Resorts, Inc. and Executive Vice President, Chief Financial Officer and Director of Full House Resorts, Inc., both publicly listed casino companies. Earlier in his career, Mr. Shaunnessy was Vice President of Finance for Primadonna Resorts, Inc., a Nevada-based casino and hospitality company, and served in various capacities with Aztar Corporation, formerly Ramada, Inc. A certified public accountant, he earned a B.A. in Business Administration from Lewis University and an M.S. in Accountancy from Northern Illinois University.

James Meier Chief Financial Officer, Vice President and Secretary - Mr. Meier joined Nevada Gold as Vice President of Finance and CFO in November 2014. With over 15 years working with publicly traded companies including small cap gaming companies, his diversified experience includes card rooms, acquisitions, strategic planning and financial analysis, internal controls and SEC reporting, as well as hands-on experience in casino accounting and regulatory compliance. A CPA and CMA, Mr. Meier earned his Master's Degree from University of Nevada, Las Vegas and his Bachelor of Science degree in Business Administration from Minnesota State University.

Earnest East, Chief Regulatory & Compliance Officer – Mr. Mr. East has more than 20 years of gaming experience. From 1998 until 2004 he was Senior Vice President, General Counsel and Chief Compliance Officer of Hyatt Gaming Services, LLC. He was most recently Chief Legal Officer of Global Trust Management, LLC, and prior to that, he was the Senior Vice President, General Counsel and Corporate Secretary of Sierra Pacific Resources. Mr. East also served as Executive Vice President, Secretary and General Counsel of Trump Hotels and Casino Resorts. Mr. East is a graduate of the University of Arkansas Law School and the University of Tulsa.

Victor Hugo Mena, Vice President of Washington Operations - Mr. Mena has been involved in the Hospitality Industry since 1979 and has been involved in the Gaming Industry for the last 12 years. His career has spanned all aspects of the Restaurant Industry and has grown into him developing and running 9 mini-casinos in the state of Washington for Nevada Gold. In 2009 Washington Gold Casinos, a wholly-owned subsidiary of Nevada Gold, acquired its first 3 mini-casinos and appointed Mr. Mena as Chief Operating Officer of the properties.

As President of Operations, Mr. Mena was instrumental in the creation and development of these properties. In 2010 Nevada Gold acquired an additional 6 mini-casinos and Mr. Mena was instrumental in the turnaround of these newly acquired assets. In 2011 another mini-casino was added to the Washington Gold portfolio bringing the total to 10 locations. In October of 2012 Nevada Gold added Mr. Mena to their team as Vice President of Washington Operations.

Board of Directors:

William Sherlock – *Chairman of the Board*

Frank Catania – *Independent Director*

William Jayroe – *Independent Director*

Francis Ricci – *Independent Director*

Rudolph Kluber – *Independent Director*

Shawn Kravetz – *Independent Director*

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