Thunderbird
RESORTS
2014 ANNUAL REPORT

(Thunderbird Resorts Inc. is a British Virgin Islands company limited by shares with its registered office in Tortola, British Virgin Islands)

Cautionary Note on "forward-looking statements"

This Annual Report contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential revenue, future plans, and objectives of the Thunderbird Resorts Inc. are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Group's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in the Group's documents filed from time-to-time with the Euronext Amsterdam exchange ("Euronext Amsterdam") and other regulatory authorities.

Thunderbird Resorts Inc. is sometimes referred to herein as "the Company" or "the Group." All currencies are in US dollars unless stated otherwise.

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Chapter 1:
Letter from the CEO

Dear Shareholders and Investors:

Over the past two years, both in practice and as expressed in my CEO Letter to Shareholders, we have steadfastly focused on building a profitable company through the following three areas of work:

1. Development in our existing markets where new revenues should most efficiently grow our bottom line by leveraging existing management overhead.
2. Continue efforts to control and reduce country-level and corporate expenses.
3. Continue efforts to reduce debt and to refinance remaining debt under more favorable terms.

As described below and in this 2014 Annual Report, we have made progress in all three areas. At the same time, certain challenges have made it difficult to achieve the level of progress we have strived for. Below, please see our progress on these three areas of work followed by adjustments that we believe will accelerate our goal of building a profitable company. We are also pleased to announce a "Global Settlement" of previous published financial risks related to the Daman, India project.

DEVELOPMENT IN OUR EXISTING MARKETS

Progress: The purpose of pursuing development in our existing markets is to increase cash flow where we can leverage our existing management overhead. We have made the following progress:

- New casino in Nicaragua**:** On April 22, 2015, the Group opened a 1,200 square meters casino with 111 slot machines, 21 gaming table positions and 110 food and beverage positions. See page 23 for more information.
- New casino in Costa Rica: In June 2014, the Group opened a 570 square meters casino in Costa Rica with 122 slot machines, 27 gaming table positions (non-poker), 3 poker tables, and 36 food and beverage seats. See press releases dated July 11, 2014 for more information.
- New gaming positions in Peru: In July and August 2014, the Group opened 24 electronic roulette positions. In December 2014, we opened 56 table positions and a 40-seat restaurant at our Luxor Lima operation. See press releases of August 26, 2014 and December 4, 2014 for more information.

Challenge: The Group recognizes the need to increase liquidity in order to invest in our core gaming business. In last year's CEO Letter to Shareholders, we announced the potential sale of our non-producing Costa Rican real estate (commonly known as "Tres Rios" and "Escazu"). The number of potential buyers for large, premium parcels in a small market like Costa Rica is limited and interest shown by potential buyers has not yet resulted in a successful sale.

Response to Challenge: During 2014, the Group was approached by several parties who hoped to acquire our Costa Rica casino operations. Over the past several years, both revenues and cash flow have decreased in these operations. To meet our development goal of increasing liquidity, given the slow progress of the Costa Rica real estate sales, on February 25, 2015, the Group sold its Costa Rica casino operations and achieved net cash in excess of $8 million. See page 23 and press release dated February 27, 2015 for more information.

CONTROL AND REDUCE COUNTRY-LEVEL AND CORPORATE EXPENSES

Progress: We have made the following progress in reducing expenses:

- Country-level consolidated operating, general and administrative expenses were reduced by $1.7 million or by 4% as compared to December 31, 2013 (despite inflation in our markets). Between September 2014 and the date of publication of this report, the Group has reduced approximately $1.5 million in payroll that should result in improved EBITDA in 2015.
- Corporate expense was reduced by $400 thousand or 8% from $4.9 million as of December 31, 2013 to $4.5 million as of December 31, 2014 (despite inflation in our markets).

Challenges: Despite the continued progress in the reduction of expenses and our positive property EBITDA[1] ($9.8 million in 2014) and adjusted EBITDA ($5.3 million in 2014), our bottom line results are challenged by: a) High corporate expense required to manage a publicly-traded company given the downsizing of the organization (approximately 8.0% of revenue in 2014); b) High non-cash expenses ($8.5 million between depreciation and amortization, forex and other non-cash items in 2014); and c) High financing costs, net ($4.5 million in 2014).

Response to Challenges: For our response to these more entrenched challenges, please see "Evaluation of Strategic Alternatives" below.

REDUCE DEBT AND REFINANCE REMAINING DEBT UNDER FAVORABLE TERMS

Progress: Group gross debt[2] as of December 31, 2014 was $46.2 million and net debt[3] was $41.3 million. After the sale of our Costa Rica gaming operations, the Group's gross debt (preliminary, unaudited) has been reduced to approximately $37.8 million and net debt to $27.2 million as of the date of this report.

Challenge: The Group continues to work on refinancing its Peru and Peru-related debt (approximately $29.2 million of gross debt as of December 31, 2014) and, if the opportunity arises, to pay down a significant portion or all of this debt.

Response to Challenge: We continue to work on different refinancing alternatives. The Fiesta Hotel & Casino real estate in Lima, Peru has an updated appraisal of approximately $53 million (April 2015), which we believe will help in a refinancing. Please also see "Evaluation of Strategic Alternatives" below.

EVALUATION OF STRATEGIC ALTERNATIVES

The Group's primary stated goal is to achieve profitability and to build a healthy, growing company. Certain entrenched challenges (as described above) have made achieving this goal difficult. The solutions to these challenges require us to rethink how to accelerate revenue growth, accelerate debt reduction and materially reduce non-cash items that are largely responsible for the variances between our positive EBITDA and our negative income.

We believe the lack of profitability is a key factor that has resulted in low demand for our shares and a reason why our market capitalization (approximately $10.4 million as of the date of publication of this report) falls materially short of what Management believes is the intrinsic value of its real estate (appraised value of our interests of $76.3 million based on appraisals performed since 2013) and adjusted EBITDA of $5.3 million (as of December 31, 2014).

The Group's plan continues to be as summarized at the beginning of this letter, but with one or more of the following possible adjustments, all of which are now under active analysis:

- Liquidate additional non-producing and producing real estate (total appraised value of the Group's interests in all of our real estate exceeds $76 million) in order to: a) Pay down virtually all debt; b) Significantly reduce depreciation and amortization; c) Retool our asset mix away from real estate and invest proceeds in new high cash flowing gaming operations in our existing markets to increase revenues and improve bottom line results; and / or
- Raise new equity to pay down virtually all debt and invest in new high cash flowing gaming operations in our existing markets with the goal of increasing revenues and bottom line results.

At this time, these strategic alternatives are under analysis, should be considered speculative in nature and any outcomes will depend both on our analysis and on the demands of the market place.

"GLOBAL SETTLEMENT" RELATED TO THE DAMAN, INDIA PROJECT

Finally, I am pleased to inform that, effective April 8, 2015, in order to avoid litigation costs and obtain certainty as to obligations, the Group has:

- Settled a possible $6 million or greater exposure arising from a guarantee it provided in 2009 to a mezzanine lender (Maravege Holding Limited) to the Daman, India project. The total consideration for settlement is $2.425 million consisting of a cash payment of $1.325 million to be paid over 23 months and an offsetting credit for the $1.1 million to be paid by Maravege for the remaining 5.5% of shares the Group has in DHPL. The share transfer is subject to a certain first right process with an existing DHPL shareholder as described on page 24.
- Obtained full release from DHPL and from its controlling shareholder Delta Corp Limited ("Delta") for any potential liabilities and claims.
- Received from Delta and DHPL proof that all senior lenders, whose loans totaled approximately $25 million and had been guaranteed by the Group, have been paid in full by DHPL/Delta.
- Obtained a full release from Madison India Real Estate Fund Limited ("MIREF"), whose mezzanine loan to DHPL of approximately $7.2 million had been guaranteed by Thunderbird.

In effect, the Group believes it has achieved a "Global Settlement" of its remaining financial exposure in India. The background on the Daman, India project and the Global Settlement is fully described in Note 21 of our Financial Statement which accompanies this 2014 Annual Report.

We look forward to communicating with shareholders as material events unfold.

Sincerely,

Salomon Guggenheim
President & CEO

[1] EBITDA is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA consolidated from all operations less "corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.
[2] Gross debt equals total borrowings and finance lease obligations inclusive of the Group's proportional share of debt held by its Costa Rican joint venture as of year-end 2014.
[3] Net debt equals gross debt less cash and cash equivalents (excludes restricted cash).

Chapter 2: 2014 Overview and Updates

Our Operations and Real Estate

Thunderbird Resorts Inc. (www.thunderbirdresorts.com) is publicly traded on the Euronext Amsterdam ("TBIRD") and on the Frankfurt Stock Exchange ("4TR"). Our core business is to develop, own and operate gaming venues. As of year-end 2014, the Group operated in Peru, Costa Rica and Nicaragua. On February 25, 2015, we sold our Costa Rica gaming operations but retain a 50% ownership in certain real estate as described below.

NICARAGUA

$13.5M Revenue
5 Casinos

543 Slots & 175 Table Positions

COSTA RICA

$12.5M Revenue
5 Casinos & 2 Slot Parlors
1 Hotel (21 Rooms)
1,102 Slots

126 Table Positions

PERU

$30.2M Revenue
2 Casinos & 3 Slot Parlors
1 Hotel Owned (66 Rooms) &
3 Hotels Managed (398 Rooms)
reduced to 2 Hotels Managed
(163 rooms) as of May 1, 2015.
956 Slots & 321 Table Positions

As of December 31, 2014, Thunderbird owns the following real estate:

Amounts in Thousands of USD

Country	Property	Type of Real Estate	Area in m2	Appraised Value	Appraised Value Proportional to TRI	Appraisal Date	TRI Ownership
Panama	TESA Building	Office building	1,969	$ 2,225	$ 2,225	February 2015	100%
Peru	Fiesta Hotel & Casino	Mixed use building	32,883	53,517	53,517	April 2015	100%
Costa Rica	Hotel Perez Zeledon	Hotel building	1,547	1,969	985	December 2008	
	Escazu Project	Land	26,467	9,879	4,940	March 2013	50%
	Tres Rios Project	Land	81,971	19,889	9,944	November 2012	
Nicaragua	Planes de Altamira 1	Office building	1,164	680	381		
	Planes de Altamira 2	Office building	800	643	360		
	Residencial Bolonia	Land	1,242	280	157	September 2012	56%
	Carretera a Masaya	Land	14,333	5,236	2,932		
	Casino Chinandega	Casino	1,671	1,500	840		
Total			164,048	$ 95,818	$ 76,280		

Notes: 1) Appraised value excludes FF&E (Furniture, Fixtures and Equipment); 2) As of February 25, 2015 sale of the Group's interest in our Costa Rica gaming operation, we no longer own the Perez Zeledon property described above.

Group Overview for 2014

The strengthening of the US dollar throughout the year versus our operating currencies has had a material impact on our business as compared to 2013. Thus, for the convenience of the reader, below we present: a) Summary of our consolidated results without adjustments for forex; and b) The same summary, but adjusted to apply our 2014 average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary 2014 consolidated P&L:

(In thousands, proportional consolidation)

	Twelve months ended December 31,			
	2014	2013	Variance	% change
Net gaming wins	$ 45,615	$ 48,791	$ (3,176)	-6.5%
Food and beverage sales	4,518	4,521	(3)	-0.1%
Hospitality and other sales	6,097	5,941	156	2.6%
Total revenues	**56,230**	**59,253**	**(3,023)**	**-5.1%**
Promotional allowances	5,020	5,032	(12)	-0.2%
Property, marketing and administration	41,457	43,244	(1,787)	-4.1%
Property EBITDA	**9,753**	**10,977**	**(1,224)**	-11.2%
Corporate expenses	4,501	4,884	(383)	-7.8%
Adjusted EBITDA	**5,252**	**6,093**	**(841)**	**-13.8%**
Property EBITDA as a percentage of revenues	9.3%	10.3%		
Depreciation and amortization	5,438	6,699	(1,261)	-18.8%
Interest and financing costs, net	4,522	5,887	(1,365)	-23.2%
Management fee attributable to non-controlling interest	(43)	43	(86)	-200.0%
Project development	85	71	14	19.7%
Foreign exchange loss	891	1,091	(200)	-18.3%
Other (gains) / losses	2,227	1,632	595	36.5%
Derivative financial instrument	-	(21)	21	-100.0%
Income taxes	1,206	1,817	(611)	-33.6%
Loss for the period from continuing operations	**$ (9,074)**	**$ (11,126)**	**$ 2,052**	**-18.4%**

b) Summary 2014 consolidated P&L adjusted for forex (currency neutral):

(In thousands, proportional consolidation under currency neutral)

	Twelve months ended December 31, 2014	2013	Variance	% change
Net gaming wins	$ 45,615	$ 46,148	$ (533)	-1.2%
Food and beverage sales	4,518	4,272	246	5.8%
Hospitality and other sales	6,097	5,662	435	7.7%
Total revenues	**56,230**	**56,082**	**148**	**0.3%**
Promotional allowances	5,020	4,782	238	5.0%
Property, marketing and administration	41,457	40,932	525	1.3%
Property EBITDA	**9,753**	**10,368**	**(615)**	-5.9%
Corporate expenses	4,501	4,884	(383)	-7.8%
Adjusted EBITDA	**5,252**	**5,484**	**(232)**	**-4.2%**
Property EBITDA as a percentage of revenues	9.3%	9.8%		
Depreciation and amortization	5,438	6,335	(897)	-14.2%
Interest and financing costs, net	4,522	5,758	(1,236)	-21.5%
Management fee attributable to non-controlling interest	(43)	(16)	(27)	168.8%
Project development	85	68	17	25.0%
Foreign exchange loss	891	1,016	(125)	-12.3%
Other (gains) / losses	2,227	1,626	601	37.0%
Derivative financial instrument	-	(21)	21	-100.0%
Income taxes	1,206	1,730	(524)	-30.3%
Loss for the period from continuing operations	**$ (9,074)**	**$ (11,012)**	**$ 1,938**	**-17.6%**

Group debt: Below is the Group's Gross debt and Net debt on December 31, 2014.

(In thousands, proportional consolidation)

	Dec-14	Sep-14	Jun-14
Borrowings	$ 43,485	$ 43,848	$ 44,474
Borrowings associated with assets held for sale	1,890	1,817	1,918
Obligations under leases and hire purchase contracts	780	829	953
Gross Debt	**$ 46,155**	**$ 46,494**	**$ 47,345**
Less: cash and cash equivalents (excludes restricted cash)	4,885	7,148	4,684
Net Debt	**$ 41,270**	**$ 39,346**	**$ 42,661**

Note: Gross debt above is presented net of debt issuance costs which is why there is an approximate $0.8 million variance with the total principal balance below. Borrowings under assets held for sale are related to two undeveloped real estate parcels owned by the Group's joint venture in Costa Rica. Post the sale of our interests in our Costa Rican gaming operations as of February 25, 2015, the Group's gross debt has since been lowered to approximately $37.8 million.

The Group estimates its gross debt schedule effective as of December 31, 2014 (our debt schedule will be updated in future reports that will reflect the reduced gross debt post the sale of our interests in Costa Rica gaming operations, which were sold effective February 25, 2015):

Principal Balance	2015	2016	2017	2018	2019	Thereafter	Total
Corporate	$ 8,334,631	$ 5,286,216	$ 4,910,903	$ 1,563,506	$ 1,375,026	$ 3,397,095	$ 24,867,377
Corporate	7,441,818	5,286,216	4,910,903	1,563,506	1,375,026	3,397,095	23,974,563
Guatemala	892,813	-	-	-	-	-	892,813
Costa Rica	2,479,780	735,563	960,883	1,398,174	385,031	1,791,923	7,751,355
Peru	1,555,755	1,500,331	1,288,777	1,395,824	6,810,756	-	12,551,443
Nicaragua	219,065	239,849	237,403	221,384	680,744	164,235	1,762,681
Total	**$ 12,589,232**	**$ 7,761,959**	**$ 7,397,966**	**$ 4,578,889**	**$ 9,251,557**	**$ 5,353,254**	**$ 46,932,856**

Interest Payment	2015	2016	2017	2018	2019	Thereafter	Total
Corporate	$ 2,177,139	$ 1,584,419	$ 822,549	$ 602,022	$ 456,979	$ 419,584	$ 6,062,692
Corporate	2,177,139	1,584,419	822,549	602,022	456,979	419,584	6,062,692
Guatemala	-	-	-	-	-	-	-
Costa Rica	691,433	459,112	358,026	235,484	149,517	518,533	2,412,104
Peru	984,830	842,589	729,553	620,176	223,950	-	3,401,098
Nicaragua	168,634	135,885	112,699	92,834	72,780	15,540	598,372
Total	**$ 4,022,035**	**$ 3,022,005**	**$ 2,022,827**	**$ 1,550,515**	**$ 903,227**	**$ 953,657**	**$ 12,474,266**

Management continues to be focused on developing in the markets in which we currently operate. We continue to analyze our businesses, countries and structure regularly. We will announce any strategy changes if and when there are material changes.

Peru Update

Description of Properties

In Peru, as of December 31, 2014, the Group operates one hotel anchored by a casino, manages three independently-owned hotels under the Thunderbird brand, and owns and operates four standalone gaming venues in addition to our flagship casino which operates within the Fiesta Hotel & Casino. Below is a table that outlines key information for each property.

Name	Province	Date Acquired	Date Sold	Type	Slots	Table Positions	Hotel Rooms
Fiesta Hotel & Casino	Lima	2007	NA	Hotel & Casino	423	212	66
Thunderbird Resort - El Pueblo (Management Contract)	Lima	2007	2012	Resort under management	-	-	235
Thunderbird Hotel Pardo (Management Contract)	Lima	2007	2010	Hotel under management	-	-	64
Thunderbird Hotel Carrera (Management Contract)	Lima	2007	2011	Hotel under management	-	-	99
Luxor	Lima	2010	NA	Slot Parlor	179	58	-
Mystic Slot	Cusco	2010	NA	Slot Parlor	102	-	-
El Dorado	Iquitos	2010	NA	Slot Parlor	97	-	-
Luxor	Tacna	2010	NA	Casino	155	51	-
Peru Total					**956**	**321**	**464**

Note: Our management contract for the hotel El Pueblo expires on April 30, 2015.

The Group's Fiesta Hotel & Casino property is an integrated resort anchored by a casino located in the heart of Lima's prime Miraflores district. The hotel has 66 suites, 3,750 square meters of office space and 308 parking spaces. The casino is approximately 5,740 square meters with 423 slot machines and 212 table positions.

Financial Performance in 2014: Peru was the Group's largest contributor in 2014 to both Group revenue and consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but adjusted to apply our 2014 average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Peru 2014 consolidated P&L:

(In thousands)	Twelve months ended December 31,			
	2014	2013	Variance	% change
Net gaming wins	$ 22,609	$ 23,583	$ (974)	-4.1%
Food and beverage sales	1,737	1,560	177	11.3%
Hospitality and other sales	5,841	5,503	338	6.1%
Total revenues	**30,187**	**30,646**	**(459)**	**-1.5%**
Promotional allowances	2,935	2,734	201	7.4%
Property, marketing and administration	22,484	22,685	(201)	-0.9%
Property EBITDA	**4,768**	**5,227**	**(459)**	-8.8%
Property EBITDA as a percentage of revenues	15.8%	17.1%		
Depreciation and amortization	3,274	3,848	(574)	-14.9%
Interest and financing costs, net	1,295	1,447	(152)	-10.5%
Management fee attributable to non-controlling interest	(72)	73	(145)	-198.6%
Foreign exchange loss	872	1,414	(542)	-38.3%
Other (gains) / losses	(19)	(31)	12	-38.7%
Income taxes	827	1,217	(390)	-32.0%
Loss for the period from continuing operations	**$ (1,409)**	**$ (2,741)**	**$ 1,332**	**-48.6%**

b) Summary Peru 2014 consolidated P&L adjusted for forex (currency neutral):

(In thousands, under currency neutral)	Twelve months ended December 31,			
	2014	2013	Variance	% change
Net gaming wins	$ 22,609	$ 22,452	$ 157	0.7%
Food and beverage sales	1,737	1,485	252	17.0%
Hospitality and other sales	5,841	5,239	602	11.5%
Total revenues	**30,187**	**29,176**	**1,011**	**3.5%**
Promotional allowances	2,935	2,603	332	12.8%
Property, marketing and administration	22,484	21,597	887	4.1%
Property EBITDA	**4,768**	**4,976**	**(208)**	-4.2%
Property EBITDA as a percentage of revenues	15.8%	17.1%		
Depreciation and amortization	3,274	3,663	(389)	-10.6%
Interest and financing costs, net	1,295	1,378	(83)	-6.0%
Management fee attributable to non-controlling interest	(72)	69	(141)	-204.3%
Foreign exchange loss	872	1,346	(474)	-35.2%
Other (gains) / losses	(19)	(30)	11	-36.7%
Income taxes	827	1,159	(332)	-28.6%
Loss for the period from continuing operations	**$ (1,409)**	**$ (2,609)**	**$ 1,200**	**-46.0%**

Total revenue in 2014 was impacted by a decrease in hold percentage to 20.1% from 21.7% in 2013. The reduction in hold percentage was due to material wins in our VIP table operations. The hold percentage of year-to-date 2013 applied to our 2014 year-to-date drop would have materially increased our revenue as

compared to last year. Revenues in USD were also negatively impacted by forex as on a currency neutral basis revenues were actually $1.0 million or 3.5% higher as compared to 2013.

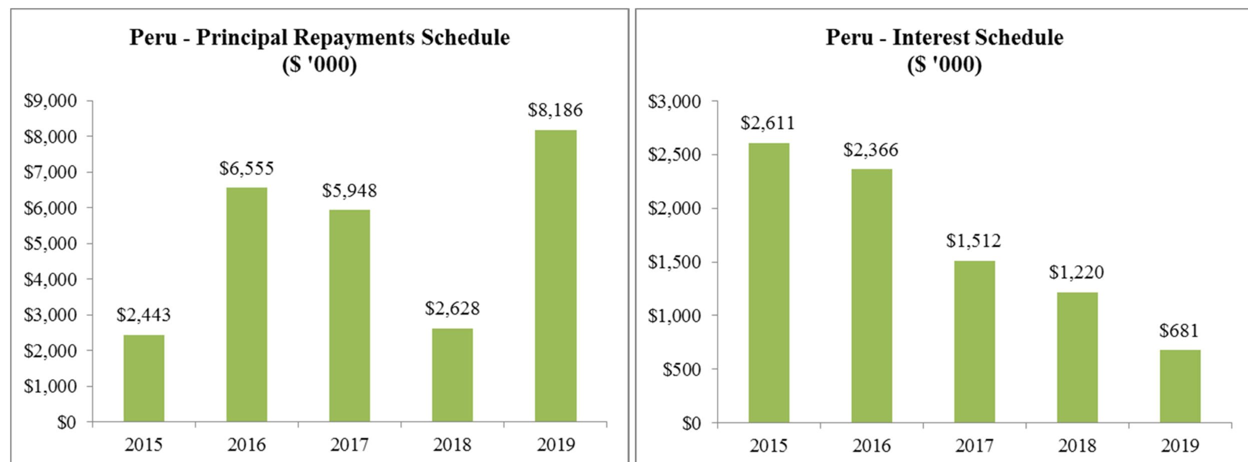
EBITDA for the period reduced primarily because of the lower revenue (as described above) as the promotional allowances and property, marketing and administration expenses remained flat compared to 2013. The Group has recently begun and almost completed a restructuring of its operating team to create operating efficiencies, which we believe will lead to lower management costs. Further, despite a non-renewal of the El Pueblo management contract, effective as of April 30, 2015, we believe that the overall impact on EBITDA will be positive. The Group continues targeting for better cost efficiency in the coming periods.

Loss for the period was driven mainly by non-cash expenses.

Key business driver – expansion: As previously announced, the Group has recently opened 56 new table positions at our Luxor operation in Lima. The reallocation of the Peru office complex to increase space of third party rentals is already in process and should be completed by Q4 2015.

Key business driver – refinancing: The Group continues its efforts to refinance Peru and Peru-related debt, which includes debt on parent company books. The principal balance of Peru and Peru-related debt on corporate books is approximately $29.2 million as of December 31, 2014.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of December 31, 2014.



Costa Rica Update

The Group sold its interests in our Costa Rican operations as of February 25, 2015. For more information on the sale of these interests, please see "Other Group Updates" on page 22 below.

Description of Properties

In Costa Rica, as of year-end 2014, the Group was a 50-50 joint venture partner in all operations, except for our largest casino in the Fiesta Casino – Holiday Inn Express, which we consolidated as a 56% subsidiary and recognized the 44% non-controlling equity interest within reserves. Our operations as of December 31, 2014 consisted of:

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Fiesta Casino – Holiday Inn Express	San José	2005	Casino	296	58	—
Fiesta Casino – Hotel El Presidente	San José	2003	Casino	229	—	—
Fiesta Casino – Hotel America Heredia	Heredia	2005	Casino	211	—	—
Fiesta Casino – Wyndham Herradura	San José	2007	Casino	124	41	—
Fiesta Casino – Aurola	San José	2014	Casino	122	27	
Lucky's – Perez Zeledon	San José	2007	Slot Parlor	87	—	—
Lucky's – San Carlos	San Carlos	2006	Slot Parlor	33	—	—
Hotel Diamante Real	San José	2008	Hotel	—	—	21
Costa Rica Total				**1,102**	**126**	**21**

Note: The Fiesta Casino Aurola opened in June 2014 with 122 slot machines (expanding to 148 slot machines), 27 gaming table positions (non-poker), 3 poker tables, and 36 F&B seats. Effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer considered to be an appropriate method to present investments in joint ventures and that equity accounting should be applied. To enable the reader to best compare results with previous periods, the Group has elected to represent the Costa Rican joint venture proportionally when discussing financial performance in this narrative section of our 2014 Annual Report. Such presentation varies from the way in which we account for the Costa Rican joint venture in our 2014 Consolidated Financial Statements and Notes (Chapter 7), which complies with IFRS 11.

Financial Performance in 2014: Costa Rica was the Group's second largest contributor in 2014 to Group revenue and to consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but adjusted to apply our 2014 average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Costa Rica 2014 consolidated P&L:

(In thousands, proportional consolidation)

	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013	Variance	% change
Net gaming wins	$ 11,117	$ 12,853	$ (1,736)	-13.5%
Food and beverage sales	1,184	1,354	(170)	-12.6%
Hospitality and other sales	159	176	(17)	-9.7%
Total revenues	**12,460**	**14,383**	**(1,923)**	**-13.4%**
Promotional allowances	346	373	(27)	-7.2%
Property, marketing and administration	9,205	10,532	(1,327)	-12.6%
Property EBITDA	**2,909**	**3,478**	**(569)**	-16.4%
Property EBITDA as a percentage of revenues	23.3%	24.2%		
Depreciation and amortization	1,516	2,075	(559)	-26.9%
Interest and financing costs, net	609	680	(71)	-10.4%
Management fee attributable to non-controlling interest	479	761	(282)	-37.1%
Project development	85	45	40	88.9%
Foreign exchange loss / (gain)	454	(63)	517	-820.6%
Other (gains) / losses	899	8	891	11137.5%
Income taxes	40	149	(109)	-73.2%
Loss for the period from continuing operations	**$ (1,173)**	**$ (177)**	**$ (996)**	**562.7%**

b) Summary Costa Rica 2014 consolidated P&L adjusted for forex (currency neutral):

(In thousands, proportional consolidation under currency neutral)

	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013	Variance	% change
Net gaming wins	$ 11,117	$ 11,929	$ (812)	-6.8%
Food and beverage sales	1,184	1,257	(73)	-5.8%
Hospitality and other sales	159	163	(4)	-2.5%
Total revenues	**12,460**	**13,349**	**(889)**	**-6.7%**
Promotional allowances	346	346	-	0.0%
Property, marketing and administration	9,205	9,775	(570)	-5.8%
Property EBITDA	**2,909**	**3,228**	**(319)**	-9.9%
Property EBITDA as a percentage of revenues	23.3%	24.2%		
Depreciation and amortization	1,516	1,926	(410)	-21.3%
Interest and financing costs, net	609	631	(22)	-3.5%
Management fee attributable to non-controlling interest	479	706	(227)	-32.2%
Project development	85	42	43	102.4%
Foreign exchange loss / (gain)	454	(58)	512	-882.8%
Other (gains) / losses	899	7	892	12742.9%
Income taxes	40	138	(98)	-71.0%
Loss for the period from continuing operations	**$ (1,173)**	**$ (164)**	**$ (1,009)**	**615.2%**

Total revenue in 2014 reduced primarily because the Group removed 290 gaming positions between September and October 2013 to reduce fixed gaming tax expense with the goal to improve EBITDA.

EBITDA for the period reduced by $568 thousand and by $318 thousand on a currency neutral basis, despite an expense reduction of $1.35 million. Management's cost reduction efforts should create efficient EBITDA increases as revenue grows. Please note the key business driver below vis-à-vis the prospective for revenue and EBITDA growth in coming periods.

Loss for the period was entirely by non-cash expenses.

Key business driver – land sales: Effective February 25, 2015, the Group sold its interests in its Costa Rica gaming operations. The Group continues to own two undeveloped properties, which post the sale of our operations are now free of debt: a) Tres Rios, a 8.2-hectare property located on a highway off-ramp on the major highway leading from San Jose to Cartago and in front of a major shopping mall; and b) Escazu, a 2.7-hectare property located in the major commercial growth area of San Jose. Efforts to sell both parcels of real estate are underway with net proceeds to be distributed to shareholders of which the Group continues to own a 50% interest.

Nicaragua Update

Description of Properties

In Nicaragua, the Group operates five standalone casinos. Below is a table that outlines information for each property as of December 31, 2014.

Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Highway to Masaya	Managua	2000	Casino	152	91	—
Pharaoh's Casino – Camino Real	Managua	2005	Casino	115	21	—
Pharaoh's Casino – Holiday Inn	Managua	2006	Casino	82	21	—
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	101	21	—
Pharaoh's Casino	Chinandega	2012	Casino	93	21	—
Nicaragua Total				543	175	0

Note: As of February 22, 2015, the Holiday Inn Casino was closed and is being transitioned to a new superior location owned by the Group and built to the specs we need to provide better customer access and service. This new facility opened on April 22, 2015 with 111 slot positions and 21 table positions, an increase overall of 29 positions as compared to the previous period.

The Group's largest and most complete operation in Nicaragua is the Pharaoh's Casino on the highway to Masaya, which is the main thoroughfare in the heart of Managua. The property is located across from an Intercontinental Hotel and close to high-end shopping.

Financial Performance in 2014: Nicaragua was the Group's smallest contributor in 2014 to both Group revenue and consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but adjusted to apply our 2014 average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Nicaragua 2014 consolidated P&L:

(In thousands)	Twelve months ended December 31,			
	2014	**2013**	Variance	% change
Net gaming wins	$ 11,889	$ 12,355	$ (466)	-3.8%
Food and beverage sales	1,597	1,607	(10)	-0.6%
Hospitality and other sales	27	43	(16)	-37.2%
Total revenues	**13,513**	**14,005**	**(492)**	**-3.5%**
Promotional allowances	1,739	1,925	(186)	-9.7%
Property, marketing and administration	9,698	9,808	(110)	-1.1%
Property EBITDA	**2,076**	**2,272**	**(196)**	-8.6%
Property EBITDA as a percentage of revenues	15.4%	16.2%		
Depreciation and amortization	594	624	(30)	-4.8%
Interest and financing costs, net	152	235	(83)	-35.3%
Management fee attributable to non-controlling interest	19	-	19	0.0%
Foreign exchange loss	183	245	(62)	-25.3%
Other (gains) / losses	93	122	(29)	-23.8%
Income taxes	323	374	(51)	-13.6%
Profit for the period from continuing operations	**$ 712**	**$ 672**	**$ 40**	**6.0%**

b) Summary Nicaragua 2014 consolidated P&L adjusted for forex (currency neutral):

(In thousands, under currency neutral)

	Twelve months ended December 31,			%
	2014	2013	Variance	change
Net gaming wins	$ 11,889	$ 11,767	$ 122	1.0%
Food and beverage sales	1,597	1,530	67	4.4%
Hospitality and other sales	27	41	(14)	-34.1%
Total revenues	**13,513**	**13,338**	**175**	**1.3%**
Promotional allowances	1,739	1,833	(94)	-5.1%
Property, marketing and administration	9,698	9,341	357	3.8%
Property EBITDA	**2,076**	**2,164**	**(88)**	-4.1%
Property EBITDA as a percentage of revenues	15.4%	16.2%		
Depreciation and amortization	594	594	-	0.0%
Interest and financing costs, net	152	224	(72)	-32.1%
Management fee attributable to non-controlling interest	19	-	19	0.0%
Foreign exchange loss	183	233	(50)	-21.5%
Other (gains) / losses	93	116	(23)	-19.8%
Income taxes	323	356	(33)	-9.3%
Profit for the period from continuing operations	**$ 712**	**$ 641**	**$ 71**	**11.1%**

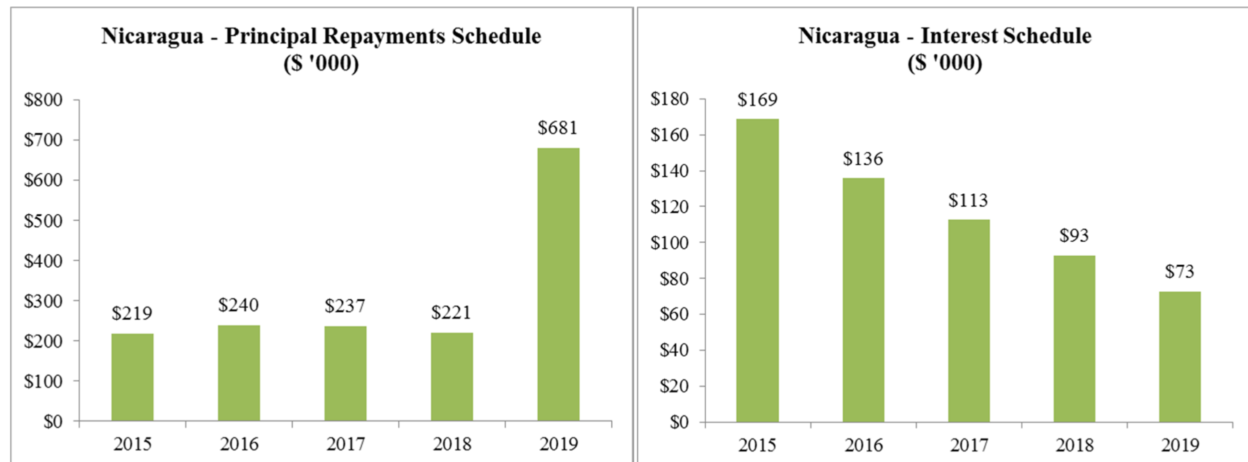
Total revenue in 2014 on a US dollar basis reduced by 3.5% but increased by 1.3% on a currency neutral basis. While our gaming drop increased by $2.2 million compared to 2013, our hold percentage year-to-date fell to 23.1% from 25.2% for the same period in 2013, resulting in the loss of revenue. We believe the reduction in hold percentage is not a trend as there have been no material changes to the way the Group operates its gaming rules or positions. The hold percentage of year-to-date 2013 applied to our 2014 year-to-date drop would have materially increased our revenue as compared to last year.

EBITDA for the period reduced as compared to 2013 despite effective cost controls in promotional allowances and in property, marketing and administration. On a currency neutral basis EBITDA for the period showed a reduction of $88 thousand or -4.1%.

Profit for the period reduced because of higher income taxes paid compared to 2013.

Key business driver – new operation: On April 22, 2015, the new 1,200 square meters Pharaohs Casino Bolonia opened in a premium area located in the heart of Managua with 111 slot machines, 21 gaming table positions, and 110 F&B seats. This real estate for this new casino, which replaces the Pharaohs Holiday Inn property, is owned by the Company and has far superior market visibility, parking and space distribution to our business. We expect this operation to contribute to the EBITDA of the overall Nicaragua operation in the coming periods.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of December 31, 2014.



Other Group Updates

In Q1 2014, the Group announced material events and entered into material contracts as follows:

- New Director: On January 19, 2014, Alfred Meili became a Director of the Company.

- Guatemala Sale: As previously reported, the Group sold its interests in its Guatemala gaming facilities as of December 31, 2010. Such sale was in the form of a Promissory Note for approximately $2.1 million plus other consideration, and was secured by a Stock Pledge and Asset Pledge. The Group had written off any value associated with such Promissory Note. On April 22, 2014, the Group took back possession of the shares sold in the subject Guatemalan entities and assigned said shares to the charitable foundation that currently has the gaming license under which the companies operate. The Group assigned the shares to the charitable foundation in consideration for payment by the charitable foundation of $2.0 million in the form of a promissory note at 10%, with the obligation to a pay it back at not less than $30,000 per month with any remaining balance due on the 36th month. Additional monthly payments may be due if certain performance thresholds are met. The note is secured by stock and asset pledges. As of year-end 2014, the buyer was delinquent in its payments. The value associated with any Promissory Note continues to be written down to zero.

- Pardini Litigation Settlement: On March 31, 2014, Thunderbird entered into a settlement with the various parties to the Pardini litigation described in Note 5 to the 2013 Financials. The litigation had been pending for over 10 years and was likely to last for a significant number of additional years. To avoid the cost of additional litigation amongst multiple parties, Management settled in an efficient way to end the litigation and remove any potential exposure. The cost of the settlement, including legal fees and costs, was $550,519.89.

In Q2 2014, the Group announced material events and entered into material contracts as follows:

- Opening of Fiesta Casino Aurola in Costa Rica: In the last week of June, the 570 square meter facility opened for business with 122 slot machines (expanding to 148 slot machines within the next 90 days), 27 gaming table positions (non-poker), 3 poker tables, and 36 F&B seats. This property is located in a 5 star, 196-room hotel in the heart of downtown San Jose, which is a high-density commercial and tourism district.

- Sale of Plaza Globus office: In May 2014, the Group sold an investment property in Panama City, Panama for $1,800,000.00 in gross proceeds and $440,857.30 in net proceeds after debt paydown, brokerage commissions and taxes.

In Q3 2014, the Group announced material events and entered into material contracts as follows:

- Peru Country Manager: On July 8, 2014, Gustavo Barclay officially took over as Country Manager of our Peru operations.

- Resignation: On July 25, 2014, Alfred Meili resigned as a Director of the Company.

- New electronic roulette positions in Peru: Between the months of July and August, the Group opened a total of 24 electronic roulette positions in Peru.

- Settlement and compromise agreement with Magnum: During September 2014, the Group entered into a comprehensive settlement and compromise agreement with Magnum Leisure Holdings Inc. (“Magnum”) to resolve all issues related to litigation initiated by Solar in the Philippines. The Company received $3.35 million, which represents 100% of the remaining financed portion of the purchase price, as well as a portion of the funds held back to cover potential contingent liabilities. All settlement agreements are fully implemented. There remain no further obligations of the Company to Magnum related to the August 2013 sale transaction of our former Philippine casino operations.

In Q4 2014, the Group announced material events and entered into material contracts as follows:

- New table positions and new restaurant in Peru: In December 2014, the Group opened 56 table positions and a 40-seat restaurant at our Luxor Lima operation.

- Expiration of share buyback plan: The Group’s share buyback plan expired effective November 22, 2014. During the program, the Group bought back approximately 283,972 shares.

As Subsequent Events to the year ended December 31, 2014, the Group announced material events and entered into material contracts as follows:

- Sale of Costa Rica Operations: On February 25, 2015, the Group sold its entire economic interest and management rights in its seven casinos in Costa Rica to CIRSA International Gaming Corporation, S.A. (“CIRSA”). The enterprise valuation for the entire operations was $33.5 million and after adjusting for cash, debt assumption and certain required debt pay down in Costa Rica, and other standard working capital adjustments, the net cash received for the Group’s approximate 50% share was approximately $8.1 million. Additionally, Thunderbird sold its share of the hotel and underlying

real estate at Perez – Zeledon, owned by the Costa Rica operations. Finally, as part of the sale, Thunderbird entered into a 36-month non-compete agreement in Costa Rica. In the event there is any tax refund granted to its former Costa Rica operations for taxes already paid and under appeal, Thunderbird will be entitled to its share of such taxes already paid. Currently, approximately $3.1 million of taxes paid by Thunderbird Gran Entretenimiento de Costa Rica, S.A. ("TGE") are under appeal. There cannot be any assurance if any when any such refund will be granted. Finally, Thunderbird's share of a holdback in case of unknown pre-closing liabilities is $1,062,500. There can be no assurances if any when any such holdback will be released to Thunderbird. Thunderbird retains its 50% share of two parcels of real estate in San Jose, Costa Rica (approximately 8.2 hectares –Tres Rios and 2.7 hectares –Escazu). The Group continues its efforts to sell these now debt-free properties. A fuller description of these two properties is contained in previous press releases as well as in our annual reports and interim management statements.

- Opening of Pharaohs Casino Bolonia in Nicaragua**:** On April 22, 2015, the Group opened a 1,200 square meters entertainment venue with 111 slot machines, 21 gaming table positions and 110 F&B positions. This property is located in a premium area in the heart of Managua in which the government is investing heavily to promote tourism. The Group has moved its Pharaohs Holiday Inn property to this new location which is owned by the Company and which has far superior market visibility, parking and space distribution for our business. The facility is also larger and has expansion possibilities. To start, we have added 29 slot machine positions as compared to the existing venue.

- Loan Extension: The Group has entered into an agreement for new ($350 thousand) and refinanced ($950 thousand) loans during Q1 2015 at rates of approximately 8% to 9% and term lengths of approximately 12 to 36 months.

- "Global Settlement" on Daman, India project: On April 8, 2015, for purposes of avoiding legal costs and creating certainty, the Group entered into separate, simultaneous comprehensive settlements with Maravege, MIREF, DHPL and Delta pursuant to the following terms as summarized below:

  - The Group settled a possible $6 million or greater exposure arising from a guarantee it provided in 2009 to a mezzanine lender (Maravege Holding Limited) to the Daman, India project. The total consideration for settlement is $2.425 million consisting of a cash payment of $1.325 million to be paid over 23 months and an offsetting credit for the $1.1 million to be paid by Maravege for the remaining 5.5% of shares the Group has in DHPL. The share transfer is subject to a certain first right process with an existing DHPL shareholder as described below.
  - The Group will go through a process with KP Group, another shareholder of DHPL, giving them an opportunity to purchase the subject shares for the same $1.1 million. In the event KP Group matches the $1.1 million Maravege offer and does in fact purchase and pay for the shares, then the Group will sell its shares to KP Group and transfer cash to Maravege as part of the settlement.
  - The Group obtained full release from DHPL and from its controlling shareholder Delta Corp Limited ("Delta") for any potential liabilities and claims.
  - The Group received from Delta and DHPL proof that all senior lenders, whose loans totalled approximately $25 million and had been guaranteed by the Group, have been paid in full by DHPL/Delta.
  - The Group obtained a full release from Madison India Real Estate Fund Limited ("MIREF"), whose mezzanine loan to DHPL of approximately $7.2 million had been guaranteed by Thunderbird.

For more detail on these developments, please visit www.thunderbirdresorts.com to find our press releases dated January to March 2015.

Other Key Items

MARKETING

The Group's marketing strategy is focused on two primary objectives: attracting new players and expanding the Group's relationship with existing players. We attract new players through general brand recognition programs and the attraction of entertainment offerings like daily live music and choreographed dance shows. We introduce new customers to gaming through their visits to the Group's bars and restaurants that are adjacent to the gaming floor. Once a person becomes a gaming player, we seek to deepen the Group's relationship with that customer. We offer free food and beverages to identified players, frequent raffles and giveaways and frequent special events all supported by personalized attention from service personnel. We maintain information on the Group's clients' preferences through the Group's player tracking programs.

EMPLOYEES

As of December 31, 2014, we employed 1,769 in the Group's continuing operations, comprised of 872 in Peru, 365 in Costa Rica (at 100%), 499 in Nicaragua, and 33 elsewhere. As of March 31, 2015, the total number of employees is 1,412 of which 877 were in Peru, 504 in Nicaragua and 31 were elsewhere.

Labor laws in Latin America are generally more protective of employees than employers. Latin America has laws protecting employees from having their employment terminated without proper cause or without paying such employees severance compensation in established statutory amounts and, in some Latin American countries the law establishes a minimum number of vacation days. Each Thunderbird subsidiary has its own country-level training and development programs according to the Group's corporate guidelines. We offer opportunities for employees to be personally challenged with educational assistance now available at some of the Group's locations. Most of the Group's subsidiaries offer life and health insurance with a preferred provider network and co-payment methods to the Group's upper/middle management as well as for the Group's staff and operational employees.

INSURANCE

We typically obtain the types and amounts of insurance coverage that we consider appropriate for companies in similar businesses. We currently maintain certain insurance policies, including, without limitation, general commercial and liability, property (including earthquake coverage in certain markets), and employee compensation coverage, for all of the Group's properties. In addition, for certain of the Group's properties, we carry business interruption insurance.

LITIGATION AND CONTROVERSIES

The Group has disclosed a number of matters including ongoing litigation in Notes 16 and 21 of the financial statements. In addition to the litigation described in these Notes, we are subject to legal proceedings arising in the ordinary course of business or related to the Group's discontinued business operations.

As part of this 2014 Annual Report (see Notes 16 and 21 for more information), the Group has increased by $117,913 the $930,411 provision taken in 2013 with respect to a corporate guaranty of an obligation owed by Daman Hospitality Private Ltd ("DHPL") to Maravege Holding Limited ("Maravege") entered into in September 2010 (to a revised total provision of $1,048,324). A "Global Settlement" on India has been reached as of April 8, 2015. Please see page 24, Subsequent Events and Note 21, for more information.

Other than as described in this 2014 Annual Report in Notes 16 and 21 of the 2014 Consolidated Financial Statement, there are not and have not been any governmental, legal or arbitration proceedings that may have or have had significant effects on the Group's financial position or profitability.

Chapter 3:
Regulatory Environment

GOVERNMENT REGULATION

The Group's gaming operations are subject to extensive regulation, and each of the Group's subsidiaries and joint ventures holds registrations, approvals, gaming licenses or permits in each jurisdiction in which it operates gaming activities. Gaming laws are based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry, including prevention of cheating and fraudulent practices. Gaming laws may also be designed to protect and maximize state and local revenues derived through taxation and licensing fees imposed on gaming industry participants and enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness, or suitability. The limitation, conditioning, suspension, revocation or non-renewal of gaming licenses, or the failure to reauthorize gaming in certain jurisdictions would materially and adversely affect the Group's gaming operations in that jurisdiction. Statutes and regulations can require us to meet various standards relating to, among other things, business licenses, registration and background investigations of employees, floor plans, building, fire and accessibility requirements, payment of gaming taxes, and regulations concerning equipment, machines, tokens, gaming participants and ownership interest. Civil and criminal penalties can be assessed against us and/or the Group's Officers to the extent of their individual participation in, or association with, a violation of certain gaming statutes or regulations. We are also subject to safety and health, employment and environmental laws, regulations and ordinances that apply to the Group's operations. For example, rules and regulations regarding the service of alcoholic beverages are often strict, and the loss of a license that permits such service would significantly impair the Group's operations. Local building, parking and fire codes also affect the Group's operations. We believe that we are currently in compliance with all applicable gaming and non-gaming regulations in the jurisdictions where we operate. The following is an overview of the gaming regulations in each of the Group's current jurisdictions of operation. We are not subject to any material environmental regulation.

PERU

In Peru, the operation of slot machines has been permitted since 1994, and formalized since 1997, and recently, it has become mandatory for slot machine models and their game programs, prior to their operation, to pass technical evaluations with independent laboratories authorized by the Peruvian Gaming Authority. Peru's *Ministerio de Comercio Interior y Turismo* recently issued the "Complementary Technical Regulation for the implementation of the On Line Unified Control System ("SUCTR"), under the Decree 015-2010". This regulation required all slot parlors and casinos in Peru to use the SUCTR with the objective of regulating operators' compliance with the payment of gaming taxes. The deadline to complete this procedure was July 7, 2012. Thunderbird subsidiaries welcomed this governmental initiative, since it will help the standardization of the gaming sector and therefore, to have all the operators competing under the same rules. Thunderbird's operations complied with the required online system installation before the legal deadline. The *Direccion General de Juegos de Casino y Maquinas Tragamonedas* ("DGJCMT"), the gaming commission within Peru, renewed two of the Group's eight gaming licenses in 2014. The DGJCMT has issued the renewals for periods of four and five years. The renewal process forms part of the formalized 2007 law 26453 and the DGJCMT has followed according to the law's renewal process and issued renewals as expected.

In 2013, the DGJCMT began working together with the Financial Intelligence Unit ("UIF") to approve the regulation of the compliance and reporting law. The new regulation will improve the UIF and DGJCMT's ability to investigate and fine non-compliant operators and combat any possible money laundering taking

place in the gaming industry. We believe the UIF's initiative is another step in the right direction to continue to improve on Peru's status as a leader in the region in gaming law and economic stability for serious operators. The terms of our Peru casino gaming licenses are as follows:

Company	Casino	Location	Type	Term	Issuing date	Expiration date
IGP	Luxor	Tacna	Slots	4 years	9/20/2012	9/20/2016
IGP	Luxor Casino	Tacna	Casino	5 years	3/8/2011	3/8/2016
SNC	El Dorado	Iquitos	Slots	5 years	8/6/2014	8/6/2018
SNC	Mystic Slot	Cusco	Slots	4 years	2/7/2013	2/7/2017
SNC	Luxor	Lima	Slots	4 years	11/29/2012	11/29/2016
SNC	Luxor	Lima	Casino	5 years	12/1/2014	12/1/2019
TFCB	Fiesta casino	Lima	Slots	4 years	5/24/2013	5/24/2017
TFCB	Fiesta casino	Lima	Casino	4 years	8/22/2013	8/22/2017

See Note 21 of the Group's Financial Statements entitled "Contingencies" which includes a contingency for that certain matter described as the Peru Tax Controversy.

COSTA RICA

Costa Rica used to have limited regulation of gaming on a national level. Originally, casinos were allowed only by the ICT ("Instituto Costarricense de Turismo") and had to be attached to hotels that must be located at least 100 meters away from places of worship, hospitals, clinics, and schools. No one under 18 years old is allowed to be in a casino. The present licensing regime was introduced in June 2008 by Decree Nº 34581 (with older casinos being 'grandfathered' in). Now, new casino licenses are granted by the Security Ministry only to hotels that are four stars or above (with at least 60 rooms) and would be permitted to operate for 14 hours a day (3pm to 5am). Since this new regulation, to get a license it is additionally necessary to guarantee and demonstrate at least an 85% prize devolution to customers and to certify the origin of machines, as well as many other requirements. Additionally, the decree limits the number of gaming tables and slot machines for new casinos, based on the number of rooms at the hotel and changes the protocol for all future gaming licenses to be issued at the national (rather than local) level. We believe this limit will not affect the Group's existing casinos, but may affect new projects as described herein. As casino operators, we are required to pay Business Licenses' fees, facility health permit fees, Municipal permit fees, and any other tax applicable to other businesses based in Costa Rica, such as: income taxes, gaming taxes, sales taxes, labor taxes. Previously, up to June 2008, we had paid gaming tax based on a percentage of net win, however, since December 2012 there is a new law Nº 9050, which consists of a 10% tax over the taxable income (gaming income less applicable operational expenditures such as: direct, indirect and administrative), Additionally, Costa Rican tax authorities charge additional taxes per slot machine and table: per table, the tax is 60% of minimum wage and per slot machine is 10% of the minimum wage, which for 2013 has been the following: ¢37.940 (colones) per slot and ¢227.640 (colones) per table.

See Note 21 of the Group's Financial Statements entitled "Contingencies" which includes a contingency on that certain matter referenced therein as the Costa Rica Tax Controversy.

NICARAGUA

The Nicaraguan Casino Law was published in The Gazette, Official Newspaper Number 124, on July 5, 2011. Its full name is Law 766 Special Law for the Control and Regulation of Casinos and Slot Parlors. This law (Article 5) appoints the Nicaraguan Institute of Tourism (“INTUR”) as the Application Authority, with the express obligation to enforce the law, through the creation of a new Casino Commission, headed by a Director to be designated by the INTUR Executive President. The Law creates four categories for the casinos in Nicaragua:

1. Category A: Every casino with 71 slots machines or more and three or more table games will be considered an “A” class casino. The Group’s operations in Nicaragua are all Category A.
2. Category B: Every casino with 25 to 70 slots machines and/or two table games at least will be considered a “B” class casino.
3. Category C: A slots operator with 16 to 24 slot machines operating in one slot parlor will be considered a “C” Class casino, in counties with 30,000 inhabitants or less.
4. Category D: A slot parlor with 10 to 15 slot machines in counties with 30,000 inhabitants or less.

This Nicaraguan Casino Law was reformed by the recently approved Law 884 “Law for the reform and addition to Law 766 Special Law for the Control and Regulation of Casinos and Slot Parlors”, which was published in The Gazette, Official Newspaper Number 215 on November 12th, 2014.

By this Law 884 (Article 4), the Application Authority was changed from the Nicaraguan Institute of Tourism (INTUR) to the Nicaraguan Ministry of Finance and Public Credit, with the express obligation to enforce this law through the creation of a special Office for the Casinos and Slot Parlors, headed by a Director to be appointed by the Minister of Finance and Public Credit.

Article 5 of the Law 884 mandates the creation of a Board of Control and Regulation of Casinos and Slot Parlors, consisting of the Minister of Finance and Public Credit (President of this Board), the General Director of Income or his deputy, the General Director of the National Police or his (her) deputy, the General Director of the Financial Analysis Unit or his deputy and the Director from the Office for the Casinos and Slot Parlors, with voice but no vote in the meetings of this Board.

This Board is in charge of hearing the appeals from the members of the Casinos and Slot Parlors, issuing rules and regulations for the industry, and supervision of tax payments.

The Nicaraguan government applies specific taxes including corporate income tax, which apply to the Group’s operations as follows:

a. Municipal tax of 1% of gross revenue, payable monthly.
b. Advance monthly income tax payment of $400 per table; plus advance monthly income tax payment of $25 per slot machine for the first 100 slots, $35 from 101 to 300 slots, and $50 from 301 or more per slot machine and per location or 1% of net win, whichever is higher.
c. Income tax of 30% of taxable net income, payable annually, which is reduced by the amounts paid as monthly advance income tax payment; if the advance payments are higher than the 30% the higher amount paid becomes your tax obligation.
d. We must pay the annual matriculate tax to the municipal government for the Group's operating licenses, which is 2% of the average monthly revenue for the months of October, November and December. The matriculate tax applies to all companies in Nicaragua not just casinos.

In 2013, the Financial Analysis Unit of Nicaragua issued certain regulations intended to strengthen the efforts to deter money laundering in certain businesses including casinos. With the new regulations effective on or about January 1, 2014, gaming companies are required to appoint a "compliance officer" to be the direct liaison between the company and the regulator. The compliance officer is responsible for presenting quarterly reports regarding the compliance efforts of the company with respect to these regulations and certain aspects of the company's operations, before the regulator.

PROVISIONS AND OTHER CONTINGENCIES

See Notes 21 and 16 of the Group's Financial Statements that describe certain matters such as the India settlement provision, the Pardini settlement provision, the Peru tax controversy, the Costa Rica tax controversy, the Daman Hospitality loan guarantee, the Canadian tax controversy, and the Guatemala Controversy. Please note that effective February 25, 2015 and in conjunction with the sale of our Costa Rican operations, the Group's Costa Rican subsidiaries paid in protest approximately $3.3 million (50% of which relates to the Group's 50% stake in those subsidiaries at time of sale) to the Costa Rican tax authorities. The Group continues to dispute the validity of the Costa Rican contingent taxes as described in Note 21, as per our agreements with the buyers of our interests in our Costa Rican operations, any recovery is the benefit of the former shareholders, meaning 50% of any recovery will be to the benefit of the Group.

Chapter 4: Management Compliance Statement

The management of risks, internal controls, integrity and compliance forms an integral part of the business management within the Group and continues to be strengthened and embedded into the Group's business objectives setting processes and its operations. It also documents the necessary disclosures as required by Management under the most recent best practice provisions of the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht).*

THE GROUP'S APPROACH TO RISK MANAGEMENT, INTERNAL CONTROL, AND COMPLIANCE INTERNAL CONTROL OVER FINANCIAL REPORTING

Implement technology-based infrastructure and controls. The Group's technology-based infrastructure and controls include, but are not limited to the following:

- Daily and per-shift reporting and reconciliation of casino gaming activities;
- Daily drop and win reports by game type and slot type and denomination, as well as food and beverage sales;
- Weekly closing cycles for basic reconciliations and reporting of cash positions;
- Monthly income statements versus budgets by casino property, as well as reviews of capital expenditures and cash position;
- High quality, interlinked communication and monitoring systems to allow real-time monitoring of operations, which permits us to market the Group's facilities, and manage the Group's people and assets, more effectively;
- Country-level accounting with budget compilation and variance reporting at the property and country levels;
- Daily, detailed sales reports compared to budgets for all pertinent gaming and hospitality sales; and
- Digital surveillance, online slot security systems, online liquor inventory control and custom cash management systems.

The Group's internal controls in each country are monitored by the Group's principal operations office for that country. We implement similar standards in each of the Group's properties to ensure consistency in security of assets and protection against theft. In addition, in many of the Group's operations, communication and monitoring systems (such as the Group's point of sale monitoring system) provide the ability to monitor cash inflows on a real-time basis. We believe that operating the Group's properties using a consistent, high standard of controls provides us with a higher-quality operation, and we believe that the Group's patrons recognize that higher quality.

RISK MANAGEMENT

For more detail on Risk Factors, see Chapter 8 of this Annual Report.

MANAGEMENT STATEMENT ON "GOING CONCERN"

Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 18 months from December 31, 2014. In arriving at this judgment, Management has prepared the cash flow projections of the Group, which incorporates a 5-year rolling forecast and detailed cash flow modeling through the current financial year. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no new construction projects during the forecast period, with the exception of one business that was in development in 2014 and has since opened as of April 22, 2015. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to revenues not achieving anticipated levels.

The Directors have considered the: (i) base of investors and debt lenders historically available to Thunderbird Resorts, Inc.; (ii) global capital markets; (iii) limited trading exposures to our local suppliers and retail customers; (iv) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (v) sources of Group income, including management fees charged to and income distributed from its various operations; (vi) cash generation, debt amortization levels and key debt service coverage ratios; (vii) fundamental trends of the Group's businesses; (viii) extraordinary cash inflows and outflows from one-time events forecasted to occur in the 18-month period following December 31, 2014; (ix) refinancing of Peru and Peru-related debt; and (x) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least 18 months following December 31, 2014. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY STATEMENT

The Directors and the Officers are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations, as promulgated by the Euronext and the AFM.

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act, Management confirms to the best of its knowledge that:

- The consolidated financial statements for the year ended December 31, 2014 give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group's consolidated companies;

- The additional management information disclosed in the Annual Report gives a true and fair view of the Group as at December 31, 2014, and the state of affairs during the financial year to which the report relates; and
- The Annual Report describes the principal risks facing the Group. These are described in detail in Chapter 8, “Risk Factors”.

April 23, 2015
Salomon Guggenheim, President, CEO and Director
Albert Atallah, Corporate Secretary, General Counsel and Director
Tino Monaldo, Vice President, Corporate Development
Peter LeSar, Chief Financial Officer
Georg Gruenberg, Director
Marie Madeleine Linter, Director
Reto Stadelmann, Director
Douglas Vicari, Director

Chapter 5:
Report of the Board of Directors

Senior Management, Directors and Director Nominees

The following table sets forth certain information about the persons who serve on the Group's Board of Directors. Members of the Group's Board of Directors serve for a one-year term, which expires at each annual meeting. Unless otherwise indicated, the business address of each person listed below is Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514 Zona 7, Panama City, Panama.

There is no familial relationship between any of our senior management or members of the Group's Board of Directors.

Name	Age	Position	Date of Birth
Salomon Guggenheim	55	President, CEO and Director	4-Mar-60
Albert Atallah	59	General Counsel, Corporate Secretary and Director	9-Apr-56
Madeleine Linter	59	Director	16-Aug-55
Douglas Vicari	55	Director	9-Aug-59
Reto Stadelmann	50	Director	12-Sep-64
Georg Gruenberg	77	Director	2-Mar-38
Alfred Meili	67	Director	28-Sep-47

Note: Alfred Meili was a director through July 25, 2014.

The following table sets forth certain information about persons who serve as key management personnel that are not on our board of directors (see above):

Name	Age	Position	Date of Birth
Peter LeSar	46	Chief Financial Officer	14-Jun-68
Tino Monaldo	56	Vice President—Corporate Development	12-Oct-58

SENIOR MANAGEMENT

Salomon Guggenheim – President and CEO: Mr. Guggenheim joined us in 2002 as a Director. In 1987, he joined Gutzwiller & Partner Ltd., Zurich, a portfolio management company, where he was responsible for Investments and Trading. In 1991, he took over Gutzwiller & Partner from E. Gutzwiller & Cie., Banquiers, Basle (a privately-held Swiss bank) together with the senior management of Gutzwiller & Partner, through a management buy-out and sold the company in 1997. Gutzwiller & Partner was renamed Rabo Investment Management Ltd., where Mr. Guggenheim worked as a Managing Director until December 2001. From 2001 until 2012 he has owned and operated his own company, IC Day Trading Consulting Corp., a Swiss corporation focused on the advisement of private individuals in portfolio management and daily trading

activities in different markets worldwide. From 2002 until 2011 he was also the Chief Executive Officer for Ecopowerstations Ltd., a Swiss corporation dealing with pollutant and emission-free wind power stations. Furthermore he serves in various Companies as a board member and advisor. Mr. Guggenheim became the President and CEO of Thunderbird in January 2013.

Albert Atallah – Corporate Secretary and General Counsel: Mr. Atallah has been the Group's General Counsel and a Director since 2000, and is also the Corporate Secretary, having served as a consultant for us from 1997 to 2000. Before joining us, he was a partner with the California law firm of LaRocque, Wilson, Mitchell & Skola. He was admitted to the California and Michigan bars and is licensed to practice before the U.S. District Courts of California and Michigan, the U.S. Tax Court, and the U.S. Supreme Court. He received a B.B.A. in 1978 from the University of Michigan, a Juris Doctorate in 1981 from the University of Detroit School of Law, and an L.L.M. in Taxation from the University of San Diego School of Law in 1989. Mr. Atallah is a tax specialist certified by the California Board of Legal Specialization.

Tino Monaldo – Vice President of Corporate Development: Mr. Monaldo joined us in February 2007 as a consultant and in November 2007 became Vice President-Corporate Development. From 2000 until 2007, he was General Counsel of Earth, Energy & Environment, LLC, a Kansas City-based project development company predominantly focused in the natural gas pipeline, ethanol production facilities and energy sectors. From about 1988 until 1999, he was General Counsel of Kansas Pipeline Company, the owner and operator of a 3000-mile natural gas transportation system. From about 1985-1992, he served as General Counsel to Bishop Construction, a domestic contractor for energy related construction projects. Mr. Monaldo received a B.A. in Economics from George Washington University in 1979 and a J.D. from Washington University in St. Louis in 1982.

Peter LeSar – CFO. Mr. LeSar has been the CFO of Thunderbird since June 2010. Previously, he has worked for the Group as President of Thunderbird Philippines and as Vice President of Business Development. Previous to Thunderbird, Mr. LeSar was the founding Executive Director of the Council for Investment & Development, which represented the Group in its successful bid in the privatization of Panama's state-owned casinos. Mr. LeSar has also been the General Manager of MinAmerica Corporation, a publicly-traded mining company, and the Founder & CEO of iSpeak, a VC funded internet-based translation and localization venture.

INDEPENDENT BOARD OF DIRECTORS

Marie Madeleine Linter. Ms. Linter joined us as a Director in 2012 as a Director. Ms. Linter is a licensed attorney since 1982. In addition, she received a Master of Comparative Law from the University of San Diego along with a Master of Business Administration from the University of St. Gall in Switzerland. Over the years Ms. Linter has been heavily engaged in corporate development and strategic planning with several companies and has taken on the role of an "engagement manager" for a health care company. Ms. Linter set up a consulting firm to coach privatization projects, and has headed due diligence teams on various projects. Since 2012 she has been on the board of LC Partners AG in Switzerland.

Reto Stadelmann. Mr. Stadelmann joined us as a Director in June 2012. He is currently self-employed with FX Trading in Switzerland. In 1985 and 1986 Mr. Stadelmann studied law at the University of Zurich in Switzerland. In 1986 to 1987 he was involved in the International Educational Programme for the Union Bank of Switzerland in Zurich. In 1988 he was an FX-Forward Trader responsible for CHF currency for the Union Bank of Switzerland in Zurich. From 1989 to 1991 he was the Head of FX-Forward Products at

the Union Bank of Switzerland in Tokyo. In 1984 to 1995, Mr. Stadelmann was the Treasurer at Schweizerische Bankgelsellschaft in Frankfurt, Germany. From 1995 to 1997 he was the European Head of FX-Forward Products at the Union Bank of Switzerland in Zurich. Then from 1997 to 1998, Mr. Stadelmann was the Global Head FX-Forward Products with the Union Bank of Switzerland in Zurich. From 1998 to 1999 he was the Head of Short Term Interest Rate Products with Asia Pacific UBS AG in Singapore. In 1999 he then became the Global Head of Cash and Collateral Trading Cash at UBS AG in Zurich. From 2000 to 2003 he was the Global Head of Cash and Collateral Trading at UBS AG in Zurich. From 2003 to 2009 he was the Global Co-Head of Foreign Exchange and Money Market at UBS AG. From 2009 to 2010 he was the Global Co-Head of Macro at UBS AG and was also a member of the UBS Investment Bank Board.

Douglas W. Vicari. Mr. Vicari joined us as a Director in 2007. He is the Executive Vice President, Chief Financial Officer, Treasurer and a Trustee with Chesapeake Lodging Trust, positions he has held since its formation. Prior to joining Chesapeake, Mr. Vicari served as a principal with Paramount Hotel Group, a hotel owner, developer and operator, from January 2009 to June 2009. Previously, Mr. Vicari served as Executive Vice President and Chief Financial Officer of Highland Hospitality Corporation, or Highland, from September 2003 until its sale in July 2007. Prior to joining Highland, Mr. Vicari served as Senior Vice President and Chief Financial Officer of Prime Hospitality Corporation, or Prime, a formerly NYSE-listed company acquired by an affiliate of The Blackstone Group in 2004, from August 1998 to July 2003, and also served on the board of directors of Prime from May 1999 to July 2003. Prior to his appointment as Chief Financial Officer, he served as Vice President and Treasurer of Prime from January 1991 to July 1998, and was an instrumental member of the management team that led the company out of bankruptcy in July 1992. From 1986 to 1991, Mr. Vicari was Director of Budgeting and Financial Planning for Prime, and was responsible for all budgeting, planning and forecasting. Prior to his tenure at Prime, Mr. Vicari held numerous management positions at Combustion Engineering (now ABB Brown Boveri) from 1981 to 1986. Mr. Vicari earned a B.S. in Accounting from the College of New Jersey and received his M.B.A. in Finance from Fairleigh Dickinson University.

Georg Gruenberg. Mr. Gruenberg joined us as a Director in December 2013. Mr. Gruenberg was born in Switzerland although, his family moved to Peru just a year later. Mr. Gruenberg returned to Switzerland for his education. Thereafter, he became a successful entrepreneur in Peru. Mr. Gruenberg is the Chairman of the board of the following companies: Banco Financiero del Peru, Sociedad Suizo Peruana de Embutidos, S.A. (“SUPEMSA”), Sindicato Energetico, S.A. (“SINERSA”), Sociedad Agricola Curumuy, S.A. and Eximportec, S.A.

Alfred Meili. Dr. Meili joined as a Director in January 2014, and resigned as of July 25, 2014.

FURTHER INFORMATION ON THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

None of the members of the Group's Board of Directors or the Group's senior management has been convicted in relation to any fraudulent offenses, served as a member of the administrative, management or supervisory body, been a partner with unlimited liability, founder or senior manager of any company currently subject to bankruptcy proceedings, receiverships or liquidations, or been disqualified by any court from acting as a member of the administrative, management or supervisory body of any issuer or from participating in the management or conduct of the affairs of any issuer, or has been subject to any public incrimination and/or sanctions by statutory or regulatory authorities or bodies.

MANAGEMENT ON THE BOARD OF DIRECTORS

For information regarding Salomon Guggenheim and Albert Atallah, see above.

Board of Directors - Governance

GENERAL

The Group's Board of Directors consists of 6 Directors as of the date of this Annual Report, of whom 4 (Messrs. Gruenberg, Stadelmann, Vicari, and Ms. Linter) are independent. Independence determinations were made by the Group's Board of Directors using the current guidelines of the Euronext for companies listed on that exchange. Members of the Group's Board of Directors serve for a one-year term, which expires at each annual meeting.

COMMITTEES OF THE BOARD

The Group's Board of Directors has established an Audit Committee, a Nominating and Governance Committee, a Compensation Committee and an Investment Committee. Each such committee has 4 independent Directors except the Investment Committee that is composed of 3 members of senior management and 1 independent Director.

AUDIT COMMITTEE

The Group's Audit Committee consists of Messrs. Gruenberg, Stadelmann, Vicari and Ms. Linter. Mr. Vicari is the Chairman of the Group's Audit Committee. The audit committee is responsible for engaging independent public accountants, reviewing with the independent public accountants the plans and results of the audit engagement, approving professional services provided by the independent public accountants, reviewing the independence of the independent public accountants, considering the range of audit and non-audit fees the Group's compliance with legal and regulatory requirements and reviewing the adequacy and integrity of the Group's internal accounting controls.

COMPENSATION COMMITTEE

The Group's Compensation Committee consists of Messrs. Gruenberg, Stadelmann, Vicari and Ms. Linter. Ms. Linter is the Chairperson of this committee, which reviews and approves, or makes recommendations to the Board of Directors with respect to senior Management and Director (who are not employees) compensation, and the Group's long-term incentive compensation program and equity incentive plans.

NOMINATING AND GOVERNANCE COMMITTEE

The Group's Nominating and Governance Committee consists of Messrs. Gruenberg, Stadelmann, Vicari and Ms. Linter. Mr. Stadelmann is the Chairman of this committee, which is responsible for, among other things, seeking, considering and recommending to the Board of Directors qualified candidates for election as Directors and recommending nominees for election at the Group's annual meeting, recommending the composition of committees of the Group's Board, developing the Group's corporate governance guidelines and policies and adopting a code of business conduct and ethics. In March 2012, the Group Board of Directors amended the Group's articles of association, authorizing the Nominating and Governance Committee to adopt procedures and rules for the nomination and election of Directors, which completed in Q1 2012, and such procedures and rules are now reflected in the Committee's charter, which is available upon request to info@thunderbirdresorts.com.

INVESTMENT COMMITTEE

The Group's Investment Committee is composed of at least three members of senior management (currently Salomon Guggenheim, Albert Atallah and Tino Monaldo) and one independent director to be designated by the Nominating Committee each year at the Company's annual meeting. The independent board member, Reto Stadelmann, shall also act as Chairman for the Committee and as the liaison between the committee and the full Board (the "Liaison").

The purpose of the Investment Committee is to set investment policy and strategy, review proposals from management, set limits and structure with regard to investment authority, establish annual goals and objectives for investment concepts and the like. To that end, the Committee shall identify, consider, evaluate, analyze, prioritize material investments, material contracts, material loans and all guaranties granted by the Group, and shall make recommendations to the Board and implement the Board's decisions.

VACANCIES ON OUR BOARD OF DIRECTORS

The Group's charter provides that any and all vacancies on the Group's Board of Directors may be filled only by the affirmative vote of a majority of the remaining Directors in office, even if the remaining Directors do not constitute a quorum, and any Director elected to fill a vacancy shall serve for the remainder of the full term of the Directorship in which such vacancy occurred and until a successor is elected and qualified.

Any Director may resign at any time and may be removed with cause by our stockholders upon the affirmative vote of at least two-thirds of all the votes entitled to be cast for the election of Directors or without cause by the Group's stockholders upon the affirmative vote of at least two-thirds of all the votes entitled to be cast for the election of Directors.

Compensation to Senior Management and Directors

SENIOR MANAGEMENT COMPENSATION

Senior management is defined as officers and directors of the parent company. The following table sets forth the compensation of each of the Group's senior management for 2014. For a discussion of the compensation of certain of senior management going forward, please see "Employment Agreements".

	Director/Employee	Salary	Aggregate other compensation	Total compensation
Salomon Guggenheim [1]	Director-Employee	$ 449,447	$ 30,446	$ 479,893
Tino Monaldo [2]	Employee	325,000	52,020	377,020
Albert Atallah [3]	Director-Employee	225,000	44,839	269,839
Peter Lesar [4]	Employee	240,000	25,657	265,657
Madeleine Linter	Director	48,000	-	48,000
Douglas Vicari	Director	48,000	-	48,000
Reto Stadelmann	Director	48,000	-	48,000
Alfred Meili [5]	Director	11,727	-	11,727
Georg Gruenberg	Director	48,909	-	48,909
Total		**$ 1,444,083**	**$ 152,962**	**$ 1,597,045**

(1) Aggregate other compensation includes health insurance ($446) and housing allowance of ($30,000).
(2) Aggregate other compensation consists of professional fees paid to Mr. Monaldo ($52,020). Mr. Monaldo is responsible to pay for his health, life, dental insurance, and other professional fees and costs.
(3) Aggregate other compensation includes life, health, dental and disability insurance ($40,533) and other benefits ($4,303).
(4) Aggregate other compensation includes health insurance ($2,621), housing allowance of ($18,000), and other benefits ($5,036).
(5) Alfred Meili was a director through July 25, 2014.

BOARD OF DIRECTOR COMPENSATION

Director's fees for Independent Directors is equal to $48,000 annually and were paid annually in Company stock. The level of compensation and method will be reviewed annually. We also reimburse the Group's Directors for their travel, hotel and other expenses incurred in the performance of their duties as Directors, including expenses incurred in attending Board of Directors meetings, Committee meetings and shareholder meetings. We do not have any pension programs for the Group's Board of Directors, senior management or other employees.

2007 EQUITY INCENTIVE PLAN

The Group's 2007 Equity Incentive Plan (the "Equity Plan") is designed to enable us and the Group's affiliates to obtain and retain the services of the types of employees, consultants and Directors who will contribute to the Group's long-term success and to provide incentives that are linked directly to increases in share value which will inure to the benefit of all of the Group's shareholders. We have reserved up to 5% of our currently issued and outstanding common shares (as of any given date) for the issuance of awards under the Equity Plan.

The Equity Plan is administered by the Group's Board of Directors or a committee designated by the Board of Directors (in either case, referred to as the "Administrator"). The Administrator has the power and authority to select Participants (as defined below) in the Equity Plan and grant Awards (as defined below) to such Participants pursuant to the terms of the Equity Plan. All decisions made by the Administrator pursuant to the provisions of the Equity Plan shall be final and binding on us and the Participants.

Awards may be in the form of options (incentive stock options and non-statutory stock options), restricted stock, restricted stock units, performance compensation awards and stock appreciation rights (collectively, "Awards"). Awards may be granted to employees, Directors and, in some cases, consultants ("Participants"), provided that incentive stock options may be granted only to employees.

Notwithstanding the shares issued to directors as payment for Board of Director Compensation (see section above), there has been no equity issued to employees, consultants and/or directors in 2014 under the 2007 Equity Incentive Plan.

OPTIONS

The Group maintained a Stock Option Plan dated for reference July 1, 1997 and a second Stock Option Plan dated for reference July 1, 2005. On January 18, 2008, the Group's shareholders at a special meeting of shareholders resolved that both the 1997 Plan and the 2005 Plan would be closed to any further stock option grants. Furthermore, all stock options issues and outstanding as granted under the 1997 Plan and the 2005 Plan remain in effect.

Options were granted as incentive stock options (stock options intended to meet the requirements of Section 422 of the USA Internal Revenue Code) or non-statutory stock options (stock options not intended to meet the requirements of section 422 of the Code) and were granted in such form and did contain such terms and conditions as the Administrator deemed appropriate. The term of each option was fixed by the Administrator but no options were exercisable after the expiration of 10 years from the grant date. The exercise price of each option was not less than 100% of the fair market value of the common stock subject to the option on the date of grant. The Administrator determined the time or times at which, or other conditions upon which, an option could vest or become exercisable.

PERFORMANCE COMPENSATION AWARDS

The Equity Plan provides the Administrator with the authority, at the time of grant of any Award (other than options and stock appreciation rights granted with an exercise price or grant price equal to or greater than the fair market value per share of stock on the date of the grant), to designate such Award as a

performance compensation award in which case, the vesting of such award shall be based on the satisfaction of certain pre-established performance criteria.

STOCK APPRECIATION RIGHTS

Stock appreciation rights may be granted either alone ("Free Standing Rights") or, provided the requirements of the Equity Plan are satisfied, in tandem with all or part of any option granted under the Equity Plan ("Related Rights"). Upon exercise thereof, the holder of a stock appreciation right would be entitled to receive from us an amount equal to the product of (i) the excess of the fair market value of the Group's common shares on the date of exercise over the exercise price per share specified in such stock appreciation right or its related option, multiplied by (ii) the number of shares for which such stock appreciation right is exercised. The exercise price of a Free Standing Right shall be determined by the Administrator, but shall not be less than 100% of the fair market value of the Group's common shares on the date of grant of such Free Standing Right. A Related Right granted simultaneously with or subsequent to the grant of an option shall have the same exercise price as the related option, shall be transferable only upon the same terms and conditions as the related option, and shall be exercisable only to the same extent as the related option. A stock appreciation right may be settled, at the sole discretion of the Administrator, in cash, common shares or a combination thereof. No stock appreciation rights are currently outstanding.

CHANGE IN CONTROL

The Group has entered into various Employment Agreements with certain members of Management. These employment agreements included payment to the employees in the event of a change in control. "Change of control" in these various employments contracts in general includes acquisition of a majority of shares by a shareholder or shareholder group, involuntary change in more than a majority of incumbent board of directors under certain circumstances, liquidation of all assets, or sale of substantially all assets. Such change of control will trigger an option for these employees to elect to receive payment in a cash lump-sum payment equal to the product of 2.99 times the sum of: (i) Employee's annual Base Salary; (ii) an amount equivalent to the higher of (A) the average annual Executive Bonuses and LTIP Bonuses received by employee with respect to the immediately prior three years of Employee's employment by Company or (B) the then-current target LTIP Bonus and Executive Bonus (if applicable) for the year during which the Change in Control occurs (the "CIC Payment"). Also triggered would be the immediate vesting and exercise of rights as to all options and stock appreciation right attributable to such Employees. Further, in the event of a change in control, the Administrator may in its discretion and upon advance notice to the affected persons, cancel any outstanding awards and pay to the holders thereof, in cash or shares, or any combination thereof, the value of such awards based upon the price per common share received or to be received by other of the Group's shareholders. The cash lump payments due on a change of control pursuant to said employment agreements would be approximately $2.7 million (see Note 21, commitments and contingencies).

Further, the Group has entered into various loan agreements in which a change in control (as defined in certain Loan Agreements) will result in such loan(s) becoming due and payable immediately upon the occurrence of a change of control. "Change of control" in these various loan agreements in general includes one or more of the following: a) Acquisition of more than 20% of shares by a shareholder or a shareholder group; b) An involuntary change in more than $1/6^{th}$ of the directors; c) An involuntary termination of 2 of 3 persons currently holding positions of General Counsel, Chief Financial Officer and VP Corporate Development (excluding resignations, retirements or terminations for cause); or d) Involuntary removal of

more than one incumbent board of directors under certain circumstances. Such loan principal balances as of December 31, 2014 are approximately $9.3 million, of which $1.3 million are new and refinanced loans granted in Q1 2015 and that are specifically subject to prepayment on the condition that Salomon Guggenheim is no longer President, CEO or Director of the Group.

AMENDMENT AND TERMINATION

The Group's Board of Directors may, at any time and from time to time, amend or terminate the Equity Plan. However, except as provided otherwise in the Equity Plan, no amendment shall be effective unless approved by the Group's shareholders to the extent shareholder approval is necessary to satisfy any applicable law or securities exchange listing requirements. The Administrator at any time, and from time to time, may amend the terms of any one or more Awards; provided, however, that the Administrator may not affect any amendment which would otherwise constitute an impairment of the rights under any Award unless we request the consent of the Participant and the Participant consents in writing.

PREVIOUS EQUITY INCENTIVE PLANS

Prior to the Group's Board of Directors adopting the Equity Plan, we had two existing stock option plans: the Group's "1997 Stock Option Plan" and the Group's "2005 Stock Option Plan." All securities issuable under the 1997 Stock Option Plan have been issued or reserved, including 0.1 million common shares reserved for issuance upon exercise of stock options granted under the 1997 Stock Option Plan. Other than those reserved for issuance, no further securities will be granted under the 1997 Stock Option Plan (regardless of whether such outstanding awards are forfeited or otherwise expire).

Pursuant to stock options granted under the Group's 2005 Stock Option Plan, there are approximately 93,400 non-expired stock options convertible to common shares for issuance upon exercise. All of such options were granted with an exercise price equal to or greater than the market value of a common share at the time of grant. The Group's Board of Directors resolved that no further securities will be granted under the 2005 Stock Option Plan (regardless of whether such outstanding awards are forfeited or otherwise expire). During 2014 and through March 31, 2015, nil stock options were exercised.

Notwithstanding the foregoing, both the 1997 Stock Option Plan and the 2005 Stock Option Plan will remain in place solely for the purpose of administering outstanding awards.

EMPLOYMENT AGREEMENTS

This section describes employment agreements in effect regardless of whether or not the employee is deemed to be Senior Management as defined in section Senior Management Compensation.

In November of 2007, we entered into employment agreements with certain of the Group's senior Management, effective December 1, 2007. The terms and conditions of these agreements are fully described below. Messrs. Atallah, Monaldo and LeSar (who have certain Consumer Price Index or "CPI" adjustments to their employment contracts) have agreed to waive any contractual rights each had related to CPI through December 2014. Mr. Guggenheim does not have a right to any CPI adjustment.

Otherwise, all terms and conditions have remained unchanged other than noted below. We do not have employment agreements with the Group's Non-Senior Management Directors.

Salomon Guggenheim. Mr. Guggenheim entered into an employment agreement with the Group for a two-year term commencing January 3, 2013 and ending on December 31, 2014. Since January 1, 2015, Mr. Guggenheim is now employed on the same basic terms of his previous contract, which is now subject to a negotiation for extension. Meanwhile, he continues his position as President and CEO in accordance with Board direction. His annual base compensation is Four Hundred Thousand Swiss Francs (CHF400,000), subject to customary and lawful withholdings, payable in equal installments no less frequently than semi-monthly. Mr. Guggenheim had voluntarily agreed to defer receipt of his salary for a period up to and including June 30, 2013, which deferral has since been paid.

Mr. Guggenheim shall devote his full efforts, attention, and energies to the business of the Group. He shall not, during the term of this Agreement, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board of Directors of the Group. The foregoing is not intended to restrict his ability to enter into passive investments that do not compete in any way with the Group's business or to invest in mutual funds that may, in turn, be invested in competitors of the Group.

During the Term, the Group shall reimburse Mr. Guggenheim in full for business expenses incurred in performing the services, including travel, lodging, entertainment, mileage costs, cell phone charges related to the Group's business, and other reasonably incurred expenses, according to the Group's expense reimbursement policy and subject to appropriate documentation. In addition, the Group shall reimburse Mr. Guggenheim for all reasonable expenses incurred in connection with his maintenance of a home office. The employee shall be entitled to take five weeks of vacation per year, taken at such intervals during the year as are convenient to himself and the Group. Additional vacation may be approved by the Board of Directors. Mr. Guggenheim is eligible to participate in the long-term incentive and equity incentive plans of the Group, as well as any other additional cash and/or equity incentive awards or plans as determined in the sole discretion of the Group's Board of Directors. In addition, the agreement provides participation in the Group's benefit plans. Mr. Guggenheim is subject to a non-disclosure covenant with respect to proprietary information.

Albert Atallah. Mr. Atallah's employment agreement has a three-year term, which automatically extends for an additional year at the end of each calendar year unless either party provides a notice of non-renewal. His base compensation for 2014 under the agreement was $225,000, which amount is adjusted each year based on any increase in the CPI. The CPI adjustment has been waived for 2014 by Mr. Atallah.

Mr. Atallah is eligible to participate in the long-term incentive and equity incentive plans of the Group, as well as any other additional cash and/or equity incentive awards or plans as determined in the sole discretion of the Group's Board of Directors. In addition, the agreement provides Mr. Atallah with three weeks of vacation per year, term-life insurance policies, and reimbursement for reasonable business expenses and participation in the Group's benefit plans.

If Mr. Atallah's employment is terminated for the Group's convenience or by non-renewal at the Group's option, or if he terminates his employment for "Good Reason," as that term is defined in the agreement, he is entitled to receive (i) all accrued and unpaid base compensation and bonuses, vacation, and reimbursable business expenses, (ii) a pro-rated share of his annual long-term incentive plan bonuses and any other executive bonuses that may be in place at that time, (iii) severance compensation of 2.99 times his base salary plus his bonuses (using the higher of (a) the average annual executive cash bonuses and long-term incentive plan executive bonuses over the previous three years or (b) the current target long-term incentive

plan bonuses and any other cash bonuses for that year), (iv) continuation of medical and health insurance benefits for 18 months, and (v) immediate vesting of all unvested restricted stock awards and options.

In the event of a Change in Control (as defined in Mr. Atallah's employment agreement), Mr. Atallah will be paid the severance compensation described above whether or not his employment is terminated. Mr. Atallah's employment agreement also provides for the "gross up" of any excise tax payable pursuant to Section 280G of the Code.

Mr. Atallah is subject to a non-disclosure covenant with respect to proprietary information. Additionally, Mr. Atallah is also subject to a one-year restriction on recruiting our employees.

Peter LeSar. Mr. LeSar's employment agreement has a three-year term, which automatically extends for an additional year at the end of each calendar year unless either party provides a notice of non-renewal. His base compensation for 2014 under the agreement was $240,000, which amount is adjusted each year based on any increase in the CPI. The CPI adjustment has been waived for 2014 by Mr. LeSar.

Mr. LeSar is eligible to participate in the long-term incentive and equity incentive plans of the Group, as well as any other additional cash and/or equity incentive awards or plans as determined in the sole discretion of the Group's Board of Directors. In addition, the agreement provides Mr. LeSar with three weeks of vacation per year, term-life insurance policies, and reimbursement for reasonable business expenses and participation in the Group's benefit plans.

If Mr. LeSar's employment is terminated for our convenience or by non-renewal at our option, or if he terminates his employment for "Good Reason," as that term is defined in the agreement, he is entitled to receive (i) all accrued and unpaid base compensation and bonuses, vacation, and reimbursable business expenses, (ii) a pro-rated share of his annual long-term incentive plan bonuses and any other executive bonuses that may be in place at that time, (iii) severance compensation of 2.99 times his base salary plus his bonuses (using the higher of (a) the average annual executive cash bonuses and long-term incentive plan executive bonuses over the previous three years or (b) the current target long-term incentive plan bonuses and any other cash bonuses for that year), (iv) continuation of medical and health insurance benefits for eighteen months, and (v) immediate vesting of all unvested restricted stock awards and options.

In the event of a Change in Control (as defined in Mr. LeSar's employment agreement), Mr. LeSar will be paid the severance compensation described above whether or not his employment is terminated. Mr. LeSar's employment agreement also provides for the "gross up" of any excise tax payable pursuant to Section 280G of the Code.

Mr. LeSar is subject to a non-disclosure covenant with respect to proprietary information. Additionally, Mr. LeSar is also subject to a one-year restriction on recruiting our employees.

Tino Monaldo. Mr. Monaldo's employment agreement has a three-year term, which automatically extends for an additional year at the end of each calendar year unless either party provides a notice of non-renewal. His base compensation for 2014 under the agreement was $325,000, which amount is adjusted each year based on any increase in the CPI. The CPI adjustment has been waived for 2014 by Mr. Monaldo.

Mr. Monaldo is eligible to participate in the long-term incentive and equity incentive plans of the Group, as well as any other additional cash and/or equity incentive awards or plans as determined in the sole

discretion of the Group's Board of Directors. In addition, the agreement provides Mr. Monaldo with three weeks of vacation per year and reimbursement for reasonable business expenses.

If Mr. Monaldo's employment is terminated for the Group's convenience or by non-renewal at the Group's option, or if he terminates his employment for "Good Reason," as that term is defined in the agreement, he is entitled to receive (i) all accrued and unpaid base compensation and bonuses, vacation and reimbursable business expenses, (ii) a pro-rated share of his annual long-term incentive plan bonuses and any other executive bonuses that may be in place at that time, (iii) severance compensation of 2.99 times his base salary plus his bonuses (using the higher of (a) the average annual executive cash bonuses and long-term incentive plan bonuses over the previous three years or (b) the current target long-term incentive plan bonuses and any other cash bonuses for that year), (iv) continuation of medical and health insurance benefits for eighteen months and (v) immediate vesting of all unvested restricted stock awards and options.

In the event of a Change in Control (as defined in Mr. Monaldo's employment agreement), Mr. Monaldo will be paid the severance compensation described above whether or not his employment is terminated. Mr. Monaldo's employment agreement also provides for the "gross up" of any excise tax payable pursuant to Section 280G of the Code.

Mr. Monaldo is subject to a non-disclosure covenant with respect to proprietary information. Additionally, Mr. Monaldo is also subject to a one-year non-compete agreement and a one-year restriction on recruiting the Group's employees.

We have also entered into a consulting services agreement with Mr. Monaldo's law firm since 2007, which provides a payment of $52,020 per year for consulting and legal services, adjusted annually for increases based on the CPI. Mr. Monaldo has waived this CPI right for each year through 2014. The term of the consulting agreement is twelve months, which automatically extends for an additional year at the end of each calendar year unless either party provides a notice of non-renewal. Mr. Monaldo is the sole shareholder of his law firm.

2014 PERFORMANCE BONUSES

No performance bonuses were paid to officers during 2014.

Chapter 6: Investor Relations, Shares & Dividends

The following table sets forth information regarding the beneficial ownership of the Group's common shares as of December 31, 2014 by:

- Each person or entity that we know is more than a 5% beneficial owner;
- Each Director or executive officer who beneficially owns more than 1% equity interest; and
- All of the Group's Directors and executive officers as a group (including those that are no longer executive officers as of December 31, 2014).

All holders of the Group's common stock have the same voting rights. Beneficial ownership generally includes any interest over which a person exercises sole or shared voting or investment power.

	Director/Employee	**Beneficial Ownership Number** [(1)]	**Percent**
Salomon Guggenheim (2)	Director-Employee	278,740	1.20%
Albert Atallah (3)	Director-Employee	212,013	0.91%
Tino Monaldo (4)	Employee	165,717	0.71%
Peter LeSar (5)	Employee	122,716	0.53%
Reto Stadelmann	Director	258,789	1.11%
Marie Madeline Linter	Director	200,626	0.86%
Douglas Vicari	Director	247,794	1.07%
George Gruenberg	Director	139,739	0.60%
Alfred Meili (6)	Director	33,506	0.14%
Total		**1,659,640**	**7.14%**

(1) Includes restricted common shares granted under our 2007 equity incentive plan. See Chapter 5, "2007 Equity Incentive Plan".
(2) Includes 263,406 common shares and 15,334 common shares issuable upon exercise of options.
(3) Includes 177,981 common shares and 34,032 common shares issuable upon exercise of options.
(4) Includes 153,017 common shares and 12,700 common shares issuable upon exercise of options.
(5) Includes 118,716 common shares and 4,000 common shares issuable upon exercise of options.
(6) Alfred Meili is no longer a director as of July 25, 2014.

Conflicts of Interest

There are no conflicts of interest or potential conflicts of interest exist between the private interests of any other officer or director of the Group and their duties to the Group.

Related Party Transactions

Below are the related party transactions involving Officers and Directors.

Salomon Guggenheim (Director). Mr. Guggenheim was a Director of the Group in all of 2012 and Chairman from June 2012 through December 2012. In such capacity, he received aggregate advisor fees of $78,000 in 2012. In addition, Mr. Guggenheim is a director and not a beneficial owner in a company called India Ltd., a corporation formed under the laws of St. Vincent and the Grenadines. India Ltd. entered into several transactions with the Group's various subsidiaries including: a) Direct lender to the Group's affiliate operations in the amount of $100 thousand to Daman Hospitality Private Limited, an India company; and b) Taking assignment of loans made by certain lenders to several of the Group's subsidiaries, including $500 thousand to Poland, $120 thousand to corporate entities, $1.0 million to Peru and $8.2 thousand to Costa Rica.

Reto Stadelmann (Director). Mr. Stadelmann joined the Group as a Director in June 2012. Mr. Stadelmann loaned the Company $1.4 million during 2013, including the principal and interest charges of 8% and 12%. Prior to Mr. Stadelmann's appointment as a Director, he or companies in which he has a controlling interest, have made loans to the Group with consolidated principal outstanding balances of approximately $2,332,923 as of December 31, 2014.

Tino Monaldo (Vice President, Corporate Development). We paid Mr. Monaldo total consulting fees of $52,020 in 2014 and $52,020 in 2013. He pays his own health, life, and dental insurance, and other professional fees and expenses.

Other Related Party Transactions. For information regarding related party transactions with joint ventures and with partners in the Group's operating entities, see Note 19 to the Group's consolidated financial statements for the year ended December 31, 2014, incorporated herein by reference.

Description of Securities

GENERAL

The Group was registered in the British Virgin Islands on October 6, 2006 as a British Virgin Islands Business Company, number 1055634. Prior to such registration, the Group was incorporated under the laws of the Province of British Columbia, Canada, on September 4, 1987 under the name "Winters Gold Hedley Ltd." On August 26, 1993, the Group changed its name to "Regal Gold Corporation." On June 23, 1994, the Group changed its name to "International Thunderbird Gaming Corporation." On February 5, 1999, the

Group converted, by continuing its charter documents, from a British Columbia, Canadian corporation to a Yukon, Canadian corporation. On July 12, 2005, the Group changed its name to "Thunderbird Resorts Inc." On October 6, 2006 the Company moved its domicile and reincorporated (by continuing its charter documents) in the British Virgin Islands.

We comply with the British Virgin Islands' corporate governance requirements. Pursuant to our Memorandum of Association, the Group has the authority to issue an aggregate of 1.0 billion shares of capital stock, consisting of 500 million no par value common shares, and 500 million no par value preferred shares. The shares are governed by the laws of the British Virgin Islands. The Group's common shares are listed on Euronext Amsterdam under the symbol "TBIRD."

COMMON SHARES AND OPTIONS

As of December 31, 2014, we had 23,149,641 common shares outstanding, ISIN VGG885761061; each common share is fully paid. The number of outstanding common shares above excludes: a) 151,210 common shares available for future issuances under our previous equity incentive plans (with respect to which the Group's Board of Directors has resolved not to issue any more securities); and b) common shares available for future issuances under the Group's 2007 equity incentive plan equal to 5% of issued and outstanding shares. The Group's common shares do not have conversion feature. However, a holder of an option or warrant who wants to exercise such option or warrant will notify the Group during the exercise period, pay the strike price, whereupon they will receive the applicable number of shares. As of December 31, 2014, the Group owns 286,515 shares as part of its Buy Back Program, which program expired on November 22, 2014.

As of April 23, 2015, we have 23,734,312 common shares outstanding. Set forth below is information (illustrating grant date, exercise price and expiration dates) for the outstanding Group stock options as of December 31, 2014:

Grant Date	Unexercised	Exercisable
8/17/2005	37,334	37,334
1/17/2007	-	-
7/25/2007	56,066	56,066
Total	**93,400**	**93,400**

Exercise Price	Unexercised	Exercisable
$1.92	-	-
$2.10	37,334	37,334
$3.30	-	-
$4.98	56,066	56,066
Total	**93,400**	**93,400**

Expiration Date	Unexercised	Exercisable
7/25/2015	28,032	28,032
8/17/2015	18,666	18,666
7/25/2016	28,034	28,034
8/17/2016	18,668	18,668
Total	**93,400**	**93,400**

Organizational Documents

The Group's organizational documents consist of the Group's Memorandum of Association and the Group's Articles of Association which contain relevant information, including without limitation, meeting of the board or directors, meeting of shareholders, distributions, issuance of stock (both preferred and common) liability and indemnification of officers and directors, borrowing of money, election and removal of directors, the lack of pre-emptive rights for shareholders, limited rights for shareholders to call a meeting, and distribution of assets on liquidation. Certain material provisions are set forth below:

- Holders of common shares are each entitled to cast one vote for each share held at a meeting of the shareholders or on any resolution of the shareholders. We have not provided for cumulative voting for the election of Directors in our Memorandum and Articles of Association. This means that the holders of a majority of the shares voted can elect all of the Directors then standing for election. The holders of outstanding common shares are entitled to receive an equal share in any dividend paid out of assets legally available for the payment of dividends at the times and in the amounts as the Group's Board of Directors from time to time may determine. Upon the Group's liquidation, holders of common shares are entitled to an equal share in the distribution of surplus assets. The Group's common shares are not entitled to preemptive rights and are not subject to conversion into any other class of shares. We may purchase, redeem, or otherwise acquire any of our own shares for fair value. However, no purchase, redemption, or other acquisition of shares can be made unless the Directors determine that, immediately after the acquisition, the value of our assets will exceed our liabilities, and we will be able to pay our debts as they fall due.

- Preferred shares may be issued in one or more series, and our Board of Directors is authorized to provide for the issuance of preferred shares in series, to establish the number of shares to be included in each series, to fix the rights, designation, preferences and powers of the shares of each series and its qualifications, limitations and restrictions.

- If the Group's common or preferred shares are divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the shares of that class) may be changed only with the consent in writing of the holders of a majority of the issued shares of that class or series and of the holders of a majority of the issued shares of any other class or series of shares which may be affected by such variation.

- Dividend Policy: We have never paid any cash dividends on the Group's common shares, and we do not expect to declare or pay any cash or other dividends in the foreseeable future. We may enter into credit agreements or other borrowing arrangements in the future that restrict the Group's ability to declare cash dividends on our common shares. If our Board of Directors ever elects to declare a dividend, such dividend will be paid to shareholders of record out of legally available funds, and may be paid annually, semi-annually or quarterly, as determined by the Group's Board of Directors. Any such declaration of dividends and any other payments by us, as determined by the Group's Board of Directors, will be announced by us in a national daily newspaper distributed throughout the Netherlands, and in the Official Daily List of Euronext.

- Compulsory Transfer of Shares: The Group's Board of Directors has the ability under certain circumstances to force a transfer of common shares in the manner described below, provided, however, that such forced transfer (including any change to the Company's register of members) would occur at the direction of the Group without interference with the purchase, sale, or settlement of the Company's common shares on Euronext Amsterdam or without interference with the settlement of such shares through any settlement system, including Euroclear Nederland and Euroclear Bank (for the sake of clarity, as a result of the foregoing there will be no null and void trades on Euronext Amsterdam or settlement of such trades through Euroclear Nederland and/or Euroclear Bank). If it comes to the notice of the Group's Board of Directors that any common shares:

  a) Are or may be owned or held directly or beneficially by any person in breach of any law, rule, regulation or requirement applicable to us of any jurisdiction in which we operate or by virtue of which such person is not qualified to own those shares and, in the sole and conclusive determination of the Board of Directors, such ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the board to be relevant) would in the reasonable opinion of the Board of Directors, cause a significant pecuniary disadvantage to us which we might not otherwise have suffered or incurred; or

  b) Are or may be owned or held directly or beneficially by any person that is an "employee benefit plan" subject to the fiduciary provisions of Title I of ERISA, a plan subject to the prohibited transaction provisions of Section 4975 of the Code, a person or entity whose assets include the assets of any such "employee benefit plan" or "plan" by reason of the DOL Plan Asset Regulations or otherwise, or any other employee benefit plan subject to any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code and their ownership of the shares means that the investor is a Benefit Plan Investor as that term is defined by the U.S. DOL Plan Asset Regulations and the investor's interest is "significant" under those Regulations, or will result in a non-exempt "prohibited transaction" as defined in ERISA or section 4975 of the Code, the Board of Directors may serve written notice (a "Transfer Notice") upon the person (or any one of such persons where shares are registered in joint names) appearing in the register as the holder (the "Vendor") of any of the shares concerned (the "Relevant Shares") requiring the Vendor within thirty days (or such extended time as in all the circumstances the Board of Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Group's Board of Directors, would not fall within paragraphs (a) or (b) above (such a person being hereinafter called an "Eligible Transferee"). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Shares to which it relates pursuant to the provisions referred to in this paragraph or the following paragraph, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise. If within thirty days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Board of Directors considers reasonable), the Transfer Notice has not been complied with to the satisfaction of the Board of Directors, we may sell the Relevant Shares on behalf of the holder at the best price reasonably obtainable at the time of sale to any one or more Eligible Transferees. To give effect to a sale, the Board of Directors may authorize in writing the Group's officers or employees to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law) or to cause the transfer of the Relevant Shares to the Eligible Transferee. An instrument of transfer executed by that person will be as effective as if it had been executed by the holder of or the person entitled by transmission to, the Relevant Shares. An Eligible

Transferee is not bound to see to the application of the purchase money and the title of the Eligible Transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale. The net proceeds of the sale of the Relevant Shares, after payment of our costs of the sale, shall be received by us, and receipt shall be a good discharge for the purchase moneys, and shall belong to us and, upon their receipt, we shall become indebted to the former holder of the Relevant Shares, or the person who is automatically entitled to the Relevant Shares by transmission or by law, for an amount equal to the net proceeds of transfer, in the case of certificated shares, upon surrender by him or them of the certificate for the Relevant Shares which the Vendor shall forthwith be obliged to deliver to us. We are deemed to be a debtor and not a trustee in respect of that amount for the member or other person. No interest is payable on that amount and we are not required to account for money earned on it. The amount may be employed in our business or as we think fit. We may register or cause the registration of the Eligible Transferee as holder of the Relevant Shares and thereupon the Eligible Transferee shall become absolutely entitled thereto. A person who becomes aware that he falls within any of paragraphs (a) or (b) above shall forthwith, unless he has already received a Transfer Notice either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates. Subject to the provisions of our Articles of Association, our Board of Directors will, unless any Director has reason to believe otherwise, be entitled to assume without inquiry that none of the shares are held in such a way as to entitle the Board of Directors to serve a Transfer Notice in respect thereof. The Board of Directors may, however, at any time and from time-to-time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than thirty calendar days after service of the notice requiring the same) as may be specified by the Board of Directors in the said notice, the Board of Directors may, in its absolute discretion, treat any share held by such a holder or joint holders or person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof. The Board of Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the Board of Director's powers with respect to the compulsory transfer of shares may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Board of Directors at the relevant date provided that the said powers have been exercised in good faith.

BRITISH VIRGIN ISLANDS LAW

The laws of the British Virgin Islands do not contain any limitations on the right of nonresident or foreign owners to hold or vote the Group's common shares. There are no laws, decrees, statutes or other provisions of the laws of the British Virgin Islands which would operate to prohibit or regulate the remittance of dividends, interest and other payments to nonresident holders of common shares. British Virgin Islands law permits the Group's Board of Directors to modify any of the Group's governing documents without shareholder approval, so long as such modification does not have an adverse effect on the rights of the Group's shareholders. Any modification that would have such an adverse effect requires the approval of holders of at least a majority of our outstanding shares.

CANADIAN LAW

Prior to July 1, 2009, the Group's common shares were listed on the CNSX (formerly the CNQ). Effective July 1, 2009 and thereafter, at the request of the Company, the Group's shares have been delisted from the CNSX. Though delisted, we continue to be a "reporting issuer" subject to securities laws of British Columbia and Ontario due to the number of the Group's existing Canadian shareholders. Among other things, those laws require any 10% holder of a reporting issuer to file reports disclosing that holder's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, and any changes in that ownership. If they acquire 10% or more of our outstanding common shares, they will be required to file an "insider report form" within ten business days from the date their ownership exceeded 10%, and then within ten business days after any trades or other changes in their holdings of common shares. They would also be required to issue a press release and file a report every time they acquire an additional 2% or more of the Group's common shares.

If a person or entity acquires 20% or more of our outstanding common shares, it would be a "control person" of ours. As such, it would be deemed to be not only knowledgeable about our affairs, but to have the ability, by virtue of its significant equity position, to direct the Group's affairs. Thereafter, any sale by that holder of common shares would be deemed under provincial law to be a distribution, requiring the filing of a prospectus and compliance with other securities disclosure laws.

In addition, if a person or entity acquires 20% or more of the Group's common shares, it will be deemed under provincial securities laws to have made a "take-over bid" and, accordingly, unless it can obtain an exemption, or unless an exemption exists by virtue of the Company's status as a "designated foreign issuer" as described below, that holder would be required to comply with detailed rules governing bids. 20% holders are also required to file insider reports within three calendar days versus the normal 10-day requirement that applies to all other parties required to file insider reports. The provincial securities commissions has the right to veto the individual or entity from remaining an insider or control person if the individual or entity is deemed unsuitable to be involved in the Canadian public markets.

Additionally, as a "designated foreign issuer" under Canadian securities laws, the Group's financial reporting requirements can be met by filing on SEDAR the same financial information we provide to and file with the Euronext Amsterdam. Since January 1, 2009, the Group's financial information prepared under IFRS is sufficient to meet the requirements of Canadian securities laws.

YEARLY AND HALF-YEARLY INFORMATION

As a result of the implementation of the EU Directive 2004/109 of December 15, 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Transparency Directive"), the Group is required to make its annual financial report available to the public 4 months after the end of each financial year. The annual financial information consists of the audited annual accounts, the annual report, a description of the main risks and uncertainties facing the Group and a statement by persons within the Group designated by the latter as the "responsible persons," indicating (i) that the annual accounts give a fair view of the assets and financial position of the Group and, in the case of consolidated accounts, of the enterprises included in the consolidation, and (ii) that the annual report gives a fair view of the Group's condition on the balance sheet date, the development of the Group and its affiliated companies during the previous financial year and all material risks to which the Group is exposed.

The Group must publish its half-yearly information within two months after the end of the first six months of its financial year. Both the annual and half-yearly financial information must be filed with the AFM and Euronext Amsterdam and must remain publicly available for at least five years.

INTERIM MANAGEMENT STATEMENTS

The Group has to publish an interim management statement in both the first half of its financial year at least ten weeks after the start, and no more than six weeks before the end, of the relevant half-year period or alternatively has to publish quarterly financial statements. It should include (i) explanation of material events, transactions and controlled undertakings; (ii) consequences thereof for the Group's financial position; and (iii) general description of the Group's financial position and performance.

DUTCH TAKEOVER ACT

On October 28, 2007, the Dutch Act implementing the European Directive 2004/25/EC of April 2004 relating to public takeover bids (the "Dutch Takeover Act") and the rules promulgated thereunder came into force. The provisions of the Dutch Takeover Act are included in the Financial Supervision Act and the rules promulgated thereunder apply to us. In general, under these provisions, we cannot launch a public offer for securities that are admitted to trading on a regulated market, such as the Group's shares unless an offer document has been approved by the Association of Futures Markets ("AFM") and has subsequently been published. These public offer rules are intended to ensure that in the event of such a public offer, sufficient information will be made available to the holders of the Group's securities, that the holders of the Group's securities will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period. The provisions in the Dutch Takeover Act regarding mandatory takeover bids will not be applicable to us.

MARKET ABUSE REGIME

The market abuse regime set out in the Financial Supervision Act, which implements the European Union Market Abuse Directive (2003/6/EC), is applicable to us, our Directors, officers, other key employees, the Group's insiders and persons performing or conducting transactions in the Group's securities. Certain important market abuse rules set out in the Financial Supervision Act that are relevant for investors are described hereunder.

We make public price-sensitive information, which is information that is concrete and that directly concerns us which information has not been publicly disclosed and whose public disclosure might significantly affect the price of the shares or derivative securities, such as the options and warrants. We must also provide the AFM with this information at the time of publishing the Prospectus. Further, we must immediately publish the information on the Group's website and keep it available on the Group's website for at least one year.

DISCLOSURE OF HOLDINGS

The following provisions apply to us and to the Group's shareholders:

- As soon as the substantial holding or short position of a shareholder equals or exceeds 3% of the issued capital, the shareholder should report this. Subsequently, the shareholder should notify the AFM again when the substantial holding or short position consequently reaches, exceeds or falls below a threshold.

This can be caused by the acquisition or disposal of shares by the shareholder or because the issued capital of the issuing institution is increased or decreased. Thresholds are: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. The duty to notify applies to legal entities as well as natural persons.

- We are required to notify the AFM of any changes in the Group's outstanding share capital, including in the case of redemption of shares, and any amendment to the Group's Articles of Association regarding voting rights. The AFM will publish any notification in a public registry. If, as a result of such change, a person's interest in the Group's capital or voting rights passively reaches or crosses the thresholds mentioned in the above paragraph, the person in question must immediately give written notice to the AFM no later than the 4th trading day after the AFM has published the Group's notification.

TRANSFER AGENT AND REGISTRAR

The Group's transfer agent and registrar for the Group's common shares is Computershare, Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada V6C 3B9.

PAYING AGENT

ING Commercial Banking, Paying Agent Services, location code: TRC 01.013, Foppingadreef 7, 1102 BD Amsterdam, the Netherlands.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are incorporated under the laws of the British Virgin Islands. Certain members of the Group's Board of Directors are not residents of the United States, and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for the Group's shareholders to effect service of process in the United States on persons who are not U.S. residents or to enforce in the United States judgments obtained in the United States against us or persons who are not U.S. residents based on the civil liability provisions of the U.S. securities laws. We have been advised by the Group's British Virgin Islands counsel, O'Neal Webster, that there is doubt as to the direct enforceability in the British Virgin Islands of civil liabilities predicated upon the securities laws of other foreign jurisdictions.

AVAILABILITY OF DOCUMENTS

This Annual Report may also be inspected through the Euronext website (www.euronext.com) by Dutch residents only or through the website of the Netherlands Authority for the Financial Markets (www.afm.nl). This Annual Report may be obtained on the Group's website (www.thunderbirdresorts.com).

In addition, for so long as common shares are listed for trading on Euronext Amsterdam, the following documents (or copies thereof), where applicable, may be obtained free of charge (1) by sending a request in writing to us at Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514, Panama City, Panama, (2) by emailing us at the following address info@thunderbirdresorts.com, or (3) at the offices of the Group's local paying agent ING Commercial Banking, location code: TRC 01.013, Foppingadreef 7, 1102 BD Amsterdam, the Netherlands (Tel: + 31 20 563 6619, Fax: + 31 20 563 6959, Email: iss.pas@ing.nl)

(a) This Annual Report and the Group's Memorandum and Articles of Association.

(b) All reports, letters, other documents, historical financial information (such as the Group's 2014, 2013, 2012 and 2011 consolidated financial statements), valuations and statements prepared by any expert at the Group's request, any part of which is included or referred to in this Annual Report.

Chapter 7:
2014 Consolidated Financial Statements & Report of the Independent Auditors

Report of the Independent Auditors

To the Shareholders and Board of Directors of Thunderbird Resorts, Inc

Independent Auditor's Report on the financial statements

We have audited the accompanying financial statements for the year ended December 31, 2014 of Thunderbird Resorts, Inc, British Virgin Island ("the Group"), which comprise the statement of financial position as at December 31, 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 International Standards on Auditing (ISAs). This requires 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

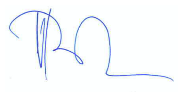
In our opinion, the financial statements give a true and fair view of the financial position of Thunderbird Resorts, Inc as at December 31, 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in Note 21 to the financial statements which describes the uncertainties relating to regulatory and tax legislation in the jurisdictions in which the Group operates. The ultimate outcome of those matters cannot presently be determined, and no provision for any liability has been made in the financial statements, except for those for which a settlement has been reached.

We have not modified our report in this respect.

Curacao, April 23, 2015



Baker Tilly Curacao

V.T.M. Bergisch

Financial Statements

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Assets		
Non-current assets		
Property, plant and equipment (Note 10)	$ 28,720	$ 33,708
Investment accounted for using the equity method (Note 26)	6,403	3,954
Intangible assets (Note 9)	7,783	7,939
Deferred tax asset (Note 8)	566	352
Trade and other receivables (Note 11)	1,543	5,321
Due from related parties (Note 19)	5,651	120
Total non-current assets	50,666	51,394
Current assets		
Trade and other receivables (Note 11)	2,766	8,662
Due from related parties (Note 19)	1,019	11,477
Inventories (Note 12)	738	886
Restricted cash (Note 13)	1,802	1,724
Cash and cash equivalents (Note 13)	4,749	5,491
Total current assets	11,074	28,240
Total assets	**$ 61,740**	**$ 79,634**

- continued -

The accompanying notes are an integral part of these consolidated financial statements.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Equity and liabilities		
Capital and reserves		
Share capital (Note 17)	110,144	109,926
Share option reserve	289	467
Retained earnings	(106,552)	(95,666)
Translation reserve	(1,725)	734
Equity attributable to equity holders of the parent	2,156	15,461
Non-controlling interest	6,404	6,117
Total equity	8,560	21,578
Non-current liabilities		
Borrowings (Note 15)	28,532	37,612
Obligations under leases and hire purchase contracts (Note 20)	317	275
Deferred tax liabilities (Note 8)	77	54
Provisions (Note 16)	1,475	2,100
Trade and other payables (Note 14)	1,318	999
Total non-current liabilities	31,719	41,040
Current liabilities		
Trade and other payables (Note 14)	6,203	6,785
Due to related parties (Note 19)	2,368	2,429
Borrowings (Note 15)	9,763	3,778
Obligations under leases and hire purchase contracts (Note 20)	463	833
Other financial liabilities (Note 23)	615	666
Current tax liabilities	821	513
Provisions (Note 16)	1,228	2,012
Total current liabilities	21,461	17,016
Total liabilities	53,180	58,056
Total equity and liabilities	**$ 61,740**	**$ 79,634**

The consolidated financial statements were approved by the Board of Directors on April 23, 2015.

The accompanying notes are an integral part of these consolidated financial statements.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Net gaming wins	$ 40,323	$ 42,825
Food, beverage and hospitality sales	10,230	10,097
Total revenue	50,553	52,922
Cost of goods sold	(18,456)	(18,360)
Gross profit	32,097	34,562
Other operating costs		
Operating, general and administrative	(28,439)	(30,593)
Project development	-	(27)
Depreciation and amortization	(4,306)	(5,114)
Other gains and (losses) (Note 5)	(1,601)	(1,605)
Operating loss	(2,249)	(2,777)
Share of loss from equity accounted investments	(2,867)	(97)
Financing		
Foreign exchange (loss) / gain	(510)	(1,164)
Financing costs (Note 7)	(4,591)	(5,907)
Financing income (Note 7)	652	838
Other interest (Note 7)	(37)	(206)
Finance costs, net	(4,486)	(6,439)
Loss before tax	(9,602)	(9,313)
Income taxes expense (Note 8)		
Current	(1,392)	(1,353)
Deferred	221	(354)
Income taxes expense	(1,171)	(1,707)
Loss for the year from continuing operations	**$ (10,773)**	**$ (11,020)**
Loss for the year from discontinued operations	-	(2,380)
Loss for the year	**$ (10,773)**	**$ (13,400)**

- continued -

The accompanying notes are an integral part of these consolidated financial statements

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Other comprehensive income (amounts, which will be recycled)		
Exchange differences arising on the translation of foreign operations	$ (2,459)	$ (2,729)
Other comprehensive income for the year	(2,459)	(2,729)
Total comprehensive income for the year	**$ (13,232)**	**$ (16,129)**
Loss for the year attributable to:		
Owners of the parent	(11,084)	(14,334)
Non-controlling interest	311	934
	$ (10,773)	$ (13,400)
Total comprehensive income attributable to:		
Owners of the parent	(13,543)	(17,063)
Non-controlling interest	311	934
	$ (13,232)	$ (16,129)
Basic and diluted loss per share (in $) : (Note 18)		
Loss from continuing operations	(0.49)	(0.52)
Loss from discontinued operations	-	(0.10)
Total	(0.49)	(0.62)

The accompanying notes are an integral part of these consolidated financial statements.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	Attributable to equity holders of parent						
	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2013	$ 109,969	$ 783	$ 4,523	$ (81,648)	$ 33,627	$ 8,218	$ 41,845
Transactions with owners:							
Issue of new shares	240	-	-	-	240	-	240
Shares buy-back	(272)	-	-	-	(272)	-	(272)
Shares returned to treasury	(11)	-	-	-	(11)	-	(11)
Options cancellation and expiration	-	(316)	-	316	-	-	-
Philippines disposal	-	-	(1,060)	-	(1,060)	(3,035)	(4,095)
	$ (43)	$ (316)	$ (1,060)	$ 316	$ (1,103)	$ (3,035)	$ (4,138)
Loss for the year	-	-	-	(14,334)	(14,334)	934	(13,400)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(2,729)	-	(2,729)	-	(2,729)
Total comprehensive income for the year	-	-	(2,729)	(14,334)	(17,063)	934	(16,129)
Balance at December 31, 2013	$ 109,926	$ 467	$ 734	$ (95,666)	$ 15,461	$ 6,117	$ 21,578

	Attributable to equity holders of parent						
	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2014	$ 109,926	$ 467	$ 734	$ (95,666)	$ 15,461	$ 6,117	$ 21,578
Transactions with owners:							
Issue of new shares	218	-	-	-	218	-	218
Buyback of subsidiary shares	-	-	-	20	20	(24)	(4)
Options cancellation and expiration	-	(178)	-	178	-	-	-
	$ 218	$ (178)	$ -	$ 198	$ 238	$ (24)	$ 214
Loss for the year	-	-	-	(11,084)	(11,084)	311	(10,773)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(2,459)	-	(2,459)	-	(2,459)
Total comprehensive income for the year	-	-	(2,459)	(11,084)	(13,543)	311	(13,232)
Balance at December 31, 2014	$ 110,144	$ 289	$ (1,725)	$ (106,552)	$ 2,156	$ 6,404	$ 8,560

The accompanying notes are an integral part of these consolidated financial statements.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Cash flow from operating activities		
Loss for the year	$ (10,773)	$ (11,020)
Items not involving cash:		
Depreciation and amortization	4,306	5,209
Loss on disposal of property, plant and equipment	(107)	131
Unrealized foreign exchange	510	1,487
Increase / (decrease) in provision	(1,364)	1,246
Bad debt expense	401	-
Other losses / (gains)	1,307	-
Share based payments	219	240
Finance income	(652)	(838)
Finance cost	4,591	5,907
Other interests	37	206
Results from equity accounted investments	2,867	97
Tax expenses	1,171	1,707
Net change in non-cash working capital items		
Decrease in trade, prepaid and other receivables	5,676	4,726
Decrease in inventory	102	7
(Decrease) / increase in trade payables and accrued	(236)	(1,751)
Cash (used) from operations	8,055	7,354
Total tax paid	(1,066)	(1,434)
Net cash generated by continuing operations	6,989	5,920
Net cash (used) from discontinued operations	-	(1,322)
Net cash (used) from operating activities	**$ 6,989**	**$ 4,598**

- continued -

The accompanying notes are an integral part of these consolidated financial statements.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2014

	2014	2013
Cash flow from investing activities		
Expenditure on property, plant and equipment	(2,598)	(3,422)
Proceeds on sale of property, plant and equipment	1,622	59
Proceeds on sale of Philippines operation, net of cash disposed	-	17,265
Cost of sale of Philippines operation	(259)	(522)
Interest received	652	317
Net cash used from investing activities	**$ (583)**	**$ 13,697**
Cash flow from financing activities		
Shares buy-back	-	(283)
Proceeds from issue of new loans	534	1,550
Repayment of loans and leases payable	(3,546)	(15,884)
Interest paid	(3,883)	(5,188)
Net cash used from financing activities	**$ (6,895)**	**$ (19,805)**
Net change in cash and cash equivalents during the year	(489)	(1,510)
Cash and cash equivalents, beginning of the year	7,215	8,506
Effect of foreign exchange adjustment	(175)	219
Cash and cash equivalents, end of the year	**$ 6,551**	**$ 7,215**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of operations

The principal activities of Thunderbird Resorts Inc and its subsidiaries “the Group” is to develop, own and operate gaming venues. The Group also owns and manages hotels principally as a support to the gaming operations.

These activities are grouped into the following service lines:

- Gaming – the provision of table and slot games within a number of operating locations in the Group's chosen markets. The Group also has a limited sportsbook offering, however, it is considered to be immaterial to the Group's performance.
- Hotel – the Group offers B2C services where revenue is generated directly from occupancy of rooms by customers as well as B2B hotel management services where revenues are generated based on the occupancy rates of the property being managed. Hotel revenues also include the relevant food, beverage and hospitality income.

General information and statement of compliance with IFRS

Thunderbird Resorts Inc, the Group’s ultimate parent company, is a limited liability company incorporated and domiciled in the British Virgin Islands, number 1055634.

Its registered office is Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514, Panama, Republic of Panama. The Group’s common shares are listed on Euronext Amsterdam under the symbol “TBIRD.”

The consolidated financial statements 2014 of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 (page 72).

The figures as of December 31, 2014 include the Group's economic interest in Grupo Thunderbird de Costa Rica, S.A. and Thunderbird Gran Entretenimiento, S.A. The Group sold its interests in the above referenced operations as of February 25, 2015. For more information on the sale of these interests, please see Note 28 Subsequent Events.

2. MANAGEMENT STATEMENT ON "GOING CONCERN"

Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 18 months from December 31, 2014. In arriving at this judgment, Management has prepared the cash flow projections of the Group, which incorporates a 5-year rolling forecast and detailed cash flow modeling through the current financial year. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no new construction projects during the forecast period, with the exception of one business that is already under development and expected to open in 2015. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to revenues not achieving anticipated levels.

The Directors have considered the: (i) base of investors and debt lenders historically available to Thunderbird Resorts, Inc.; (ii) global capital markets; (iii) limited trading exposures to our local suppliers and retail customers; (iv) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (v) sources of Group income, including management fees charged to and income distributed from its various operations; (vi) cash generation, debt amortization levels and key debt service coverage ratios; (vii) fundamental trends of the Group's businesses; (viii) extraordinary cash inflows and outflows from one-time events forecasted to occur in the 18-month period following December 31, 2014; (ix) refinancing of Peru and Peru-related debt; and (x) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least 18 months following December 31, 2014. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies

These consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended

December 31, 2014, except for the adoption of the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to, and effective for the Group's consolidated financial statements for the annual period beginning January 1, 2014:

- Amendments to IFRS 10, IFRS 12 and IAS 27,'Investment Entities';
- Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities.;
- Amendments to IAS 36, 'Impairment of assets';
- Amendment to IAS 39, 'Financial instruments'
- IFRIC 21, 'Levies';

None of the new standards adopted during the year have had a material impact on the Group's financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the Group's 2014 consolidated financial statements:

- IFRS 9,'Financial Instruments';
- IFRS 15, 'Revenue from contracts with customers';
- Amendments to IFRS 11,'Accounting for Acquisitions of Interests in Joint Operations';
- Amendments to IAS 16 and IAS 38, Clarifications of Acceptable Methods of Depreciation and Amortization;
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants;
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions;
- Annual improvements to Standards 2010-2012 Cycle; and
- Annual improvements to Standards 2011-2013 Cycle.

The Directors are of the opinion that, with the exception of IFRS 9 and IFRS 15, impacting the measurement of the Group's borrowings and revenues, which are still under review, the above amendments will not have a significant impact upon the Group's consolidated financial statements as the implementation of these standards will not require restatement of prior periods.

3.3 Summary of accounting policies

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

A summary of the Group's significant accounting policies is set out below.

Critical accounting estimates and judgments

The preparation of financial statements with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below. The best estimates of the Directors may differ from the actual results.

Critical judgments	**Accounting policy**		**Note**
Recoverability of deferred tax assets	3.3 c	Recognition of deferred tax asset	8
Litigation provisions and contingent liabilities	3.3 h	Judgments on probability of payment as a result of disputes	17
Financial liabilities	3.3 i	Assessment of significance of debt modifications	16
Control assessment	3.3 e	Determination of control over economic activities	27
		Recoverability of amounts due from related parties	20

Critical accounting estimates	**Accounting policy**		**Note**
Estimated economic lives and residual values	3.3 a	Depreciable lives of assets and realisable residual value	10
Carrying value of assets and potential impairments	3.3 b	Future operating results growth rates, and discount factor applied	9

a. Property, plant and equipment

All property, plant and equipment is stated at acquired cost less depreciation and impairment. Land is not depreciated as no finite useful life can be determined. Acquired cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation on assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Properties	20 – 30 years
Furniture and equipment	3 – 10 years
Gaming machines	3 – 10 years
Leasehold improvements	over the lease term

Profits and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, borrowing costs, and other direct costs. The assets are not depreciated until such time that the assets are completed and available for use. Transfers are made from the construction in progress category to the appropriate property, plant and equipment asset categories when the construction of the asset has been substantially completed.

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2014, Management assesses that the useful lives represent the expected utility of the assets of the Group. The carrying amounts are analyzed in Notes 9 and 10. Actual results, however, may vary due to obsolescence.

b. Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which Management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, as set out in Note 9.

All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, Management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect Management's assessment of respective risk profiles, such as market and asset-

specific risks factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

c. Taxation including deferred tax

The income tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity. Current tax is applied to taxable profits at the prevailing rate in the relevant country.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Deferred tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if deferred tax arises from the initial recognition of goodwill it is not recognized, nor is deferred tax arising on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Withholding taxes on earnings of foreign operations are provided in the accounts only to the extent earnings are expected to be repatriated.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Management's assessment over the probability of future taxable income in which deferred tax assets can be utilized is based on forecasts. The tax rules in the jurisdictions in which the Group operates are also taken into consideration. The recognition of deferred tax assets subject to legal or economic uncertainties are assessed by Management on the individual facts and circumstances.

d. Reporting and foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US-dollars, which is also the Parent Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency of each individual entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in financing costs.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(c) Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency other than the presentation currency are translated into the presentation currency on consolidation as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at each reporting date.

(ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) for the period presented.

(iii) All resulting exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity.

When a foreign operation is disposed of or control is lost, the cumulative amount of the exchange differences relating to that operation accumulated in the separate component of equity is reclassified from equity to profit or loss and recognized as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

e. Consolidation

The Group's consolidated financial statements consolidate the financial statements of Thunderbird Resorts Inc. and the entities it controls drawn up to December 31, 2014 and its comparative periods.

(a) Subsidiaries

The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group subsidiaries are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies as applied to the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group and are presented separately within equity in the consolidated statement of financial position, from parent shareholders' equity.

(b) Business combinations

The Group applies the acquisition method of accounting when accounting for business combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are charged to profit or loss as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets for the subsidiary acquired, the difference is recognized directly in profit or loss.

(c) Investment in Joint ventures and associates

The Group has contractual arrangements with other parties which represent joint ventures. In this case, the arrangements take the form of agreements to share control over economic activities in the Costa Rican operations. Strategic financial and operating decisions relating to these operations require the unanimous consent of both parties.

Investments in associates and joint ventures are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognized separately and is included in the amount recognized as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealized gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

f. Intangible assets

(a) Goodwill

Goodwill represents the excess of the fair value of consideration transferred in a business combination over the fair value of the Group's share of the net identifiable assets at the date of the business combinations and is not amortized. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Casino and other gaming licenses

The Group capitalizes the cost to acquire casino and other gaming licenses. These costs are amortized over the term of the license.

(c) Software and software licenses

The Group includes acquired and internally developed software used in operations or administration as intangible assets. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful life. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 9. The following useful lives are applied:

Software	2 – 5 years

Amortization has been included within depreciation, amortization and impairment of non-financial assets'. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software.

g. Leases

Leases are tested to determine whether the lease is a finance lease or an operating lease, and are treated accordingly. Property leases comprising a lease of land and a lease of a building within a single contract are split into its component parts before testing.

(a) Finance leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property, plant and equipment or the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included in other long term borrowings. The interest element of the finance cost is charged to profit or loss over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

(b) Operating leases

All leases which are not classified as finance leases, and where the Group does not have substantially all the risks and rewards of ownership, are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the lease term.

h. Provisions

Employee benefits

(a) The Group recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the Group's profits. The Group recognizes a provision where it is contractually obliged to pay the benefits, and/or where there is a past practice that has created a constructive obligation.

(b) Other

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the end of each reporting period.

(c) Litigation provisions

The Group provides against various litigation proceedings once judgments are rendered against it, as in Management's view this provides the best indication that

payment has become probable. The award amount is used as the Directors' best estimate of the potential liability, even if the Group is appealing the judgment.

Provisions are discounted to their present value, where the time value of money is material.

i. Financial instruments

Financial assets

Financial assets are divided into the following categories: loans and receivables; and financial assets at fair value through profit or loss. Financial assets are assigned to the different categories by Management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets other than those categorized at fair value through profit or loss are recognized at fair value plus transaction costs. Financial assets categorized at fair value through profit or loss, are recognized initially at fair value with transaction costs expensed through profit or loss.

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, related party receivables and cash and cash equivalents are classified as loans and receivables. Loans and other receivables are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in profit or loss.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the original effective interest rate.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de-recognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for de-recognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities categorized at fair value through profit or loss, are recorded initially at fair value. All other financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities categorized as at fair value through profit or loss, are measured at each reporting date at fair value, with changes in fair value being recognized in profit or loss. All other financial liabilities are recorded at amortized cost using the effective interest method, with interest-related charges recognized as an expense in finance cost in the statement of comprehensive income. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognized in profit or loss.

j. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory is determined on a 'first-in-first-out' basis. Inventory consists of food, beverages and supplies.

k. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Restricted cash includes all cash balances that are required to be maintained under regulatory requirements. Casino industry regulations vary by country but all require our casino operations to maintain specified minimum levels of cash to support chips in play, slot hoppers, and reserves.

l. Borrowings and borrowing costs

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period end date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, or assets that take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Share capital

Common shares are classified as equity.

Where the Group purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity attributable to the Group's equity holders.

n. Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period, with the corresponding credit to the share option reserve. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a change is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms of the options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up are recognized as share capital.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with the fair value of goods and services received. If fair value cannot be reliably measured the fair value of the goods or services received, the value of the services are recognized, and the corresponding increase in equity, is recognized indirectly, by reference to the fair value of the equity instruments granted.

The carrying value of financial derivative instruments associated with the grant of warrants are calculated using an appropriate pricing model, taking into account the terms and conditions upon which the instrument was granted and the Group's stock price and volatility at the grant date.

o. Compound financial instruments

When convertible financial instruments are issued, any component that creates a financial liability of the Group as defined in IAS 32 "Financial Instruments: Presentation" is presented as a liability in the statement of financial position. Where the conversion option is not closely related to the host contract, it is presented separately within derivative financial liabilities. Both the host contract and conversion option are initially recognized in the statement of financial position at fair value. Subsequently, the host contract is carried at amortized cost with gains and losses recognized in profit or loss, and the conversion option is measured at fair value through profit or loss.

p. Net gaming wins and revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured, the risks and rewards of ownership have been transferred to the buyer, the Group no longer has control over the goods, and the costs incurred in respect of the transaction can be reliably measured. Revenue is recognized on specific items as follows:

(a) Net gaming wins – Casino revenues represent the net wins/(losses) from gaming activities, which is, for slot machines, the difference between coins and currencies deposited into the machines and the payments to customers and, for other (table and sports book) games, the difference between gaming wins and losses. Net gaming wins are recognized when they occur.

(b) Food, beverage and hospitality sales – Revenue is recognized at the point of sale or upon the actual rendering of service.

(c) Interest income – Revenue is recognized as the interest is accrued (taking into account the effective yield on the asset).

Costs and expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date they are incurred.

q. Earnings per share

Basic earnings per share is calculated using the weighted-average number of shares outstanding during the period.

The Group uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

r. Project development costs

Project development costs incurred in an effort to identify and develop new gaming locations are expensed as incurred.

s. Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale, is further analyzed in Note 11.

t. The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented. Where operations previously presented as discontinued are now regarded as continuing operations, prior period disclosures are correspondingly re-presented.

u. Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case Management uses the best information available.

Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

4. SEGMENTAL INFORMATION

In identifying its operating segments, Management generally follows the Group's geographic country lines. These operating segments are monitored by the Group's chief operating decision makers and strategic decisions are made on the basis of adjusted operating results.

The activities undertaken by each operating segment include the operation of casinos and related food, beverage and hospitality activities. Some of our operating segments also operate hotels, notably Peru and Costa Rica.

Each of these operating segments is managed separately by country managers as each country has a different regulatory environment and customs, as well as, different marketing approaches. All inter-segment transfers are carried out at arm's length prices when they occur.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements, except that expenses relating to share-based payments are not included in arriving at the operating profit of the operating segments and results for the Group's equity accounted joint venture are shown proportionally and in aggregate with the Group's Costa Rican subsidiary. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. In the financial periods under review, this primarily applies to the Group's headquarters in Panama.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

Operating segments

	Costa Rica		Nicaragua		Philippines		Peru	
	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations								
Total revenue	12,460	14,383	13,513	14,005	-	-	30,187	30,646
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	2,909	3,478	2,076	2,272	-	-	4,768	5,227
Project development	(85)	(45)	-	-	-	-	-	-
Depreciation and amortization	(1,516)	(2,075)	(594)	(624)	-	-	(3,274)	(3,848)
Other gains and (losses)	(899)	(8)	(93)	(122)	-	-	19	31
Segments result	409	1,350	1,389	1,526	-	-	1,513	1,410
Foreign exchange gain / (loss)	(454)	63	(183)	(245)	-	-	(872)	(1,414)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	-	-
Finance costs	(625)	(680)	(160)	(239)	-	-	(1,263)	(1,348)
Finance income	16	-	8	4	-	-	5	105
Other interest	-	-	-	-	-	-	(37)	(204)
Management fees - intercompany charges	(479)	(761)	(19)	-	-	(1,215)	72	(73)
Profit / (loss) before taxation	(1,133)	(28)	1,035	1,046	-	(1,215)	(582)	(1,524)
Taxation	(40)	(149)	(323)	(374)	-	-	(827)	(1,217)
Profit / (loss) for the year-continuing operations	(1,173)	(177)	712	672	-	(1,215)	(1,409)	(2,741)
Profit / (loss) for the year-discontinued operations	(1,705)	(114)	-	-	-	(2,625)	-	-
Profit / (loss) for the year	(2,878)	(291)	712	672	-	(3,840)	(1,409)	(2,741)
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(2,878)	(291)	712	672	-	(3,840)	(1,409)	(2,741)
Non-controlling interest	(4)	2	314	297	-	626	-	-
Total comprehensive income attributable to owners of the parent	(2,874)	(293)	398	375	-	(4,466)	(1,409)	(2,741)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	2,006	2,508	1,387	1,387	-	-	4,277	4,277
Intangible assets with finite useful lives	147	6	21	56	-	-	439	560
Segment assets:								
Property, plant and equipment	8,464	9,059	5,973	5,941	-	-	19,407	22,487
Other segment assets (including cash)	12,134	7,024	(1,476)	(2,149)	-	-	15,435	20,696
Total segment assets	22,751	18,597	5,905	5,235	-	-	39,558	48,020
Assets classified as held for sale	8,082	9,886	-	-	-	-	-	-
Total assets	30,833	28,483	5,905	5,235	-	-	39,558	48,020
Total segment liabilities	8,792	7,970	3,016	2,932	-	-	19,358	21,066
Liabilities associated with assets held for sale	1,997	2,193	-	-	-	-	-	-
Total liabilities	10,789	10,163	3,016	2,932	-	-	19,358	21,066
Net assets / (liabilities)	20,044	18,320	2,889	2,303	-	-	20,200	26,954
Non-controlling interest	4,961	4,940	1,626	1,312	-	-	-	-
Other segment items								
Capital expenditure	1,777	419	924	190	-	-	1,675	832
Depreciation and amortization	1,516	2,075	594	624	-	-	3,274	3,848
Impairment losses for non-operating assets	1,203	-	-	-	-	-	-	-

- continued -

	Total Operation		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations								
Total revenue	56,160	59,034	70	219	(5,677)	(6,331)	50,553	52,922
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	9,753	10,977	(4,501)	(4,884)	(1,867)	(2,410)	3,385	3,683
Project development	(85)	(45)	-	(26)	85	44	-	(27)
Depreciation and amortization	(5,384)	(6,547)	(54)	(152)	1,132	1,585	(4,306)	(5,114)
Other gains and (losses)	(973)	(99)	(1,254)	(1,512)	626	6	(1,601)	(1,605)
Segments result	3,311	4,286	(5,809)	(6,574)	(24)	(775)	(2,522)	(3,063)
Foreign exchange gain / (loss)	(1,509)	(1,596)	618	505	381	(73)	(510)	(1,164)
Share of profit / (loss) from equity accounted investments	-	-	-	-	(2,867)	(97)	(2,867)	(97)
Finance costs	(2,048)	(2,267)	(3,105)	(4,252)	562	612	(4,591)	(5,907)
Finance income	29	109	639	729	(16)	-	652	838
Other interest	(37)	(204)	-	(2)	-	-	(37)	(206)
Management fees - intercompany charges	(426)	(2,049)	469	2,006	230	329	273	286
Profit / (loss) before taxation	(680)	(1,721)	(7,188)	(7,588)	(1,734)	(4)	(9,602)	(9,313)
Taxation	(1,190)	(1,740)	(16)	(77)	35	110	(1,171)	(1,707)
Profit / (loss) for the year-continuing operations	(1,870)	(3,461)	(7,204)	(7,665)	(1,699)	106	(10,773)	(11,020)
Profit / (loss) for the year-discontinued operations	(1,705)	(2,739)	-	245	1,705	114	-	(2,380)
Profit / (loss) for the year	(3,575)	(6,200)	(7,204)	(7,420)	6	220	(10,773)	(13,400)
Currency translation reserve	-	-	(2,459)	(2,729)	-	-	(2,459)	(2,729)
Total comprehensive income for the year	(3,575)	(6,200)	(9,663)	(10,149)	6	220	(13,232)	(16,129)
Non-controlling interest	310	925	-	-	1	9	311	934
Total comprehensive income attributable to owners of the parent	(3,885)	(7,125)	(9,663)	(10,149)	5	211	(13,543)	(17,063)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	7,670	8,172	-	-	(364)	(866)	7,306	7,306
Intangible assets with finite useful lives	607	622	17	17	(147)	(6)	477	633
Segment assets:								
Property, plant and equipment	33,844	37,487	474	1,831	(5,598)	(5,610)	28,720	33,708
Other segment assets (including cash)	26,093	25,571	2,686	7,602	(3,542)	4,814	25,237	37,987
Total segment assets	68,214	71,852	3,177	9,450	(9,651)	(1,668)	61,740	79,634
Assets classified as held for sale	8,082	9,886	-	-	(8,082)	(9,886)	-	-
Total assets	76,296	81,738	3,177	9,450	(17,733)	(11,554)	61,740	79,634
Total segment liabilities	31,166	31,968	28,897	32,234	(6,883)	(6,146)	53,180	58,056
Liabilities associated with assets held for sale	1,997	2,193	-	-	(1,997)	(2,193)	-	-
Total liabilities	33,163	34,161	28,897	32,234	(8,880)	(8,339)	53,180	58,056
Net assets / (liabilities)	43,133	47,577	(25,720)	(22,784)	(8,853)	(3,215)	8,560	21,578
Non-controlling interest	6,587	6,252	-	-	(183)	(135)	6,404	6,117
Other segment items								
Capital expenditure	4,376	1,441	7	61	(1,738)	(395)	2,645	1,107
Depreciation and amortization	5,384	6,547	54	152	(1,132)	(1,585)	4,306	5,114
Impairment losses for non-operating assets	1,203	-	-	-	(1,203)	-	-	-

(1) Includes non-operating entities

(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

Other supplementary information:

	Gaming		Hotel		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations										
Total revenue	49,959	53,216	6,201	5,818	70	219	(5,677)	(6,331)	50,553	52,922
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	8,688	10,522	1,065	455	(4,501)	(4,884)	(1,867)	(2,410)	3,385	3,683
Project development	(85)	(43)	-	(2)	-	(26)	85	44	-	(27)
Depreciation and amortization	(3,887)	(4,941)	(1,497)	(1,606)	(54)	(152)	1,132	1,585	(4,306)	(5,114)
Other gains and (losses)	(1,059)	(122)	86	23	(1,254)	(1,512)	626	6	(1,601)	(1,605)
Segments result	3,657	5,416	(346)	(1,130)	(5,809)	(6,574)	(24)	(775)	(2,522)	(3,063)
Foreign exchange gain / (loss)	(1,182)	(1,560)	(327)	(36)	618	505	381	(73)	(510)	(1,164)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	(2,867)	(97)	(2,867)	(97)
Finance costs	(1,526)	(1,707)	(522)	(560)	(3,105)	(4,252)	562	612	(4,591)	(5,907)
Finance income	27	6	2	103	639	729	(16)	-	652	838
Other interest	-	-	(37)	(204)	-	(2)	-	-	(37)	(206)
Management fees - intercompany charges	(554)	(2,263)	128	214	469	2,006	230	329	273	286
Profit / (loss) before taxation	422	(108)	(1,102)	(1,613)	(7,188)	(7,588)	(1,734)	(4)	(9,602)	(9,313)
Taxation	(452)	(1,368)	(738)	(372)	(16)	(77)	35	110	(1,171)	(1,707)
Profit / (loss) for the year-continuing operations	(30)	(1,476)	(1,840)	(1,985)	(7,204)	(7,665)	(1,699)	106	(10,773)	(11,020)
Profit / (loss) for the year-discontinued operations	(1,705)	(1,923)	-	(816)	-	245	1,705	114	-	(2,380)
Profit / (loss) for the year	(1,735)	(3,399)	(1,840)	(2,801)	(7,204)	(7,420)	6	220	(10,773)	(13,400)
Currency translation reserve	-	-	-	-	(2,459)	(2,729)	-	-	(2,459)	(2,729)
Total comprehensive income for the year	(1,735)	(3,399)	(1,840)	(2,801)	(9,663)	(10,149)	6	220	(13,232)	(16,129)
Non-controlling interest	310	925	-	-	-	-	1	9	311	934
Total comprehensive income attributable to owners of the parent	(2,045)	(4,324)	(1,840)	(2,801)	(9,663)	(10,149)	5	211	(13,543)	(17,063)
Assets and liabilities										
Segment intangible assets:										
Intangible assets with indefinite useful lives	7,656	8,158	14	14	-	-	(364)	(866)	7,306	7,306
Intangible assets with finite useful lives	278	172	329	450	17	17	(147)	(6)	477	633
Segment assets:										
Property, plant and equipment	18,293	19,378	15,551	18,109	474	1,831	(5,598)	(5,610)	28,720	33,708
Other segment assets (including cash)	23,511	17,589	2,582	7,982	2,686	7,602	(3,542)	4,814	25,237	37,987
Total segment assets	49,738	45,297	18,476	26,555	3,177	9,450	(9,651)	(1,668)	61,740	79,634
Assets classified as held for sale	8,082	9,886	-	-	-	-	(8,082)	(9,886)	-	-
Total assets	57,820	55,183	18,476	26,555	3,177	9,450	(17,733)	(11,554)	61,740	79,634
Total segment liabilities	24,184	24,267	6,982	7,701	28,897	32,234	(6,883)	(6,146)	53,180	58,056
Liabilities associated with assets held for sale	1,997	2,193	-	-	-	-	(1,997)	(2,193)	-	-
Total liabilities	26,181	26,460	6,982	7,701	28,897	32,234	(8,880)	(8,339)	53,180	58,056
Net assets / (liabilities)	31,639	28,723	11,494	18,854	(25,720)	(22,784)	(8,853)	(3,215)	8,560	21,578
Non-controlling interest	6,587	6,252	-	-	-	-	(183)	(135)	6,404	6,117
Other segment items										
Capital expenditure	4,272	1,311	104	130	7	61	(1,738)	(395)	2,645	1,107
Depreciation and amortization	3,887	4,941	1,497	1,606	54	152	(1,132)	(1,585)	4,306	5,114
Impairment losses for non-operating assets	1,203	-	-	-	-	-	(1,203)	-	-	-

(1) Includes non-operating entities

(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

5. OTHER GAINS AND (LOSSES)

	2014	2013
Loss on disposal of Philippine operations [a]	(1,534)	-
Other write off of assets [b]	(232)	(196)
Provision for Daman Hospitality loan guarantees [c]	(117)	(930)
Impairment adjustment for shares pledged for borrowings [d]	(21)	61
Sale of corporate property [e]	303	-
Legal case settlement	-	(600)
Gain on Guatemala sale	-	39
Fair value adjustment for financial derivative contracts	-	21
Total	**$ (1,601)**	**$ (1,605)**

a. Loss on disposal of Philippine operations

On August 6, 2013, the Group disposed of its entire economic interests and Management rights in its Philippine and related BVI operations "Philippine operations" to Magnum Leisure Holdings Inc. for post-tax, net consideration (before certain debt pay offs) of approximately $28.3 million resulting in a loss on disposal of $3.8 million.

The consideration received included $21.1 million in cash, a $5 million promissory note that bore interest at 7% and fully amortized over 18 months, and a $5 million hold back for 30 months to cover potential contingent liabilities. The fair value recognized for the hold back was $2.2 million, which represented the present value of the Group's estimate of the cash inflow. It reflected Management's estimate that 50% of the hold back may be used to cover potential contingent liabilities and was discounted over 30 months using an interest rate of 7%.

On October 14, 2014, the Group reached a settlement with Magnum Leisure Holdings Inc. for $3.35 million, which represented 100% of the financed portion of the purchase price as well as a portion of the funds held back to cover potential contingent liabilities. The settlement resulted in the recognition of an additional loss on the disposed assets of $1.5 million ($1.3 million discount on hold back and $200 thousand in legal fees).

b. Other write off of assets

Certain trade receivables in Corporate, Nicaragua, Costa Rica, and Peru were determined to be uncollectable and an expense of $401,000 (2013 - $65,000) has been recorded. In addition, losses were recognized on dispositions, abandonments or obsolescence of property, plant and equipment and write-off of deposits totaling $156,000 (2013 - $203,000) which partially offset

with gains on sale of property, plant, and equipment, reversals of provisions, and release of certain aged liabilities of $326,000 (2013 - $72,000).

c. Provision for India loan guarantee

In Note 21 Commitments and Contingencies, under the sub-section Daman Hospitality loan guarantees, the Group has disclosed that “Management has been advised by DHPL that its equity holding has been reduced to approximately 5.5% in DHPL and that, as a result, Delta and DHPL are now obligated to obtain a release of the Group’s remaining guarantees.” The Group has also disclosed that “Delta and others dispute their respective obligations and the legal positions taken by the Group. The parties are working towards a resolution of this dispute and accordingly recorded a provision for $930,000 as of December 31, 2013. After further negotiation the group has recognized an additional provision of $117,000. See Note 21, Commitments and Contingencies and Note 16, Provisions.

d. Impairment adjustments for shares pledged for borrowings

During the first quarter of 2012, the Group restuctured certain Peru debt, refered to as “Parlor debt” (2012 Annual Report, Chapter 3, p. 15). As part of the negotiations, the Group issued 175,000 of Thunderbird Resorts shares as additional security on the loan. Upon initial recognition, $355,000 was separately measured and recorded within other non-current trade and other receivables. As of December 31, 2013, 115,210 shares were converted to cash and held as security on the loan. The remaining 59,790 shares have a recoverable amount of $22,000 (2013 - $61,500), based on the share price as of December 31, 2014. An impairment of $21,000 related to the recoverable amount of the asset previously held on the balance sheet was recorded for the period.

e. Sale of corporate property

In May 2014, the Group sold an investment property in Panama City, Panama for $1,800,000. The sale resulted in a gain on disposal of $303,000.

6. COMPENSATION OF KEY PERSONNEL

Key Management of the Group are the members of the Board of Directors and officers.

The remuneration of key management personnel during the year was as follows:

	2014	2013
Salaries and bonuses	1,291	1,427
Share-based payments	205	180
Short-term benefits	109	261
Total	**$ 1,605**	**$ 1,868**

The remuneration of key personnel is determined by the compensation committee taking into account the performance of individuals and market trends.

7. FINANCING COSTS AND INCOME

Finance cost and income includes all interest-related expenses and income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in profit or loss for the reporting periods presented:

	2014	2013
Finance cost		
Bank loans	$ 1,279	$ 1,492
Other loans	2,125	2,734
Related party loans	332	485
Finance charges payable under finance leases and hire purchase contracts	65	64
Amortization of borrowing costs	790	1,132
Total finance costs (on a historical cost basis)	**$ 4,591**	**5,907**
Finance income		
Bank interest receivable	35	23
Gain on loan extinguishment	-	521
Third party interest receivable	617	294
Total finance income (on a historical cost basis)	**$ 652**	**$ 838**
Other interest		
Other interest	37	206
Total other interest	**$ 37**	**$ 206**

8. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in profit or loss

	2014	2013
Current Income Tax		
Foreign tax	$ 1,392	$ 1,353
Total current income tax	1,392	1,353
Deferred Tax		
Origination and reversal of temporary differences	(221)	354
Total deferred tax	(221)	354
Tax charged in the statement of comprehensive income	**$ 1,171**	**$ 1,707**
Taxes allocated to:		
Loss for the year	1,171	1,707
Totals	**$ 1,171**	**$ 1,707**

b) Reconciliation of the total tax charge

The tax expense in the statement of comprehensive income for the year is higher than the standard rate of corporate tax in the British Virgin Islands of 0%. The differences are reconciled below:

	2014	2013
Accounting loss before income tax	$ (9,602)	$ (9,313)
Effect of different tax rates on overseas earnings	1,171	1,707
Total tax expense reported in the statement of income	$ 1,171	$ 1,707
Deferred income tax assets		
Non-capital loss carryforwards	286	51
Temporary differences on net assets	280	301
Total deferred tax	$ 566	$ 352
Deferred income tax liabilities		
Other assets - net book value in excess of unamortized tax	64	33
Withholding tax on repatriation of retained earnings from foreign subsidiaries	-	-
Other	13	21
Total deferred tax liabilities	**$ 77**	**$ 54**

At December 31, 2014, the Group has unrecognized United States income tax net operating losses of $30,246,000 (2013 - $29,124,000). These operating losses expire at various dates for up to 20 years. The potential income tax benefits related to United States loss carry forwards have not been reflected in the accounts as the Group does not anticipate future United States net income. At December 31, 2014, the Group has unrecognized Peru income tax net operating losses of $373,000. The $99,000 tax benefit associated with the Peru loss carry forwards has not been recognized as it is probable that the subsidiaries that hold the losses will not have sufficient net income to make use of the tax benefits before they expire in one to four years.

The Group has recorded a deferred tax asset in the amount of $566,000 (2013 - $352,000), $295,000 relate to Non-capital loss carry forwards in certain Peru subsidiaries and $271,0000 for temporary differences related to provisions and book reserves in certain Peru and Costa Rica subsidiaries.

	Statement of Financial Position 2014			Statement of Financial Position 2013		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total
Balance at beginning of year	$ 352	$ (54)	$ 298	$ 802	$ (37)	$ 765
Included in disposal group	-	-	-	(70)	-	(70)
Movement in profit or loss	248	(27)	221	(334)	(21)	(355)
Foreign exchange and other	(34)	4	(30)	(46)	4	(42)
Balance at end of year	**$ 566**	**$ (77)**	**$ 489**	**$ 352**	**$ (54)**	**$ 298**

9. INTANGIBLE ASSETS

	2014				2013			
	Gaming licenses	Goodwill	Others (Software and license)	Total	Gaming licenses	Goodwill	Others (Software and license)	Total
Cost								
Balance at beginning of year	$ 100	$ 7,306	$ 3,025	$ 10,431	$ 1,476	$ 11,600	$ 2,945	$ 16,021
Additions	-	-	26	26	-	-	80	80
Sale of subsidiary	-	-	-	-	(1,376)	(4,294)	-	(5,670)
Balance at end of year	100	7,306	3,051	10,457	100	7,306	3,025	10,431
Accumulated amortization and impairment								
Balance at beginning of year	-	-	2,492	2,492	1,376	393	2,282	4,051
Change for the year	-	-	182	182	-	-	210	210
Sale of subsidiary	-	-	-	-	(1,376)	(393)	-	(1,769)
Balance at end of year	-	-	2,674	2,674	-	-	2,492	2,492
Carrying amount								
At beginning of year	100	7,306	533	7,939	100	11,207	663	11,970
At end of year	**$ 100**	**$ 7,306**	**$ 377**	**$ 7,783**	**$ 100**	**$ 7,306**	**$ 533**	**$ 7,939**

The Peru license has an unamortized balance of $100,000 as of December 31, 2014 (2013 - $100,000).

Impairment review

For the purposes of assessing potential impairment, the Group's assets are grouped and reviewed for impairment at the lowest cash generating unit (CGU) level, where cash flows are independent of one another. In 2014, the Group has identified two geographical regions as its operating segments: Peru and Nicaragua (three in 2013, including Costa Rica). We no longer include our Thunderbird Gran Entretenimiento, S.A. asset in Costa Rica in our impairment analysis since it was disposed of in Q1 2015. In the case of Peru, due to high interdependence among cash inflows of individual operations within the country, this CGU level is deemed to be at a country level. In the case of Nicaragua, CGU is deemed to be by operating location.

For the purpose of annual impairment testing, Goodwill in Nicaragua was allocated to each individual CGU proportional to its percentage of country-wide revenue. Please kindly see the below:

	2014		
	Goodwill	**Other assets considered for impairment**	**Total assets considered for impairment**
Peru	**$ 4,277**	**$ 33,296**	**$ 37,573**
Nicaragua	**1,387**	**3,149**	**4,536**
Pharaoh's Central	610	1,384	1,994
Pharaoh's Camino Real	212	482	694
Pharaoh's Holiday Inn	111	252	363
Pharaoh's Bello Horizonte	312	708	1,020
Pharaoh's Chinandega	142	323	465

(1) Calculated as net asset of the CGU plus borrowings less cash and cash equivalents.

The recoverable amount of each CGU was determined based on value-in-use calculations. The following paragraphs describe the key assumptions on which Management has based its cash flow projections for the period covered by the most recent budgets/forecasts and a description of Management's approach to determining the value(s) assigned to each key assumption.

Key assumptions used

Management's key assumptions to forecast cash flow include:

1. Revenue and revenue growth / reduction: Revenue and revenue growth / reduction were both considered as key assumptions. Specifically, revenue for future years was forecasted by: a) Taking into account as a base line the revenue generated in each CGU in 2014; b) Increasing that base line revenue equal to an organic growth that is equal to the long-term GDP growth forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for

management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of revenue or a net reduction of revenue resulting from the net impact of the identified non-speculative events.

2. Cost of goods sold and growth / reduction of costs of goods sold: Cost of goods sold and growth / reduction in cost of goods sold were both considered as key assumptions. Specifically, costs of goods sold for future years was forecasted by: a) Taking into account as a base line the cost of goods sold in each CGU in 2014; b) Increasing that base line cost of goods sold by the long-term rate of inflation rate forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of cost of goods sold or a net reduction of cost of goods sold resulting from the net impact of the identified non-speculative events.
3. Operating costs and growth / reduction of operating costs Operating costs and growth / reduction in operating costs were both considered as key assumptions. Specifically, operating costs for future years were forecasted by: a) Taking into account as a base line the operating cost of in each CGU in 2014; b) Increasing those base line operating costs by the long-term rate of inflation rate forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of operating costs or a net reduction of operating costs sold resulting from the net impact of the identified non-speculative events.
4. Depreciation and amortization: Depreciation and amortization are forecasted based on the known future schedule of depreciation and amortization as of December 31, 2014 for each CGU, and then adjusted based on the future depreciation of assets to be purchased in the future using maintenance capex. For the purpose of annual impairment testing, depreciation and amortization in Nicaragua were allocated to each individual CGU proportional to its percentage of country-wide revenue.
5. Financing costs, net: Financing costs, net are forecasted based on the schedule of all known debt as of December 31, 2014 for each CGU. For the purpose of annual impairment testing, financing costs, net in Nicaragua were allocated to each individual CGU proportional to its percentage of country-wide revenue.
6. Direct and indirect taxes: Direct and indirect taxes were forecasted based on the tax regime in place as of December 31, 2014.
7. Maintenance Capex: Maintenance capex was forecasted for future years based on the percentage of revenue allocated to maintenance capex in 2014 for each CGU.

Discount rates

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate. The discount rate was derived based on the calculation of Weighted Average Cost of Capital (WACC) for the Group, adjusted to reflect market data for companies in the gaming industry. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment (incorporating adjustments for geographic location and currency risk). The discount rates applied for our CGUs were as follows:

	2014 Discount rates
Peru	11.9%
Nicaragua	
Pharaoh's Central	16.4%
Pharaoh's Camino Real	16.4%
Pharaoh's Bello Horizonte	16.4%
Pharaoh's Chinandega	16.4%
Pharaoh's Holiday Inn	16.4%

Sensitivity to changes in assumptions

With regard to the assessment of value in use of each acquisition, there are possible changes in key assumptions that could cause the carrying value of the unit to exceed its recoverable amount. These are discussed below:

1. Revenue and revenue growth / reduction: Gaming revenue can be impacted by a) Changes in drop levels, which may be affected by the number of customers, seasonality, effective marketing efforts, a change in technology, competition or regulatory changes; and b) Changes in Hold %, representing the probability of individual games, which change can happen through chance, changes in gaming regulation and changes in gaming technology. Hotel revenue can be impacted by competition and seasonality. Growth rates, which are based on estimated GDP growth may be affected by economic changes.
2. Cost of goods sold and growth / reduction of costs of goods sold: Costs of goods sold can be impacted by changes in the market price of different goods and services, our competitiveness and requirements to increase promotional allowances, and by payroll adjustments because of changes in labor market conditions and/or management efficiencies. Cost of goods growth rates, which are based on estimated inflation rates, may be affected by changes in market and/or economic conditions.
3. Operating costs and growth / reduction of operating costs: Operating costs can be impacted by changes in the market price of different goods and services, our competitiveness and requirements to increase marketing expense, and by payroll adjustments because of changes in labor market conditions and/or management efficiencies. Operating cost growth rates, which are based on estimated inflation rates, may be affected by changes in market and/or economic conditions.
4. Depreciation and amortization: Depreciation and amortization may be affected by the addition or sale of depreciable property, plant and equipment, including capital expenditures for maintenance purposes.
5. Financing costs, net: Financial Costs, net may be affected by the addition or pre-payment of debt from the current debt schedule and by changes in the financial interest charged by banks.
6. Direct and indirect taxes: Direct and indirect taxes may be affected by changes in tax legislation, regulation and judicial rulings.

7. Maintenance Capex: Maintenance capex may be affected by the non-planned deterioration of assets, whose replacement will deviate from the investment time and investment amount considered in our estimations.

After considering all key assumptions and a reasonable impact to the cash flows based on the sensitivities mentioned above, Management considers that it is not reasonable to assume that any of the CGU's carrying amounts will exceed their respective recoverable amounts.

10. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2014	$ 29,518	$ 8,127	$ 24,478	$ 14,158	$ 320	$ 76,601
Foreign exchange adjustments	(1,713)	(499)	(1,551)	(705)	(21)	(4,489)
Additions	-	8	235	202	2,200	2,645
Disposals	(1,628)	-	(184)	(534)	-	(2,346)
Transfers	62	138	1,650	439	(2,289)	-
As of December 31, 2014	26,239	7,774	24,628	13,560	210	72,411
Depreciation						
As of January 1, 2014	$ 7,501	$ 3,984	$ 21,018	$ 10,332	$ 58	$ 42,893
Foreign exchange adjustments	(513)	(247)	(1,311)	(525)	-	(2,596)
Charge for the year	1,340	457	1,608	755	-	4,160
Disposals	(291)	(10)	(170)	(295)	-	(766)
As of December 31, 2014	8,037	4,184	21,145	10,267	58	43,691
Net book value as of January 1, 2014	22,017	4,143	3,460	3,826	262	33,708
Net book value as of December 31, 2014	$ 18,202	$ 3,590	$ 3,483	$ 3,293	$ 152	$ 28,720

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2013	$ 64,885	$ 10,745	$ 44,960	$ 26,358	$ 3,541	$ 150,489
Foreign exchange adjustments	(4,248)	(223)	(3,213)	(1,341)	(263)	(9,288)
Additions	927	27	90	155	(308)	891
Additions - discontinued operations	136	7	11	115	2,182	2,451
Disposals	-	-	(590)	(117)	(3)	(710)
Disposals - discontinued operations	(32,276)	(2,476)	(17,315)	(11,702)	(3,463)	(67,232)
Transfers	94	47	535	690	(1,366)	-
As of December 31, 2013	29,518	8,127	24,478	14,158	320	76,601
Depreciation						
As of January 1, 2013	$ 13,699	$ 4,941	$ 36,752	$ 19,042	$ -	$ 74,434
Foreign exchange adjustments	(1,006)	(140)	(2,642)	(1,007)	-	(4,795)
Charge for the year	1,412	487	2,221	821	-	4,941
Charge for the year - discontinued operations	977	95	955	1,099	-	3,126
Disposals	-	-	(415)	(105)	-	(520)
Disposals - discontinued operations	(7,581)	(1,399)	(15,853)	(9,518)	-	(34,351)
Impairment	-	-	-	-	58	58
As of December 31, 2013	7,501	3,984	21,018	10,332	58	42,893
Net book value as of January 1, 2013	51,186	5,804	8,208	7,316	3,541	76,055
Net book value as of December 31, 2013	$ 22,017	$ 4,143	$ 3,460	$ 3,826	$ 262	$ 33,708

Assets pledged as security

Assets with the following amounts have been pledged to secure borrowings of the Group:

	2014		2013	
	Cost	Amortized cost	Cost	Amortized cost
Property	23,118	14,644	25,835	18,333
Gaming equipment	4,383	85	6,763	513
Total	**$ 27,501**	**$ 14,729**	**$ 32,598**	**$ 18,846**

The carrying value of assets held under finance leases and hire purchase contracts at December 31, 2014 was $725,000 (2013 - $1,196,000).

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	2014	2013
Trade and other receivables (Non-current)		
Notes receivable	-	430
Severance funds for employees	86	71
Deposits for rental, land and equipment	174	216
Receivable in escrow	-	2,203
Guarantee on borrowing	761	731
Recoverable value added tax	522	1,670
Total trade and other receivables (non-current)	**$ 1,543**	**$ 5,321**
Trade and other receivables (Current)		
Notes receivable	-	4,570
Trade and other receivables	952	1,201
Prepaid expense	819	879
Value added tax and employee receivables	995	365
Deposits for rentals, land and equipment	-	12
Receivable in escrow	-	1,627
Recoverable value added tax	-	8
Total trade and other receivables (current)	**$ 2,766**	**$ 8,662**

Notes receivable

On August 6, 2013, the Group disposed of its entire economic interests and Management rights in its Philippine and related BVI operations "Philippine operations" to Magnum Leisure Holdings Inc. for post-tax, net consideration (before certain debt pay offs) of approximately $28.3 million resulting in a loss on disposal of $3.8 million.

The consideration received included $21.1 million in cash, a $5 million promissory note that bore interest at 7% and fully amortized over 18 months, and a $5 million hold back for 30 months to cover potential contingent liabilities. The fair value recognized for the hold back was $2.2 million, which represented the present value of the Group's estimate of the cash inflow. It reflected Management's estimate that 50% of the hold back may be used to cover potential contingent liabilities and was discounted over 30 months using an interest rate of 7%.

On October 14, 2014, the Group reached a settlement with Magnum Leisure Holdings Inc. for $3.35 million, which represented 100% of the remaining unpaid financed portion of the purchase price as well as a portion of the funds held back to cover potential contingent liabilities.

Trade and other receivables

The carrying value of the trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision of $401,000 (2013 - $65,000) has been recorded accordingly.

The age of the trade receivables past due but not impaired is as follows:

	2014	2013
Not more than 3 months	746	1,100
More than 3 months but not more than 6 months	134	2
More than 6 months but not more than 1 year	66	65
More than 1 year	6	34
Total	**$ 952**	**$ 1,201**

12. INVENTORIES

	2014	2013
Food and beverage supplies	184	190
Casino goods and promotional items	282	216
Hotel food service and room supplies	21	41
Uniform and operational supplies	129	102
Gaming machine parts	122	337
Total	**$ 738**	**$ 886**

Cost of goods sold within Cost of sales was $3,259,000 for the year ended December 31, 2014 and $2,967,000 for the year ended December 31, 2013. There were inventory write downs of $19,000 in 2014 (2013 - $18,000).

13. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at December 31, 2014 and December 31, 2013:

	2014	2013
Cash at banks and on hand	4,749	5,491
Restricted cash	1,802	1,724
Total	**$ 6,551**	**$ 7,215**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of time between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is $4,749,000 as of December 31, 2014 (2013- $5,491,000).

Restricted cash includes the casino's bankroll and hopper loads in Nicaragua, Costa Rica ("TGE"), and Peru. The Group classifies the casino bankroll as restricted, as these balances are required to operate the business, thus these funds cannot be used to pay the obligations of the Group. The fair value of restricted cash is $1,802,000 at December 31, 2014 (2013 - $1,724,000).

14. TRADE AND OTHER PAYABLES

	2014	2013
Trade and other payables (Non-current)		
Trade and other payables	228	216
Other liabilities	1,058	710
Deferred Income	32	73
Total trade and other payables (non-current)	**$ 1,318**	**$ 999**
Trade and other payables (current)		
Trade and other payables	4,885	5,105
Other accrued liabilities	1,318	1,680
Total trade and other payables (current)	**$ 6,203**	**$ 6,785**

Current - trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

15. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal re[ayments							
	2015	2016	2017	2018	2019	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:								
13% to 14%	$ 409	$ -	$ -	$ -	$ -	$ -	$ -	$ 409
11% to 12%[2]	4,099	990	1,105	1,232	1,375	3,397	(56)	12,142
<10%	5,691	5,722	5,330	1,948	7,492	164	(603)	25,744
Total principal repayments	**$ 10,199**	**$ 6,712**	**$ 6,435**	**$ 3,180**	**$ 8,867**	**$ 3,561**	**$ (659)**	**$ 38,295**

1. Floating rate loans are calculated as of the effective rate on December 31, 2014.
2. Includes $6,309,153 of convertible loan notes with an embedded derivative of $NIL (December 31, 2013 - $NIL AR Note 25).

	2015	2016	2017	2018	2019	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 8,335	$ 5,286	$ 4,911	$ 1,564	$ 1,375	$ 3,397	$ (483)	$ 24,385
Costa Rica	552	-	-	-	-	-	(21)	531
Nicaragua	219	240	237	221	681	164	(7)	1,755
Peru	1,093	1,186	1,287	1,395	6,811	-	(148)	11,624
Total principal repayments	**$ 10,199**	**$ 6,712**	**$ 6,435**	**$ 3,180**	**$ 8,867**	**$ 3,561**	**$ (659)**	**$ 38,295**

	Borrowing summary	
	2014	2013
Total borrowing	38,295	41,390
Less current portion of borrowings	(9,763)	(3,778)
Borrowing non-current	**$ 28,532**	**$ 37,612**

The following table provides additional detail of corporate repayment of principal including the balances that are reimbursable by subsidiaries to the Group's parent entity (Corporate):

	Schedule of Corporate principal repayments - reimbursable by subsidiaries							
	2015	2016	2017	2018	2019	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 7,448	$ 231	$ 252	$ 332	$ -	$ -	$ (277)	$ 7,986
Peru	887	5,055	4,659	1,232	1,375	3,397	(206)	16,399
Total principal repayments	**$ 8,335**	**$ 5,286**	**$ 4,911**	**$ 1,564**	**$ 1,375**	**$ 3,397**	**$ (483)**	**$ 24,385**

During 2014, the Group has obtained new borrowings detailed as follows:

	Additions	Balance Dec 31, 2013	Collateral	Interest rate	Maturity Date
Nicaragua					
Loans with financial entities	534	524	Building	9.25% - 9.50%	Feb-19 & Aug-21
Total	**$ 534**	**$ 524**			

The following table provides additional detail of additions, refinancing, repayments, and disposals taking place during the year:

Additions Summary	Balance Dec 31, 2013	Additions	Refinancing Additions	Refinancing Extinguishment	Repayments	Disposal	Unamortized premiums, discounts & issuance costs	Balance Dec 31, 2014
Loans with financial entities	$ 16,687	$ 534	$ -	$ -	$ (1,487)	$ (1,158)	$ (170)	$ 14,406
Loans with non-financial entities	19,719	-	-	-	(1,650)	-	(338)	17,731
Convertible loan notes with non-financial entities	6,111	-	-	198	-	-	(151)	6,158
Total	**$ 42,517**	**$ 534**	**$ -**	**$ 198**	**$ (3,137)**	**$ (1,158)**	**$ (659)**	**$ 38,295**

Notes

Additions

a. During the year ended December 31, 2014, Buena Esperanza Ltda., obtained financing from a Nicaragua based bank of $34,000. The loan is secured, bears interest at 9.25% and matures in 5 years. Principal and interest payments are due monthly in 60 equal installments.

b. During the year ended December 31, 2014, Buena Esperanza Ltda., obtained financing from a Nicaragua based bank of $500,000. The loan is secured, bears interest at 9.50% and matures in 7 years. Principal and interest payments are due monthly in 84 equal installments.

Repayments

a. During the year ended December 31, 2014, the Group repaid a total of $3,137,000 of loan principal, consisting of $1,487,000 of loans with financial entities and $1,650,000 of loans with non-financial entities.

Disposal

a. In April 2014 the Group repaid $1,158,000 of principal balance and $12,000 of accrued interest following the sale of a corporate property.

16. PROVISIONS

	Current 2014	Non-Current 2014	Current 2013	Non-Current 2013
Employee benefits	$ 918	$ 553	$ 1,039	$ 497
Other	310	922	253	883
Litigation provisions	-	-	720	720
	$ 1,228	**$ 1,475**	**$ 2,012**	**$ 2,100**

	Employee benefits	Litigation	Other	Total
Balance at January 1, 2013	$ 3,525	$ 960	$ 287	$ 4,772
Provisions recognized	2,821	600	1,514	4,935
Provisions utilized	(2,435)	(120)	(561)	(3,116)
Provisions released	(17)	-	(104)	(121)
Philippines sale transaction	(2,195)	-	-	(2,195)
Differences arising from foreign exchange	(164)	-	1	(163)
Balance at December 31, 2013	**1,535**	**1,440**	**1,137**	**4,112**
Provisions recognized	1,913	-	319	2,232
Provisions utilized	(1,911)	(557)	(187)	(2,655)
Provisions released	-	(883)	(23)	(906)
Differences arising from foreign exchange	(66)	-	(14)	(80)
Balance at December 31, 2014	**$ 1,471**	**$ -**	**$ 1,232**	**$ 2,703**

Employee benefits

Current employee benefits are paid time off for vacations and sick time earned but not yet used by the employee. Non-current employee benefits include severance pay, which is the cost associated with the severance packages as described below:

The subsidiary employee provisions by country are as follows:

Nicaragua

The Nicaraguan Labor Code established a severance payment plan for employees in the event of death, retirement or dismissal without just cause. This compensation is determined according to employee length of service. The plan compiles a month of salary for each labor year (for the first three labor years) and twenty days of salary after the fourth labor year, until the compensation reaches a maximum of five months' salary. Compensation cannot be less than one month's salary or more than five months' salary.

The Group records a monthly provision as an expense to the respective period to cover any severance payment reimbursement incurred by the Group to terminated employees under this plan. As of December 31, 2014, the Group has recorded provisions amounting to $330,000 (2013 - $330,000), which represents Management's best estimate of the liability. This is an accrual under Nicaraguan law and is not a pension scheme.

Additionally, the other countries in which the Group operates have various severance requirements as described in Note 3. The severance requirements are classified as long term. The short term employee benefits are primarily accrued vacation payable to employees.

Other

India settlement provision

In Note 21 Commitments and Contingencies, under the sub-section DHPL loan guarantees, the Group has disclosed that "Management has been advised by DHPL that its equity holding has been reduced to approximately 5.5% in DHPL and that, as a result, Delta and DHPL are now obligated to obtain a release of the Group's remaining guarantees." The Group has also disclosed that "Delta and others dispute their respective obligations and the legal positions taken by the Group. The Group has now recorded a provision for a settlement of the dispute for $1,048,000. For more information, please see Note 21 Commitments and Contingencies.

Litigation

The following is a summary of any litigation, including actions settled since January 1, 2014 and any actions currently open. Any other material litigation that is currently pending and not listed herein is listed in Note 21 to the Group's financial statements.

Pardini Litigation Settlement

On March 31, 2014, Thunderbird entered into a settlement with the various parties to the Pardini litigation described in Note 5to the 2013 Financials. The litigation had been pending for over 10 years and was likely to last for a significant number of additional years. To avoid the cost of additional litigation amongst multiple parties, Management settled in an efficient way to end the litigation and remove any potential exposure. The cost of the settlement, including legal fees and costs, was $551,000. The $600,000 provision in existence at December 31, 2013 was released in its entirety during the year.

17. SHARE CAPITAL AND RESERVES

A majority of the Group's shareholders voted in favor of continuing the Group's charter from the Yukon, Canada to the British Virgin Islands ("BVI"). The Group formally continued its corporate charter into the BVI effective October 6, 2006 and filed "discontinuation documents" with the Yukon Registrar. Holders of common shares are entitled to one vote for each share held. There are no restrictions that limit the Group's ability to pay dividends on its common stock. The Group has not issued preferred shares. The Group's common stock has no par value.

	Number of shares	Share capital ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2012	**22,916,575**	**$ 109,969**
Share based payments	199,416	240
Cancellation of restricted shares	(14,998)	(11)
Treasury shares purchased	(286,515)	(272)
Balance as at December 31, 2013	**22,814,478**	**$ 109,926**
Share based payments	48,648	218
Balance as at December 31, 2014	**22,863,126**	**$ 110,144**

Options

The Group, through its Board of Directors and shareholders, adopted two Stock Option Plans, the first on July 1, 1997, and the second on June 25, 2005. Both plans will continue separate and apart from one another. The Group has granted a number of stock options and entered into various agreements of which up to 93,400 shares remain available for purchase pursuant to options granted under these plans. All of the stock options issued under these plans are nontransferable and terminate on the earlier of the expiry date or 30 days after the grantee ceases to be employed by the Group.

Stock option plan I dated July 1, 1997 and Stock option plan II dated June 25, 2005

Options granted under these plans were awarded by the Board of Directors at its sole discretion to select Directors and employees. The options granted to the option holder may be exercised in whole or in part at any time, or from time-to-time during the exercise period. The options may lapse due to time limitations, death or change in employment status. The price at which at option holder may purchase a share upon the exercise of an option, shall be set forth in the option certificate, but not less than the market value of the Group shares as of the award date. Option grants have ceased under both plans as of November 19, 2007.

2007 Equity incentive plan dated November 20, 2007 (amended in August 2009)

The 2007 Equity Plan was amended in 2009 to authorize the Directors, at their discretion, to award grants in an aggregate amount of up to 5% of the Company issued and outstanding shares. Our

2007 Equity Incentive Plan (the "2007 Equity Plan") is designed to enable us and our affiliates to obtain and retain the services of the types of employees, consultants and directors who will contribute to our long-term success and to provide incentives that are linked directly to increases in share value which will inure to the benefits of all of our shareholders. We have reserved up to 5% of our current issued and outstanding common shares, as of any given date, for the issuance of shares, which may be awarded under such Equity Plan.

The following table provides additional detail of share options exercised and cancelled during 2014 and 2013:

	Number of shares	Weighted average exercise price
Balance as at December 31, 2012	**245,020**	**$ 3.87**
Cancelled due to expiring	(93,810)	3.97
Balance as at December 31, 2013	**151,210**	**$ 3.79**
Cancelled due to expiring	(57,810)	3.86
Balance as at December 31, 2014	**93,400**	**$ 3.83**
Number of options currently exercisable	93,400	$ 3.83

The following table summarizes information about the share options outstanding at December 31, 2014:

Range of exercise prices	Number outstanding options	Weighted average remaining life	Weighted average exercise price
$2.01 - $3.00	37,334	1.13 years	$ 2.10
$3.01 - $5.00	56,066	1.07 years	$ 4.98
	93,400	1.09 years	$ 3.83

Share-based compensation

Effective November 7, 2002, the Group recognizes compensation expense for shares granted in the consolidated statement of comprehensive income using the fair value based method of accounting for all shares issued on or after November 7, 2002. On January 16, 2008, 500,000 share grants were

awarded to employees at $7.00 per share, the grants vested over a 3 year period, the total value of grants that vested during 2014 was $Nil (2013- $Nil).

Currency translation reserve

The translation reserve represents the foreign currency translation differences arising from the translation of our subsidiary financial statements into United States dollars.

Retained earnings / (loss)

Retained earnings / (loss) are the accumulated retained profits and/or losses.

Share options reserve

The Group issues equity-settled share-based payments to certain employees and Directors. For all share-based payment arrangements granted, an expense is recognized in profit or loss with a corresponding credit to equity. The fair value of share options is expensed over the vesting period of the options, based on an estimate of the number of shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions. The corresponding credit is taken to the share options reserve. The fair value is calculated using the Black-Scholes pricing model.

18. LOSS PER SHARE

The following weighted average numbers of shares were used for computation of loss per share:

	2014	2013
Shares used in computation of basic and diluted earnings per share (000's)	22,853	22,961
Loss for the period attributable to the parent	$ (11,084)	$ (14,334)
Basic loss per share	**(0.49)**	**(0.62)**
Diluted loss per share	**(0.49)**	**(0.62)**

Basic and diluted loss per share is calculated by dividing the net loss for the year by the weighted average shares used in the computation of basic loss per share.

As a result of the loss for the year ended December 31, 2014, the diluted loss per share is the same as the basic loss per share as the employee share options and the effect of convertible loan notes are anti-dilutive.

19. RELATED PARTY TRANSACTIONS

	Current 2014	Non-Current 2014	Current 2013	Non-Current 2013
Due from related parties				
Nicaraguan Partners	$ -	$ 41	$ -	$ 41
Costa Rican Partner	1,019	5,586	11,477	55
Transactions with officers	-	24	-	24
	1,019	5,651	11,477	120
Due to related parties				
Nicaraguan Partners	1,055	-	1,210	-
Costa Rican Partner	1,313	-	1,219	-
	$ 2,368	-	$ 2,429	$ -

Due from related parties

Receivables from joint ventures and related party receivables

The Group charges management, marketing, administration and royalty fees to its subsidiaries and joint ventures. The income and expenses associated with management fees between subsidiaries have been eliminated in their entirety in these consolidated financial statements. The related party receivable represents amounts due from the Group's partners in its non-wholly owned subsidiaries. All receivables are non-interest bearing and are due on demand by the Group. The Group has not provided for an allowance against these amounts as these amounts are deemed collectible by the Group.

Included in due from related parties is $1,019,000 (2013– $11,477,000) due from Thunderbird de Costa Rica S.A. which is accounted for under the equity method, these receivables are non-interest bearing and are due on demand by the Group. Settlement is anticipated within a year, pending the sale of certain real estate in Costa Rica, for more information please see page 5, Letter from the CEO. These balances are primarily comprised of management fees accrued but not yet paid by the entity. Also, included in due from related parties is $5,587,000 (2013 – $55,000) due from the Group partner in Costa Rica for the purchase of receivable balances held by Thunderbird Gran Entretenimiento, S.A. due from Thunderbird de Costa Rica, S.A. Additionally, $41,000 (2013 – $41,000) is due from a shareholder in the Nicaraguan operation for their portion of the loan attributed to the purchase of the majority interest in Nicaragua in October 2004.

Receivables from officers

The Group has a receivable from The Fantasy Group, S.A. which is an unsecured promissory note dated June 4, 2003. The obligor under the note is The Fantasy Group, S.A., the president and one of the principals of which was Peter LeSar who was coordinating the Group's pre-2006 efforts to establish operations in Chile at that time. The balance due as of December 31, 2014 is $24,000 (2013 – $24,000). The other principals were Raul Sueiro and Angel Sueiro who are former executives of the Group.

Due to related parties

Payable to joint ventures and related party payables

Included in due to related parties are amounts due to the Group's partner in Costa Rica for $1,314,000 (2013 – $1,219,000) for its portion of management fees. $1,055,000 (2013 – $1,210,000) due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity.

Transaction with Officers and Directors included within borrowings

Salomon Guggenheim, who previous to the middle of 2013 only held the roles of Director and advisor to the Group, is a director and not a beneficial owner in a company called India Ltd. The group has been loaned various amounts by India Ltd. Please see Officer related party in the table below for amount due and interest paid to India Ltd. during 2014 and 2013.

In addition, Directors have loaned various amounts to the Group. The outstanding loans are as follows:

		2014		2013	
		Amount due	Interest paid	Amount due	Interest paid
	Country				
Director	Corporate	1,630	177	1,630	712
Director	Philippines	-	-	-	116
Officer related party	Corporate	1,649	173	1,758	142
	Total	**$ 3,279**	**$ 350**	**$ 3,388**	**$ 970**

Other related party transactions

The Group paid the Vice President of Corporate Development's company, Tino Monaldo Chtd., total consulting fees and out of pocket expenses of $52,020 in 2014 and $52,000 in 2013. Mr. Monaldo pays his own health, life, and dental insurance, other professional fees and expenses, and a portion of his disability insurance.

20. OBLIGATIONS UNDER OPERATING LEASES, FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Obligations under finance leases and hire purchase contracts

The Group uses leases and hire purchase contracts to finance their vehicles and certain video lottery equipment. As at December 31, 2014, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due December 31, 2014		Future commitments due December 31, 2013	
	Minimun Lease Payments	Present value	Minimun Lease Payments	Present value
Finance lease commitments				
Not longer than one year	525	463	891	833
After one year but not more than five years	329	317	283	275
Sub total	854	780	1,174	1,108
Less deferred transaction costs	-	-	-	-
Present value of minimum lease payments	**$ 854**	**$ 780**	**$ 1,174**	**$ 1,108**
Obligations under leases and hire purchase contracts current		$ (463)		$ (833)
Obligations under leases and hire purchase contracts non-current		**$ 317**		**$ 275**

Assets held under finance leases and hire purchase contracts as of December 31, 2014 and December 31, 2013:

	2014		2013	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 79	$ 54	$ 45	$ 39
Gaming equipment	1,565	671	1,673	1,157
Total	**$ 1,644**	**$ 725**	**$ 1,718**	**$ 1,196**

Obligations under operating leases

The Group leases commercial real estate for one casino in Costa Rica, three slot parlors and one casino in Peru, and four casinos in Nicaragua. The future minimum lease payments are as follows:

	Future commitments due	
	2014	**2013**
Not longer than one year	$ 2,277	$ 2,474
After one year but not more than five years	4,858	6,514
After five years	3,824	6,934
Total	**$ 10,959**	**$ 15,922**

Operating lease expense for the year ended December 31, 2014 was $2,506,000 (2013 - $2,425,000).

21. COMMITMENTS AND CONTINGENCIES

As at December 31, 2014, principal payments required under the terms of the loan agreements and their liabilities in each for the next five years are as follows:

Year ending December 31:	
2015	$ 10,199
2016	6,712
2017	6,435
2018	3,180
2019	8,867
Thereafter	3,561
Subtotal	38,954
Less: Debt issuance costs	(659)
	$ 38,295

Set out below is an overview of our ongoing contingencies, many of which are as a result of regulatory uncertainty. An estimate of the financial effect of each contingency is disclosed unless a reasonable estimate of the financial effect cannot be made.

a. Peru tax controversy

In the latter part of 2011, the Group's wholly owned Peruvian subsidiary Thunderbird Hoteles Las Americas, S.A. ("THLA"), received a group of resolutions issued by the Peruvian tax authority, Superintendencia Nacional de Administración Tributaria ("SUNAT") in relation to various major tax issues. The first set of resolutions encompassed a rejection of certain deductions in 2007 for interest payments made to lenders/investors domiciled abroad in relation to certain loans and investments. The second set of resolutions encompassed a rejection of certain tax credits in favor of THLA related to IGV (sales tax). In each of the first and second set of resolutions, these tax matters related to the acquisition of the six hotels by THLA in Peru. The third set of resolutions was issued by SUNAT relating to fines associated with the prior described tax issues.

THLA filed an administrative appeal with respect to these three sets of resolutions on November 21, 2011. On March 23, 2012, THLA was notified through a SUNAT resolution that the tax authority confirmed its three resolutions as described herein. The total potential exposure (including underlying tax, penalties and interest) is approximately S\. 7.0 million Peruvian Soles (USD$2.33 million) for the first set of resolutions, S\.6.5 million Peruvian Soles (USD$2.2 million) for the second set of resolutions and S\.6.1 million Peruvian Soles (USD$2.0 million) for the third set of resolutions.

THLA thereafter filed an appeal on March 23, 2012, challenging the tax assessments as our Peruvian outside tax counsel has taken the position that THLA filed proper tax returns and that SUNAT assessments are inconsistent with the Peruvian tax laws.

Management intends to vigorously defend its position at all administrative and judicial levels. The Group is not responsible for payment until the administrative and judicial process decisions are final with no further rights of appeal. However, interest on these resolutions continues to accrue while the administrative and judicial process is completed and a final decision is rendered. As a result of the on-going uncertainty over the potential outcome of this matter no provision has been recorded.

b. Costa Rica tax controversy

The income tax in Costa Rica is collected by the General Income Tax Office. The Group's Costa Rica subsidiaries, Thunderbird Gran Entretenimiento, S.A. ("TGE"), and Grupo Thunderbird de Costa Rica, S.A. ("GTCR") are engaged in two separate tax proceedings.

The Group's subsidiary TGE operation received a proposed income tax assessment in Q1-2012, of $600 thousand for the tax year ended December 31, 2009, and a proposed tax assessment of $800 thousand for the tax year ended December 31, 2010. Additional gaming taxes of $200 thousand were assessed for each tax year ended December 31, 2009 and 2011. The assessments for both tax years were related to certain expenses which were deemed to be non-allowable deductions by the General Income Tax Office and for the imputation of interest income on intercompany advance balances. These matters were appealed to the Tribunal Fiscal Administrative ("TFA") during Q3 and Q4 of 2012. On January 16, 2013, the Group was advised that the Administrator Tribunal Appeal was denied in regards to the TGE tax matter. The Group filed an Appeal with the appropriate Costa Rica tribunal on this matter in August

2014. In February 2015, the Group paid the tax authorities $2.975 million on the alleged tax liability. The payment to the Costa Rican tax authority was required to be paid as a condition to closing the sale of the Groups interest in Costa Rica to CIRSA, as described below. The payment made by the Group was made without prejudice or admission of liability. The Group will continue to contest these tax liabilities at the judicial level by way of a refund procedure of which the Group may recover a portion of the payment over time.

The Group's subsidiary GTCR operation received a proposed tax assessment in the approximate amount of $340 thousand for the tax year ending December 31, 2009, related to certain expenses which were deemed to be non-allowable deductions by the General Income Tax Office and for the imputation of interest income on intercompany advance balances. In February 2015, the Group paid the tax authorities $192 thousand on the alleged tax liability. The payment to the Costa Rican tax authority was required to be paid as a condition to closing the sale of the Groups interest in Costa Rica to CIRSA, as described below. The payment made by the Group was made without prejudice or admission of liability. The Group will continue to contest these tax liabilities at the judicial level by way of a refund procedure of which the Group may recover a portion of the payment over time. A penalty resolution is still pending to be released by the TFA, which comprises an amount equal to 25% of the tax assessment or $113 thousand.

The Group's Costa Rican tax counsel believes that each of TGE and GTCR subsidiaries applied tax positions correctly.

On February 27, 2015, the Group announced the sale of its entire economic interest and management rights in all of its Costa Rican operations (of which the Group has approximately a 50% share) to CIRSA International Gaming Corporation ("CIRSA"), for a net price (gross price less debt payoff less working capital adjustments) of approximately $8.1 million. This net amount received is also net of approximately $190 thousand contingent tax liability paid by the group to the Costa Rica Tax authority to cover GTCR contested tax liability and for the approximate $2.975 million TGE contested tax liability paid to the Costa Rica Tax authority. These payments to the Costa Rican tax authority were required to be paid as a condition to closing the sale of the Group's interest in the Costa Rica operation. The payment made by the Group was made without prejudice or admission of liability and does therefore not alter the Group's position of taking a provision for these contingent taxes in 2014. The Group will continue to contest these tax liabilities by way of a refund procedure of which the Group may recover a portion of over time.

As a result of the on-going uncertainty over the potential outcome of this matter no provision has been recorded.

c. Daman Hospitality loan guarantees

On April 8, 2015, the Group entered into a series of settlements to resolve certain issues related to our prior India interests, the history of which is described below, in addition to a summary of the settlements.

The Group entered the India market in 2008 by initiating a hotel project in Daman, India, which is located just north of Maharashtra State whose capital is Mumbai (formerly Bombay). The

project known as "Thunderbird Resorts – Daman" has faced both regulatory delays outside the Group's control, as well as cost overruns in construction and pre-operating interest / expense due to the delays.

From commencement through the change of control via the sale of DHPL shares to Delta Corp ("Delta"), the project was funded by the following sources (all amounts are approximate and have been subject to exchange rate fluctuations since funding):

- $18 million in cash and property contributed as equity ($9 million on our side) in a first round of equity funding.
- $26 million senior secured loan facility from four India banks, jointly and severally guaranteed by the Group.
- $13.5 million in fully convertible debentures ("FCDs") secured behind the senior lenders, of which approximately $9 million of principal plus any unpaid interest was to be jointly and severally guaranteed by the Group.
- $21 million in additional equity and junior debt required to be contributed by Bombay Stock Exchange traded Delta in a second round of equity funding. Post-closing, Delta became the 51% control partner and the Group and the original local partner share the remaining 49% share position.

In February 2012, the Group announced that the "Thunderbird Resorts – Daman" project had been largely completed as follows: a) approximately 176 hotel rooms; b) three bars and restaurants; c) pool and outdoor plaza areas; and d) approximately 50% of indoor meeting areas. The Group also announced at that time that the hotel was still waiting for its hotel occupancy permit to be granted by the relevant local authorities.

The Group previously announced that it had jointly and severally guaranteed the following (all figures based on recent exchange rates or were USD transactions): (i) Senior Secured Debt in the face amount of approximately $21.3 million to a consortium of Indian Banks; (ii) Fully convertible debentures to Madison India Real Estate Fund ("MIREF") in the face amount of $7.5 million (the "MIREF- FCD"); and (iii) Fully convertible debentures to Maravege Limited and one other party in the face amount of $2.9 million. In its Q3 2012 Interim Management Statement, the Group updated previous announcements stating that:

- Madison India Real Estate Fund ("MIREF"), called upon DHPL and/or its shareholders to purchase its fully convertible debentures ("FCDs") that DHPL had issued MIREF for a face amount of approximately $7.5 million plus accrued return. MIREF's FCDs contained conversion rights into a 76% voting equity shareholder in DHPL. Bombay Stock Exchange filings by Delta disclosed that Delta acquired MIREF's FCDs along with its converted shares to increase its total equity holding in DHPL to 87.16% from its earlier 51% ownership.
- As a result of the conversion of the MIREF FCDs into DHPL shares and the termination of all DPHL obligations to MIREF along with other factors, the Group no longer has any liability to MIREF. Furthermore, pursuant to the parties' Shareholders' Agreement, the Management believes its equity holding has been reduced to approximately 5.5% in DHPL and that, as a result, Delta and DHPL are now obligated to obtain a release of the Group's remaining guarantees of: i) senior secured debt in the face amount of approximately $21.3

million to a consortium of Indian Banks; and ii) fully convertible debentures to Maravege Limited and one other party in the face amount of $2.9 million. If no such releases are obtained, Management believes both DHPL and Delta are required to fully indemnify Thunderbird from any claims arising under said guarantees.

- Through the date of publication of this 2014 Annual Report, Management believes the hotel has received its occupancy permit and has commenced operating the hotel in Daman.

Global Settlement" on Daman, India project: On April 8 2015, for purposes of avoiding legal costs and creating certainty, Management entered into a separate, but simultaneous comprehensive settlements with Maravege, MIREF, DHPL and Delta pursuant to the following terms as summarized below:

- The Group settled a possible $6 million or greater exposure arising from a guarantee it provided in 2009 to a mezzanine lender (Maravege Holding Limited) to the Daman, India project. The total consideration for settlement is $2.425 million consisting of a cash payment of $1.325 million to be paid over 23 months and an offsetting credit for the $1.1 million to be paid by Maravege for the remaining 5.5% of shares the Group has in DHPL. The share transfer is subject to a certain first right process with an existing DHPL shareholder as described below.
- The Group will go through a process with KP Group, another shareholder of DHPL, giving them an opportunity to purchase the subject shares for the same $1.1 million. In the event KP Group matches the $1.1 million Maravege offer and does in fact purchase and pay for the shares, then the Group will sell its shares to KP Group and transfer cash to Maravege as part of the settlement.
- The Group obtained full release from DHPL and from its controlling shareholder Delta Corp Limited ("Delta") for any potential liabilities and claims.
- The Group received from Delta and DHPL proof that all senior lenders, whose loans totaled approximately $25 million and had been guaranteed by the Group, have been paid in full by DHPL/Delta.
- The Group obtained a full release from Madison India Real Estate Fund Limited ("MIREF"), whose mezzanine loan to DHPL of approximately $7.2 million had been guaranteed by Thunderbird.

d. Canadian tax controversy

Thunderbird Gaming, Inc. ("TGI"), a wholly-owned subsidiary of the Group that has been inactive since 1996, received notification of a reassessment from the Canada Revenue Agency ("CRA") with respect to a transfer of assets in 1996 in relation to the California Indian gaming business previously operated by TGI. Specifically, this reassessment stems from a transfer of assets which CRA contends was undervalued. The reassessment is in the amount of Canadian dollar ("CDN") $380 thousand (US $381 thousand at December 31, 2010).

TGI submitted applications to CRA utilizing its net operating loss ("NOL") in a manner that reduced the actual tax liability to zero and is taking the position that the valuation of assets was

accurate in order to preserve its NOL. By taking this position, TGI believes it avoids the imposition of interest on tax, which is the subject of the reassessment.

Further, TGI filed a fairness application with the appropriate Canadian taxing authority requesting a complete abatement of the alleged interest imposed on the alleged tax liability.

In this filing, management alleges that TGI received unconscionable and egregious treatment from CRA in addition to experiencing excessive delays in the reassessment process. TGI also filed an appeal of CRA's assessment with the tax courts in Canada in which TGI will attempt to establish that the underlying tax liability should never have been assessed.

The fairness application was rejected and in March 2007, TGI abandoned further appeal to the tax courts in Canada.

Although the Group believes CRA's case is without merit, the liability is contained within an insolvent subsidiary and consequently, even though TGI is responsible for the liability, the Group's parent and subsidiaries have no exposure to the TGI liability. The Group does not expect that CRA will collect the judgment as TGI is insolvent and therefore there is no accrual in this consolidated financial statements related to this reassessment.

e. Guatemala controversy

- Guatemala Default Notification: As previously reported, the Group sold its interests in its Guatemala gaming operations to a local Guatemalan purchaser group effective December 31, 2010. The local Guatemalan purchased the operations with an installment note secured by the operations shares Thereafter the Guatemalan group defaulted on the installment note that was supporting the sale transaction, and on April 22, 2014, the Group took possession of the shares sold in the subject Guatemalan entities. The group assigned the shares to a Guatemalan charitable foundation. This Foundation had held the gaming license under which the companies operate. The assignment of shares was financed by the Group with a $2 million installment note amortized at 10% interest to be repaid at not less than $30,000 per month with any remaining balance due on the 36th month. Additional monthly payments may be due if certain performance thresholds are met. The Note is secured by stock and asset pledges. As if the date of publication of this Annual report the borrower is approximately 5 months delinquent in their payments of the installment note and management is assessing its options.

- The Internal Revenue Service (IRS) (Superintendencia de Administración Tributaria-SAT) which has overall responsibility for tax administration in Guatemala is attempting to open up Thunderbird de Guatemala, S.A. to a tax audit for 2009 and 2010, which the Group is challenging since we believe the statute of limitations has expired for those years.

- A case is now pending involving the validity of the contract between Classenvil Management Inc. and the Autonomous Sports Confederation (Confederación Deportiva Autónoma de Guatemala), which derives in the authorization grant to Thunderbird de Guatemala, S.A., to develop video lottery rooms and more. The matter commenced at the Administrative level with Sala Quinta del Tribunal de lo Contencioso Administrativos

promoted by the Attorney General's Office. The case is currently in its initial phase, and the question of the Court's jurisdiction is at issue. Simultaneously, Thunderbird de Guatemala, S.A. filed an action in The Supreme Court – Guatemala for protection of its right to conduct business under the license which case is still pending. The Group has not committed any impropriety of approved gaming because all of its commercial activities have been made under a license or authorization issued by the Autonomous Sports Confederation of Guatemala (Confederación Deportiva Autónoma de Guatemala), whose organic and fundamental law entitles them to grant such authorizations.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and credit risk, which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Foreign currency sensitivity

Most of the Group's transactions are carried out in the functional currency where the operations reside. Exposures to currency exchange rates arise from the Group's loans payable, intercompany payables and cash balances, which are primarily denominated in US-dollars.

To mitigate the Group's exposure to foreign currency risk, non-functional currency cash flows are monitored. Generally, where the amounts to be paid for purchases completed in US-dollars versus the functional currency the financing of the purchase is short term; therefore, a decision is made to either finance the equipment or to pay in cash depending on the current value of the US-dollar compared to the functional currency.

US-dollar currency denominated financial assets and liabilities in entities whose functional currency is not US-dollar are as follows:

		US-dollar amounts	
		2014	2013
Nominal amounts	**Country**		
Financial assets			
	Costa Rica	$ 5,607	$ 58
	Nicaragua	662	375
	Peru	3,319	8,119
Financial liabilities			
	Costa Rica	(1,566)	(932)
	Nicaragua	(2,422)	(3,114)
	Peru	(4,487)	(4,876)
Short term exposure		**$ 1,113**	**$ (370)**
Financial liabilities			
	Costa Rica	-	(552)
	Nicaragua	(1,544)	(1,484)
	Peru	(10,996)	(12,115)
Long term exposure		**$ (12,540)**	**$ (14,151)**

The following table illustrates the sensitivity of the net income (loss) for the year and equity in regards to the Group's financial assets and financial liabilities and the US-dollar exchange rates.

It assumes a percentage change of the US-dollar against the other currencies for the year ended at December 31, 2014 and 2013. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

If the US-dollar had weakened against the functional currencies according to the percentages below then this would have had the following impact on net income and equity:

	2014			2013		
Country	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Costa Rica	4.85%	$ (146)	$ 582	2.01%	$ (1)	$ 309
Peru	2.84%	(46)	588	4.27%	(122)	1,202
Total		**$ (192)**	**$ 1,170**		**$ (123)**	**$ 1,511**

If the US-dollar had strengthened against the functional currencies according to the percentages below then this would have had the following impact on net income and equity:

	2014			2013		
Country	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Costa Rica	4.85%	$ 133	$ (531)	2.01%	$ 1	$ (297)
Peru	2.84%	41	(551)	4.27%	112	(1,104)
Total		**$ 174**	**$ (1,082)**		**$ 113**	**$ (1,401)**

Interest rate sensitivity

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term are therefore usually at fixed rates. At 31 December 2013, the Group is exposed to changes in borrowings market interest rates through some of its banks borrowings of approximately $1,855,276 as of 31 December 2014 (2013 - $1,480,060), which are subject to variable interest rates. As in the previous year, all other financial assets and liabilities have fixed rates. The impact on profit or loss of a reasonably possible change in interest rates of +/-0.91% as of 31 December 2014 (2013 - +/- 0.48%), with effect from the beginning of the year, would be an increase of $14,570 (2013 - $5,132) or a decrease of $14,570 (2013 - $5,132). These changes in interest rates are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the Group's financial instruments held at each statement of financial position date. All other variables are held constant.

23. FINANCIAL INSTRUMENT BY CATEGORY

	Loans and receivables
Group	
December 31, 2014	
Assets as per statement of financial position	
Trade and other receivable	$ 9,995
Cash and cash equivalents	6,551
Total	**$ 16,546**
	Other financial liabilities
Liabilities as per statement of financial position	
Borrowings	$ 39,075
Trade and other payables	6,203
Other financial liabilities	615
Total	**$ 45,893**

	Loans and receivables
Group	
December 31, 2013	
Assets as per statement of financial position	
Trade and other receivable	$ 24,784
Cash and cash equivalents	7,215
Total	**$ 31,999**
	Other financial liabilities
Liabilities as per statement of financial position	
Borrowings	$ 42,498
Trade and other payables	6,785
Other financial liabilities	666
Total	**$ 49,949**

24. FINANCIAL INSTRUMENTS

Credit risk analysis:

The Group continuously monitors defaults of customers and other counter parties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit rating and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's Management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis:

The Group measures its liquidity needs by:

- Monitoring short-term obligations on a country-by-country and global, consolidated basis, with short-term inflows and outflows forecasted for the financial year, updated weekly.
- Monitoring long-term, scheduled debt servicing payments.
- Rolling forward 5-year cash flow models each month based on the financial results year-to-date through the previous month.

The Group has the capacity to manage liquidity with a number of different tools at its disposal, including:

- Raising of debt or equity capital at both the operations and Group levels.
- Selling of non-strategic assets.
- Restructuring or deferral of unsecured lenders.
- Restructuring of salaries of key personnel.
- Deferral or aging of accounts payables.
- Cost management programs at both the operations and Group levels.

Based on the information available today and the liquidity tools at its disposal, Management anticipates that the Group can meet its liquidity needs over the next 18 months primarily from operational cash flows as set out in Note 2.

As at December 31, 2014, the table set below shows the Group's liabilities maturities per year:

	2015	2016	2017	2018	2019	Thereafter	Total
Long-term bank loans	$ 12,925	$ 4,627	$ 5,824	$ 4,496	$ 9,620	$ 3,996	$ 41,488
Finance lease obligations	525	327	2	-	-	-	854
Convertible debt notes	569	4,635	2,276	-	-	-	7,480
Trade and other payables	5,893	-	-	-	-	-	5,893
Due to related parties	2,368	-	-	-	-	-	2,368
Total	**$ 22,280**	**$ 9,589**	**$ 8,102**	**$ 4,496**	**$ 9,620**	**$ 3,996**	**$ 58,083**

This compares to the maturity of the Group's financial liabilities in the previous reporting period as restated below:

	2013	2014	2015	2016	2017	Thereafter	Total
Long-term bank loans	$ 7,555	$ 11,199	$ 4,521	$ 5,716	$ 5,977	$ 13,598	$ 48,566
Finance lease obligations	891	277	6	-	-	-	1,174
Convertible debt notes	570	570	4,439	2,276	-	-	7,855
Trade and other payables	6,394	-	-	-	-	-	6,394
Due to related parties	2,429	-	-	-	-	-	2,429
Total	**$ 17,839**	**$ 12,046**	**$ 8,966**	**$ 7,992**	**$ 5,977**	**$ 13,598**	**$ 66,418**

Derivative financial instruments:

During 2011 and 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 15). Upon initial recognition embedded derivatives of $848,000 and $185,000 were issued in 2011 and 2012, respectively and were separately measured and recorded within derivative financial instruments. The fair value was $Nil at December 31, 2014 (2013 - $Nil).

Fair value measurement methods:

The methods and valuation techniques used for the purposes of measuring fair value are unchanged from the previous reporting period. Measurement methods for financial assets and liabilities accounted for at amortized cost are described below.

The carrying amount of trade and other receivables, cash and cash equivalents, and trade and other payables is considered a reasonable approximation of fair value. The fair value of borrowings has been estimated at amortized cost.

25. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of its leverage ratio. This ratio is calculated as net debt divided by EBITDA.

	2014	2013
The leverage ratios at December 31, 2014 and 2013 were as follows:		
Total borrowings and finance lease obligations (Note 15 and 20)	$ 39,734	$ 43,625
Less: Cash and cash equivalents	(6,551)	(7,215)
Less: Accrued interest	(615)	(666)
Less: unamortized debt issuance cost	(659)	(1,127)
Net Debt	$ 31,909	$ 34,617
Operating loss from continuing operations before other gain and loss items	(648)	(1,172)
Add: Depreciation and amortization	4,306	5,114
EBITDA	$ 3,658	$ 3,942
Leverage ratio	8.72	8.78

26. INVESTMENT IN JOINT VENTURES

The Group has one material joint venture, Thunderbird de Costa Rica, S.A.

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership held by the Group	
			2014	2013
Thunderbird de Costa Rica	Costa Rica	Gaming	50%	50%

The investment in Thunderbird de Costa Rica is accounted for using the equity method in accordance with IAS 28.

Financial statements for Thunderbird de Costa Rica, S.A. are as follows:

	2014	2013
Assets		
Non-current assets		
Property, plant and equipment	$ 11,197	$ 11,220
Intangible assets	1,021	1,744
Deferred tax asset	174	222
Trade and other receivables	1,902	1,852
Total non-current assets	14,294	15,038
Current assets		
Trade and other receivables	340	422
Inventories	236	222
Restricted cash	474	540
Cash and cash equivalents	272	230
Total current assets	1,322	1,414
Assets classified as held for sale	16,164	19,772
Total assets	31,780	36,224
Equity and liabilities		
Capital and reserves		
Share capital	25,771	14,596
Retained earnings	(12,414)	(6,662)
Translation reserve	(552)	(28)
Equity attributable to equity holders of the parent	12,805	7,906
Non-controlling interest	365	270
Total equity	13,170	8,176
Non-current liabilities		
Borrowings	6,554	6,012
Due to related parties	1,094	1,234
Other liabilities	702	682
Total non-current liabilities	8,350	7,928
Current liabilities		
Trade and other payables	1,776	11,898
Borrowings	3,824	3,278
Other financial liabilities	11	50
Current tax liabilities	478	330
Provisions	178	178
Total current liabilities	6,267	15,734
Liabilities associated with assets held for sale	3,993	4,386
Total liabilities	18,610	28,048
Total equity and liabilities	$ 31,780	$ 36,224

	2014	2013
Net gaming wins	$ 10,585	$ 11,932
Food, beverage, hospitality and other sales	771	732
Total revenue	11,356	12,664
Cost of goods sold	(3,192)	(3,342)
Gross profit	8,164	9,322
Other operating costs		
Operating, general and administrative	(4,884)	(5,158)
Project development	(171)	(88)
Depreciation and amortization	(2,265)	(3,170)
Other gains and losses	(1,244)	(12)
Operating profit	(400)	894
Financing		
Foreign exchange gain	(761)	146
Financing costs	(1,124)	(1,224)
Financing income	32	-
Finance costs, net	(1,853)	(1,078)
Loss before tax	(2,253)	(184)
Income taxes expense		
Current	(42)	(178)
Deferred	(29)	(44)
Taxation	(71)	(222)
Loss from operating activities	(2,324)	(406)
Loss from discontinued operations	(3,411)	(228)
Loss for the period	(5,735)	(634)
Non-controlling interest	2	18
Loss for the period	**$ (5,733)**	**$ (616)**

	2014	2013
Net cash from operating activities	1,929	3,686
Net cash used for investing activities	(2,374)	(2,412)
Net cash used for financing activities	(927)	(1,654)

A reconciliation of the financial information above to the carrying amount of the investment in Thunderbird de Costa Rica, S.A. is set out below:

	2014	2013
Non-current assets	$ 14,294	$ 15,038
Assets classified as held for sale	16,164	19,772
Current assets	1,322	1,414
Total assets	31,780	36,224
Non-current liabilities	(8,350)	(7,928)
Liabilities associated with assets held for sale	(3,993)	(4,386)
Current liabilities	(6,267)	(15,734)
Total liabilities	(18,610)	(28,048)
Less: Non-controlling interest	(365)	(270)
Total net assets	**12,805**	**7,906**
Proportion of ownership interest held by Group	50%	50%
Carrying amount of investment in Thunderbird de Costa Rica	**6,403**	**3,953**

27. PRINCIPAL SUBSIDIARIES

The Group owns directly or indirectly the following companies. The principal operations are carried out in the country of registration; all subsidiaries have a December 31 year end. The Group comprises a large number of companies and it is not practical to list all of them below. This list therefore includes those companies which the Directors consider principally affect the results or financial position of the Group.

The following is a table of our organizational structure of material subsidiaries, including our effective record ownership structure as of December 31, 2014:

Name of subsidiary	Jurisdiction of formation	Effective ownership interest
Thunderbird Entertainment, S.A,	Panama	100%
Thunderbird Gran Entretenimiento, S.A.	Costa Rica	56.17%
Thunderbird Greeley, Inc.	California	100%
Total Gaming, Inc.	California	100%
Sun Nippon Company, S.A.C.	Peru	100% (indirect)
Interstate Gaming Del Peru S.A.	Peru	100% (indirect)
Thunderbird Hoteles Las Americas S.A.	Peru	100%
Thunderbird Fiesta Casino – Benavides, S.A	Peru	100%
Buena Esperanza Limitada S.A.	Nicaragua	55.9 % (indirect)
Camino Real (BVI) Investments Ltd.	British Virgin Islands	100%
International Thunderbird (BVI) Ltd.	British Virgin Islands	100%
International Thunderbird Brazil (BVI) Ltd.	British Virgin Islands	100%

The Group includes two subsidiaries, Thunderbird Gran Entretenimiento, S.A. ("TGE") and Buena Esperanza Limitada, S.A. ("BELSA"), with material non-controlling interest ("NCI"):

Name	Country of incorporation and principal place of business	Principal activity	Proportion of ownership held by the NCI	
			2014	2013
Thunderbird Gran Entretenimiento, S.A. ("TGE")	Costa Rica	Gaming	43.83%	44.25%
Buena Ezperanza Limitada, S.A. ("BELSA")	Nicaragua	Gaming	44.10%	44.10%

No dividends were paid to the NCI of TGE or BELSA during the years 2014 and 2013.

Summarized financial for TGE and BELSA, before intragroup eliminations, is set out below:

in thousands	TGE		BELSA	
	2014	2013	2014	2013
Non-current assets	$ 8,512	$ 3,540	$ 6,068	$ 6,074
Current assets	3,771	9,435	2,035	1,784
Total assets	**12,283**	**12,975**	**8,103**	**7,858**
Non-current liabilities	-	(1,101)	(1,843)	(1,630)
Current liabilities	(1,908)	(723)	(3,371)	(3,925)
Total liabilities	**(1,908)**	**(1,824)**	**(5,214)**	**(5,555)**
Equity attributable to the owners of the parent	**5,597**	**6,346**	**1,263**	**991**
Non-controlling interest	**4,778**	**4,805**	**1,626**	**1,312**

in thousands	TGE		BELSA	
	2014	2013	2014	2013
Revenue	$ 6,783	$ 8,052	$ 13,513	$ 14,005
Profit / (Loss) for the year attributable to the owners of the parent	(3)	15	398	375
Profit / (Loss) for the year attributable to NCI	(3)	11	314	297
Profit / (Loss) for the year	**(6)**	**26**	**712**	**672**
(all attributable to ownwers of the parent)	**(38)**	**(141)**	**127**	**98**

	TGE		BELSA	
	2014	2013	2014	2013
Net cash (used in) from operating activities	$ 133	$ (197)	$ 1,250	$ 1,150
Net cash (used in) from investing activities	(39)	(23)	(887)	(357)
Net cash (used in) from financing activities	(26)	(53)	668	(636)

28. SUBSEQUENT EVENTS

In 2014 year-to-date, the Group has announced or herein announces material events and entered into material contracts as follows:

Sale of Costa Rica Operations: On February 25, 2015, the Group sold its entire economic interest and management rights in its seven casinos in Costa Rica to CIRSA International Gaming Corporation, S.A. ("CIRSA"). The enterprise valuation for the entire operations was $33.5 million and after adjusting for cash, debt assumption and certain required debt pay down in Costa Rica, and other standard working capital adjustments, the net cash received for the Group's approximate 50% share was approximately $8.1 million. Additionally Thunderbird sold its share of the hotel and underlying real estate at Perez – Zeledon, owned by the Costa Rica operations. Finally, as part of the sale, Thunderbird entered into a 36-month non-compete agreement in Costa Rica. In the event there is any tax refund granted to its former Costa Rica operations for taxes already paid and under appeal Thunderbird will be entitled to its share of such taxes already paid. Currently approximately $3.1 million of taxes paid by Thunderbird Gran Entretenimiento de Costa Rica, S.A. ("TGE") are under appeal. There cannot be any assurance if any when any such refund will be granted. Finally, Thunderbird's share of a holdback in case of unknown pre-closing liabilities is USD 1,062,500. There can be no assurances if any when any such holdback will be released to Thunderbird. Thunderbird retains its 50% share of two parcels of real estate in San Jose, Costa Rica (approximately 8.2 hectares –Tres Rios and 2.7 hectares –Escazu). The Group continues its efforts to sell these now debt-free properties. A fuller description of these two properties is contained in previous press releases as well as in our annual reports and interim management statements.

Opening of Pharaohs Casino Bolonia in Nicaragua: On April 22, 2015, the Group opened a 1,200 square entertainment venue with 111 slot machines, 21 gaming table positions and 110 F&B positions. This property is located in a premium area in the heart of Managua in which the government is investing heavily to promote tourism. The Group has moved its Pharaohs Holiday Inn property to this new location, which is owned by the Company and which has far superior market visibility, parking and space distribution for our business. The facility is also larger and has expansion possibilities. To start, we have added 29 slot machine positions as compared to the existing venue.

Loan Extension: The Group has entered into agreement for new ($350 thousand) and refinanced ($950 thousand) loans during Q1 2015 at rates of approximately 8% to 9% and terms lengths of approximately 12 to 36 months.

"Global Settlement" on Daman, India project: On April 8, 2015, for purposes of avoiding legal costs and creating certainty, the Group entered into separate, simultaneous comprehensive settlements with Maravege, MIREF, DHPL and Delta pursuant to the following terms as summarized below:

- The Group settled a possible $6 million or greater exposure arising from a guarantee it provided in 2009 to a mezzanine lender (Maravege Holding Limited) to the Daman, India project. The total consideration for settlement is $2.425 million consisting of a cash payment of $1.325 million to be paid over 23 months and an offsetting credit for the $1.1 million to be paid by

Maravege for the remaining 5.5% of shares the Group has in DHPL. The share transfer is subject to a certain first right process with an existing DHPL shareholder as described below.

- The Group will go through a process with KP Group, another shareholder of DHPL, giving them an opportunity to purchase the subject shares for the same $1.1 million. In the event KP Group matches the $1.1 million Maravege offer and does in fact purchase and pay for the shares, then the Group will sell its shares to KP Group and transfer cash to Maravege as part of the settlement.
- The Group obtained full release from DHPL and from its controlling shareholder Delta Corp Limited ("Delta") for any potential liabilities and claims.
- The Group received from Delta and DHPL proof that all senior lenders, whose loans totaled approximately $25 million and had been guaranteed by the Group, have been paid in full by DHPL/Delta.
- The Group obtained a full release from Madison India Real Estate Fund Limited ("MIREF"), whose mezzanine loan to DHPL of approximately $7.2 million had been guaranteed by Thunderbird.

For more detail on these developments, please visit www.thunderbirdresorts.com to find our press releases dated January to April 2015.

Chapter 8:
Risk Factors

Summary of Risk Factors: Prospective investors in Thunderbird Resorts Inc. should consider the risks described below associated with our business. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. Although we believe that the risks set forth below are our material risks, they are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also have an effect on us and the value of our common shares. An investment in our Group may not be suitable for all recipients of our Annual Report.

Risks Associated with our Business: The gaming and hospitality industries and the markets in which we compete are highly competitive, and we expect competition to intensify. If our competitors operate more successfully than us, if their properties are enhanced or expanded, if their properties offer gaming, lodging, entertainment or other experiences that are perceived to be of better quality and/or value than ours, or if additional gaming or hospitality facilities are established in and around locations in which we conduct business, we may lose market share. In particular, the expansion of casino gaming (especially major market-style gaming) by our competitors in or near any geographic area from which we attract or expect to attract a significant number of our patrons could have a material adverse effect on our business, financial condition and results of operations. Our competitors vary considerably by their size, quality of facilities, number of operations, number of gaming tables and slot machines, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity, and many of our competitors have significantly greater resources than we do. Many international hotel companies are present in the markets where we have hospitality properties. Likewise, many casino operators are present in the markets where we have casinos and other gaming and entertainment venues. We also compete with other non-gaming resorts and vacation areas, and with various other entertainment businesses. We expect that competition in our existing markets will intensify. The expansion of existing casino and video entertainment properties and the increase in the number of such properties in many of our markets, as well as the aggressive marketing strategies of many of our competitors, have increased the competitive pressures on our operations. If we cannot effectively compete in a market, it will have a material adverse effect on our business, financial position, or results of operations. Unfavorable changes in general economic conditions, including recession or economic slowdown, or higher fuel or other transportation costs, may reduce disposable income of casino and hotel patrons, or result in fewer patrons visiting casinos or hotels, as well as reduced play levels. As our properties are located in Central America, South America, and India, we would be especially affected by economic downturns affecting those regions; however, economic difficulties in other regions may affect our expansion plans, as well as our ability to raise capital. In addition to general economic and business risks, our gaming and hospitality operations are affected by a number of factors beyond our control, including: downturn or loss in popularity of the gaming industry in general, and table and slot games in particular; the relative popularity of entertainment alternatives to casino gaming; the growth and number of legalized gaming jurisdictions; local conditions in key gaming markets, including seasonal and weather-related factors; increases in taxes or fees; the level of new casino construction and renovation schedules of existing casinos; competitive conditions in the gaming industry and in particular gaming markets; decreases in the level of demand for rooms and related services; over-building (cyclical and otherwise) in the hotel industry; restrictive changes in zoning and similar land use laws and regulations, or in health, safety and environmental laws, rules and regulations; the inability to obtain property and liability insurance fully to protect against all losses or to obtain such insurance at reasonable rates; changes in travel patterns; changes in operating costs, including energy, labor costs (including minimum wage increases and unionization), workers' compensation and health-care related costs and insurance; changes in desirability of our existing markets' geographic regions; and inflation-driven cost increases that cannot be fully offset with revenue increases.

Any of these risks could have a material adverse effect on our business, financial position, or results of operations.

Development Risks: The development and construction of hotels, casinos and other gaming and entertainment venues, and the expansion of existing properties, are susceptible to delays, cost overruns and other uncertainties, any of which could have an adverse effect on our business, financial condition, and results of operations. Our business strategy may contemplate future development and construction of casinos and other gaming and entertainment venues, as well as the expansion of our existing properties. All such projects are susceptible to various risks and uncertainties.

Our failure to complete any new development or expansion project as planned, on schedule and within budget, could have a material, adverse effect on our business, financial condition, and results of operations. In addition, once a project is completed, we cannot assure you that we will be able to manage that project on a profitable basis or to attract a sufficient number of guests, gaming customers and other visitors to make it profitable.

Mergers & Acquisitions: Any future mergers and acquisitions could prove difficult to integrate, disrupt our business, dilute shareholder value, and strain our resources. As part of our business strategy, we intend to continue to seek to acquire businesses and properties that we believe could complement or expand our business or otherwise offer growth opportunities. Any future acquisitions will involve numerous risks, including: difficulties in integrating operations, technologies, services, accounting and personnel; difficulties in supporting and transitioning customers of our acquired companies to our technology platforms and business processes; diversion of financial and management resources from existing operations; difficulties in obtaining regulatory approvals and permits for the acquisition; and the inability to generate sufficient revenues to offset acquisition or investment costs.

Acquisitions also frequently result in recording of goodwill and other intangible assets, which are subject to potential impairments in the future that could have a material, adverse effect on our operating results. Furthermore, the costs of integrating acquired businesses (including restructuring charges associated with the acquisitions, as well as other acquisition costs, such as accounting, legal and investment banking fees) could significantly impact our operating results. Although we perform diligence on the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. We may not be able to ascertain the value or understand the potential liabilities of the acquired businesses and their operations until we assume operating control of the assets and operations of these businesses. Once we acquire a business, we are faced with risks, including the following: the possibility that we have acquired substantial undisclosed liabilities; the need for further regulatory approvals; the risks of entering markets in which we have limited or no prior experience; and the possibility that we may be unable to recruit additional managers with the necessary skills to supplement the management of the acquired businesses.

If we are unsuccessful in overcoming these risks, our business, financial condition, or results of operations could be materially and adversely affected.

Risks to Cash Flow and Access to Capital: Our cash flow from operations and available credit may not be sufficient to meet our planned capital requirements and, as a result, we could be dependent upon future financing, which may not be available on acceptable terms, or at all. Our businesses are, and our planned growth and expansions may be, capital-intensive. Historically, we have not generated sufficient cash flow

from operations to satisfy our capital requirements and have relied on debt and equity financing arrangements to satisfy such requirements. Should such financing arrangements be required but unavailable in the future, this will pose a significant risk to our ability to execute on our growth and expansion strategy, as well as to our cash requirements. There can be no assurance that future financing arrangements will be available on acceptable terms, or at all. We may not be able to obtain additional capital to fund currently planned projects or to take advantage of future opportunities or respond to changing demands of customers and competitors. Our planned projects and acquisitions that we may develop in the future will require significant capital. Although we intend to finance any such projects or acquisitions partially with debt financing, we do not have any financing commitments for all planned project debt financing and the financing commitments available to us are subject to a number of conditions, which may not be met. We may not be able to obtain any such financing on reasonable terms, or at all. The failure to obtain such financing could adversely affect our ability to construct any particular project, or reduce the profitability of such project. In addition, the failure to obtain such financing could result in potentially dilutive issuances of equity securities, guarantees of third party-debt, the incurrence of contingent liabilities and, an increase in amortization expenses related to goodwill and other intangible assets, any of which could have a material, adverse effect on our business, financial condition, or results of operations. Furthermore, an increase in the general levels of interest rates, or those rates available to us, would make it more expensive to finance our operations and proposed investments. Increases in interest rates could also make it more difficult to locate and consummate investments that meet our profitability requirements. In addition, we will be required to repay borrowings from time to time, which may require such borrowings to be refinanced. Many factors, including circumstances beyond our control, such as changes in interest rates, conditions in the banking market and general economic conditions, may make it difficult for us to obtain such new financing on attractive terms or even at all.

Market Risks: Our business is international; accordingly, it is subject to political and economic risks. We own and operate, and may develop, own and operate, hotels, casinos and other gaming and entertainment venues in Central America and South America. Our existing and planned business, as well as our results of operations and financial condition, may be materially and adversely affected by significant political, social, and economic developments in these areas of the world and by changes in policies of the applicable governments or changes in laws and regulations or the interpretations thereof. Our current operations are also exposed to the risk of changes in laws and policies that govern operations of gaming companies. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. These changes may have a material, adverse effect on our business, financial position, or results of operations. The general economic conditions and policies in these countries could also have a significant impact on our financial prospects. Any slowdown in economic growth could reduce the number of visitors to our hotel and casino operations or the amount of money these visitors are willing to spend. International operations, generally, are subject to various political and other risks, including, among other things: war or civil unrest, expropriation and nationalization; costs to comply with laws of multiple jurisdictions; changes in a specific country's or region's political or economic conditions; tariffs and other trade protection measures; currency fluctuations; import or export licensing requirements; changes in tax laws; political or economic instability in local or international markets; difficulty in staffing and managing widespread operations; changing labor regulations; restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in these jurisdictions; and restrictions on our ability to repatriate dividends from our subsidiaries.

Government Regulatory Risk: We are subject to extensive governmental regulation. The gaming industry is highly regulated and we must maintain our licenses, registrations, approvals and permits in order to

continue our gaming operations. Our gaming operations are subject to extensive regulation under the laws, rules and regulations of the jurisdiction where they are located. These laws, rules and regulations often concern the responsibility, financial stability, and character of the owners, managers, and persons with financial interests in the gaming operations. Certain jurisdictions empower their regulators to investigate participation by licensees in gaming outside of their jurisdiction and require access to, and periodic reports concerning, the gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. Regulatory authorities often have broad powers with respect to the licensing of gaming operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines, and take other actions, any one of which could have a material adverse effect on our business, financial condition, and results of operations. We also are responsible for the acts and conduct of our employees on the premises. Substantial fines or forfeiture of assets for violations of gaming laws or regulations may be levied against us, our subsidiaries, and the persons involved. We must periodically apply to renew our gaming licenses. We cannot assure you that we will be able to obtain such renewals. In addition, if we expand our gaming operations in the jurisdictions in which we currently operate or into new jurisdictions, we will have to meet suitability requirements and obtain additional licenses, registrations, permits and approvals from gaming authorities in these jurisdictions. The approval process can be time-consuming and costly and there is no assurance that we will be successful. In addition, regulatory authorities in certain jurisdictions must approve, in advance, any restrictions on transfers of, agreements not to encumber, or pledges of equity securities issued by an entity that is registered as an intermediary company with such jurisdiction, or holds a gaming license. If these restrictions are not approved in advance, they will be invalid. Although we believe that our organizational structure and operations are in compliance with all applicable laws and regulations where we operate, these laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new regulations that differ from our interpretation, which could have a material adverse effect on business, financial condition, or results of operations. From time to time, legislators and special interest groups have proposed legislation that would expand, restrict, or prevent gaming operations in the jurisdictions in which we operate. In addition, from time to time, certain anti-gaming groups propose referenda that, if adopted, would limit our ability to continue to operate in those jurisdictions in which such referenda are adopted. Any expansion of permitted gaming or any restriction on, or prohibition of, our gaming operations could have a material, adverse effect on our operating results. From time to time, country, state and local governments have considered increasing the taxes on gaming revenues or profits. We cannot assure you that such increases will not be imposed in the future. Any such increases could have a material, adverse effect on our business, financial condition, or results of operations. In addition to gaming regulations, we are subject to various other federal, state, and local laws and regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could have a material, adverse effect on our business, financial condition, and results of operations. We cannot assure you that we will be able to comply with, or conduct business in accordance with, applicable regulations.

Public Opinion Risk: The gaming industry is sensitive to declines in the public acceptance of gaming. Public opinion can negatively affect the gaming industry and our future performance. If there is a decline in public acceptance of gaming, this may affect our ability to do business in some markets, either through unfavorable legislation affecting the introduction of gaming into emerging markets, or through legislative and regulatory changes in existing gaming markets which may adversely affect our ability to continue to

own and operate our gaming operations in those jurisdictions, or through resulting reduced casino patronage. We cannot assure you that the level of support for legalized gaming or the public use of leisure money in gaming activities will not decline.

Risks to Shareholders: Certain holders of our common shares are subject to certain requirements of the gaming laws of some jurisdictions in which we are licensed. For example, under Peruvian law, any licensed company must submit to regulators the names of all persons that control 2% or more of the shares of that licensed company. While this legal requirement has historically been interpreted in a manner that would require disclosure of the identities of officers of the Group, which controls 100% of the licensed company that owns and operates our Peruvian facilities, including the casinos that we are currently developing, it is possible that in the future regulators could require disclosure from a common shareholder of ours. In such a situation it is possible that the regulators would require significant information about that shareholder and its assets and operations and, if the regulators were to determine that that shareholder is unsuitable, it could revoke our gaming license unless that shareholder divested some or all of its common shares.

Risks to Pledged Shares and/or Assets: If we default under certain agreements, we could forfeit our pledged equity interest in certain subsidiaries and/or certain assets.

Risks of Local Investors: We own many of our properties through entities that are partly owned by local companies or individuals. Accordingly, maintaining good personal and professional relationships with our local partners is critical to our proposed and future operations. Changes in management of our local partners, changes in policies to which our local partners are subject, or other factors that may lead to the deterioration of our relationship with a local partner may have a material adverse effect on our business, financial position, or results of operations. Our joint venture investments involve risks, such as the possibility that the local partner might become bankrupt or not have the financial resources to meet its obligations, or may have economic or business interests or goals that are inconsistent with our business interests or goals, or be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Our local partners often have shared control over, or certain veto rights with respect to, the operation of the local facilities. Therefore, we may be unable to take certain actions without the approval of our local partners. Disputes between us and local partners may result in litigation or arbitration that would increase our expenses and prevent our officers, directors, and employees from focusing their time and efforts on our business. Consequently, actions or disputes with local partners might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our local partners. We may not be able to find acceptable local partners, or enter into acceptable arrangements with local partners, which could limit our ability to expand into new markets. Our business strategy contemplates forming and maintaining relationships with local partners. We cannot assure you that we will be able to identify the best local partners or maintain our relationships with existing local partners, or enter into new arrangements with other local partners on acceptable terms, or at all. The failure to maintain or establish such relationships could have a material adverse effect on our business, financial position, or results of operations. In addition, the terms of our local partner agreements are influenced by contract terms offered by our competitors, among other things. We cannot assure you that any of our current arrangements with our local partners will continue, or that we will be able to renew our local partnerships, or enter into new local partnerships, on terms that are as favorable to us as those that exist today. Conflicts may arise between us and our local partners, such as conflicts concerning joint venture governance or economics, or the distribution or reinvestment of profits. Any such disagreement between us and a local partner could result in one or more of the following, each of which could harm our reputation or have a material, adverse effect on our business, financial position, or results of operations: unwillingness on the

part of a local partner to (i) pay us amounts or render us services we believe are due to us under our arrangement; (ii) to keep us informed regarding the progress of its development and community relationship activities; or (iii) early termination or non-renewal of the relationship.

Risks of Losing Key Personnel: Our ability to maintain our competitive position is dependent, to a large degree on the services of our senior management team. However, we cannot assure you that any of these individuals will remain with us, or that we would be able to attract and hire suitable replacements in the event of any such loss of services. The death or loss of the services of any of our senior managers or the inability to attract and retain additional senior management personnel could have a material, adverse effect on our business, including our ability to raise additional capital.

Tax Risk: We may be subject to certain tax liabilities in connection with our operations. See Note 21 to the Financial Statements.

Litigation Risk: We may be involved in legal and tax claims from time to time. Some of the litigation claims may not be covered under our insurance policies or our insurance carriers may seek to deny coverage. As a result, we might be required to incur significant legal fees, which may have a material adverse impact on our financial position. In addition, because we cannot predict the outcome of any action, it is possible that, as a result of current and/or future litigation, we will be subject to adverse judgments or settlements that could significantly reduce our earnings or result in losses. Please see Notes 16 and 21 of the financial statements for a description of our current material litigation.

Acts of God: Our properties may be affected by acts of God, such as natural disasters, particularly in locations where we own and/or operate significant properties. Some types of losses, such as those from earthquake, hurricane, terrorism, and environmental hazards, may be either uninsurable or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Similarly, war (including the potential for war), political unrest, other forms of civil strife, terrorist activity (including threats of terrorist activity), epidemics (such as SARS and bird flu), travel-related accidents, as well as geopolitical uncertainty and international conflict, which impact domestic and international travel, may cause our results to differ materially from anticipated results. In addition, inadequate preparedness, contingency planning, or recovery capability in relation to a major incident or crisis may prevent operational continuity and consequently impact our business, financial position, or results of operations. Although we have all-risk property insurance for our properties covering damage caused by a casualty loss (such as fire and natural disasters), each such policy has certain exclusions. Our level of insurance coverage for our properties may not be adequate to cover all losses in the event of a major casualty. In addition, certain casualty events, such as labor strikes, nuclear events, acts of war, loss of income due to cancellation of room reservations, or conventions due to fear of terrorism, deterioration or corrosion, insect or animal damage and pollution, might not be covered at all under our policies. Therefore, certain acts could expose us to heavy, uninsured losses. In addition, although we currently have certain insurance coverage for occurrences of terrorist acts and certain losses that could result from these acts, our terrorism coverage is subject to the same risks and deficiencies as those described above for our all-risk property coverage. The lack of sufficient insurance for these types of acts could expose us to heavy losses in the event that any damages occur, directly or indirectly, as a result of terrorist attacks, which could have a significant negative impact on our operations. In addition to the damage caused to our property by a casualty loss (such as fire, natural disasters, acts of war or terrorism), we may suffer disruption

of our business as a result of these events, or be subject to claims by third parties injured or harmed. While we carry business interruption insurance and general liability insurance, such insurance may not be adequate to cover all losses in such event. We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits or agree to certain exclusions from our coverage. Among other potential future adverse changes, in the future we may elect to not, or may not be able to, obtain any coverage for losses due to acts of terrorism.

Management Risks: We derive our revenue from operations located in multiple countries and expect to further expand our business. As a result of long distances, different cultures, management and language differences, our operations pose risks to our business. These factors make it more challenging to manage and administer a dispersed business and increase the resources necessary to operate under several different regulatory and legislative regimes.

Technology Risks: We use sophisticated information technologies and systems that are interconnected through the Internet. Any disaster, disruption or other impairment in our technology capabilities could harm our business. Our information technology system is vulnerable to damage or interruption from: earthquakes, fires, typhoons, floods, and other natural disasters; power losses, computer systems failures, internet, and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data, and similar events; and computer viruses, penetration by individuals seeking to disrupt operations or misappropriate information, and other breaches of security. We rely on our systems to perform functions critical to our ability to operate, including our central reservation systems. Accordingly, an extended interruption in system's functions could significantly curtail, directly and indirectly, our ability to conduct our business and generate revenue. In addition, if a breach of security were to occur, it could cause interruptions in our communications and loss or theft of data. To the extent our activities involve the storage and transmission of information, such as credit card numbers, security breaches could damage our reputation and expose us to a risk of loss or litigation, and possible liability. Our insurance policies might not be sufficient to reimburse us for losses caused by such security breaches. Further, the development and maintenance of these technologies may require significant capital. There can be no assurance that as various systems and technologies become outdated or new technology is required we will be able to replace or introduce them as quickly as our competition, or within budgeted costs and timeframes for such technology. Further, there can be no assurance that we will achieve the benefits that may have been anticipated from any new technology or system.

Demand Risks: Our properties must offer themes, products and services that appeal to potential customers. We may not anticipate or react quickly enough to any significant changes in customer preferences, such as jackpot fatigue (declining play levels on smaller jackpots) or the emergence of a popular gaming option provided by our competitors, or hotel amenities supplied by our competitors. In addition, general changes in consumer behavior, such as redirection of entertainment dollars to other venues or reduced travel activity, could materially affect our business, financial position and results of operations.

Fraud Risks: We incorporate security features into the design of our gaming operations designed to prevent us and our patrons from being defrauded. However, we cannot assure you that such security features will continue to be effective in the future. If our security systems fail to prevent fraud, our business, financial position, or results of operations could be adversely affected and our brand could suffer.

Marketing & Promotions Risks: We intend to promote the brands that we own and operate to differentiate ourselves from our competitors and to build goodwill with our customers. These promotional efforts may

require substantial expenditures on our part. However, our efforts may be unsuccessful and these brands may not provide the competitive advantage that we anticipate, in which case we would not realize the expected benefits from our expenditures related to our brands.

Holding Company Risks: We are a holding company with no material business operations of our own. Our only significant asset is the capital stock of our subsidiaries and joint ventures. We conduct virtually all of our business operations through our direct and indirect subsidiaries, and joint ventures. Accordingly, our only material sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries and joint ventures and management fees paid to us by certain of our joint ventures, all of which are dependent on the earnings and cash flow generated by the operating properties owned by our subsidiaries and joint ventures. Our subsidiaries and joint ventures might not generate sufficient earnings and cash flow to pay dividends or distributions in the future. In addition, our subsidiaries' and joint ventures' debt instruments and other agreements may from time to time limit or prohibit certain payment of dividends or other distributions to us.

Risks Associated with Real Estate: Our business strategy contemplates our ownership of significant amounts of real estate, which investments are subject to varying degrees of risk. Real estate values are affected by a variety of other factors, such as governmental regulations and applicable laws (including real estate, zoning, tax and eminent domain laws), interest rate levels, and the availability of financing. For example, existing or new real estate, zoning or tax laws can make it more expensive and/or time consuming to develop real estate or expand, modify or renovate hotels. Governments can, under eminent domain laws, take real estate, sometimes for less compensation than the owner believes the estate is worth. When prevailing interest rates increase, the expense of acquiring, developing, expanding or renovating real estate increases, and values decrease as it becomes more difficult to sell estates because the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult both to acquire real estate and, because of the diminished number of potential buyers, to sell real estate. Any of these factors could have a material, adverse impact on our business, financial position, or results of operations. Ownership of real estate also exposes us to potential environmental liabilities. Environmental laws, ordinances and regulations of various governments regulate our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under, or in estates we currently own or operate, or that we previously owned or operated. These laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent the real estate or to borrow using the real estate as collateral. Other laws, ordinances and regulations could require us to manage, abate or remove lead or asbestos containing materials. Similarly, the operation and closure of storage tanks are often regulated by foreign laws. Certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real estate. Because real estate investments are relatively illiquid, our ability to promptly sell one or more properties in response to changing economic, financial, and investment conditions may be limited. The real estate market is affected by many factors that are beyond our control, including:

- adverse changes in international, national, regional, and local economic and market conditions;
- changes in interest rates and in the availability, cost, and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances, and the related costs of compliance with laws and regulations, fiscal policies, and ordinances;

- the ongoing need for capital improvements, particularly in older structures;
- changes in operating expenses; and
- civil unrest, acts of God, including earthquakes, floods, and other natural disasters and acts of war or terrorism, which may result in uninsured losses.

We may decide to sell one or more of our properties in the future. We cannot predict whether we will be able to sell any property for the price, or on the terms, set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also, cannot predict the length of time needed to find a willing purchaser and to close the sale of a property.

In addition, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements.

Foreign Currency Risks: As of December 31, 2014, we operated in Costa Rica, Nicaragua and Peru. Therefore, certain of our expenses and revenues are and will be denominated in local currencies. A significant amount of our debt is denominated in dollars, and the costs associated with servicing and repaying such debt will be denominated in dollars. Additionally, our financial information is, and in the future will be, prepared in dollars. Any target business with which we pursue a business combination may denominate its financial information in a currency other than the dollar or conduct operations in a currency other than the dollar. Our sales in a currency other than dollars may subject us to currency translation risk. Exchange rate volatility could negatively impact our revenues or increase our expenses incurred in connection with operating a target business. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by local governments, central banks or supranational entities, or by the imposition of currency controls or other political developments. We are exposed to market risks from changes in foreign currency exchange rates, and any significant fluctuations in the exchange rates between local currencies against the dollar may have a material adverse effect on our operating results. Furthermore, the portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from currency fluctuations. We have not used any forward contracts, futures, swaps, or currency borrowings to hedge our exposure to foreign currency risk.

Risks to Ground Leases: We hold certain of our properties through leasehold interests in the land underlying the buildings and we may acquire additional properties in the future that are subject to similar ground leases. As the lessee under a ground lease, we are exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease, which may have a material adverse effect on our business, financial condition, results of operations, our ability to make distributions to our shareholders, and price of our common shares.

Risks Associated with our Common Shares: We may not be able to sustain a market for our shares, options and warrants on Euronext Amsterdam, which would adversely affect the liquidity and price of our shares, options and warrants. The price of the shares, options, and warrants after the admission to listing also can vary due to general economic conditions and forecasts, our general business condition, and the release of our financial reports. Although our current intention is to maintain a listing on Euronext Amsterdam, we cannot assure you that we will always do so. In addition, an active trading market for our shares on Euronext Amsterdam may not develop or, if developed, may not be maintained. You may be unable to sell your shares unless a market can be established and maintained, and if we subsequently obtain another listing on

an exchange in addition to, or in lieu of, Euronext Amsterdam, the level of liquidity of your shares may decline. In addition, because a large percentage of Euronext Amsterdam's market capitalization and trading volume is represented by a limited number of companies, fluctuations in the prices of those companies' securities may have an effect on the market prices for the securities of other listed companies, including the price of our shares. Euronext Amsterdam may delist our securities, which could limit the ability of our shareholders to make transactions in our securities and subject us to additional trading restrictions. Although we have met the listing standards of Euronext Amsterdam on admission, and are currently listed and trading, we cannot assure you that our securities will continue to be listed on Euronext Amsterdam as we might not meet certain continued listing standards. If we are delisted, we may not be able to list on any other exchange that provides sufficient liquidity. Even if an active trading market for our common shares develops, the market price of those securities may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common shares may fluctuate and cause significant price variations to occur. If the market price of our common shares declines significantly, you may be unable to resell such common shares at or above your purchase price, if at all. We cannot assure you that the market price of our common shares will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our common shares or result in fluctuations in the price or trading volume of our common shares include: variations in our quarterly operating results; failure to meet earnings estimates; publication of research reports about us, other companies in our industry or the failure of securities analysts to cover our shares in the future; additions or departures of key management personnel; adverse market reaction to any indebtedness we may incur, or preferred or common shares we may issue in the future; changes in market valuations of similar companies; announcements by us or our competitors of significant contracts, acquisitions and dispositions; speculation in the press or investment community; changes or proposed changes in laws or regulations affecting the hotel, casino or gaming industries, or enforcement of these laws and regulations, or announcements relating to these matters; general market, political and economic conditions and local conditions in the markets in which our properties are located; and other risks identified in this Annual Report.

Any market on which our common shares trade will from time-to-time experience extreme price and volume fluctuations. These market fluctuations could result in extreme volatility in the trading price of our common shares, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of our common shares are low.

Risks from Options, and Promissory Notes Convertible into Common Stock: As of December 31, 2014, we have existing options and promissory notes convertible into common shares. The potential issuance of additional common shares on exercise of these options or the conversion of these promissory note into shares could make us a less attractive investment, if exercise of the options and conversion of notes into shares at prices below current market prices. If, and to the extent, these options are exercised or conversion occur, shareholders may experience dilution to their holdings. As of April 2015, we have 23,734,312 common shares outstanding. See Chapter 7 for more detail on the unexercised option and promissory note convertible into shares.

We do not anticipate paying any dividends on our common shares in the foreseeable future: We do not expect to declare or pay any cash or other dividends in the foreseeable future on our common shares, as we intend to use cash flow generated by operations to pay off our debt and expand our business. Our debt arrangements may also restrict our ability to pay cash dividends on our common shares, and we may also enter into credit agreements or other borrowing arrangements in the future that restrict our ability to declare or pay cash dividends on our common shares.

Ownership in us may be diluted in the future: Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted over time to our directors, officers, and employees. Additionally, our Board of Directors may issue common shares and preferred shares without shareholder approval, which may substantially dilute shareholder ownership interest and serve as an anti-takeover measure.

Because the Group is a British Virgin Islands company, our shareholders rights may not be able to enforce judgments against us: We are incorporated under the laws of the British Virgin Islands. As a result, it may be difficult for investors to effect service of process upon us in other jurisdictions to enforce against us judgments obtained in other jurisdictions, including judgments predicated upon the civil liability provisions of the securities laws of other foreign jurisdictions. We have been advised by our British Virgin Islands counsel that judgments predicated upon the civil liability provisions of the securities laws of other jurisdictions may be difficult to enforce in British Virgin Islands courts and that there is doubt as to whether British Virgin Islands courts will enter judgments in original actions brought in British Virgin Islands courts predicated solely upon the civil liability provisions of the securities laws of other foreign jurisdictions.

Because the Group is a British Virgin Islands company, our shareholders rights may be less clearly established as compared to the rights of shareholders of companies incorporated in other jurisdictions: Our corporate affairs are governed by our Memorandum of Association and Articles of Association and by the International Business Companies Act of the British Virgin Islands. Principles of law relating to such matters as the validity of corporate procedures, the fiduciary duties of management and the rights of our shareholders may differ from those that would apply if we were incorporated in another jurisdiction. The rights of shareholders under British Virgin Islands law are not as clearly established as are the rights of shareholders in many other jurisdictions. Thus, our shareholders may have more difficulty protecting their interests in the face of actions by our Board of Directors than they would have as shareholders of a corporation incorporated in another jurisdiction.

Our governing documents and British Virgin Islands law contain provisions that may have the effect of delaying or preventing a change in control of us: Our Memorandum of Association authorizes our Board of Directors to issue up to 500 million preferred shares and to determine the powers, preferences, privileges, rights, including voting rights, qualifications, limitations and restrictions on those shares, without any further vote or action by the shareholders. The rights of the holders of our common shares will be subject to, and may be adversely affected by, the rights of the holders of any preferred shares that may be issued in the future. The issuance of preferred shares could delay, deter or prevent a change in control and could adversely affect the voting power or economic value of your shares. In addition, provisions of our governing documents and British Virgin Islands law, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control, and limit the price that certain investors might be willing to pay in the future for our common shares. Among other things, these provisions provide that: our Directors may only be removed without cause by the vote of shareholders holding at least a two-thirds of our outstanding common shares; and our shareholders may only call a special meeting by delivering to our Board of Directors a request for a special meeting by shareholders holding 50% or more of our outstanding common shares. Although we believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics and thereby provide an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by some shareholders. Further, these provisions may discourage potential acquisition proposals and may delay, deter, or prevent a change of control of our Group, including through unsolicited

transactions that some or all of our shareholders might consider to be desirable. As a result, efforts by our shareholders to change our direction or our management may be unsuccessful.

Future sales of securities could depress the price of our securities: Sales of a substantial number of shares of our securities, or the perception that a large number of our securities will be sold could depress the market price of our common shares. Our governing documents authorize us to issue up to 500,000,000 preferred shares and 500,000,000 common shares.

We are subject to certain Canadian securities legislation, which may affect our shareholders: Our common shares ceased to be listed on the CNSX, however, we are a "reporting issuer" subject to certain securities laws of British Columbia, Ontario, and the Yukon Territory even though we elected to delist from the CNSX. Among other things, those laws require any 10% holder of a reporting issuer to file reports disclosing that holder's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, and any changes in that ownership. If they acquire 10% or more of our outstanding common shares, they will be required to file an "insider report form" within ten business days from the date their ownership exceeded 10%, and then within ten business days after any trades or other changes in their holdings of common shares. They would also be required to issue a press release and file a report every time they acquire an additional 2% or more of our common shares. If they acquire 20% or more of our outstanding common shares, they would be a "control person" of ours under those provincial securities laws. As such, they would be deemed to be not only knowledgeable about our affairs, but they would be deemed to have the ability, by virtue of their significant equity position, to direct our affairs. Thereafter, any sale by them of common shares would be deemed under provincial law to be a distribution, requiring the filing of an Annual Report and compliance with other securities disclosure laws. In addition, if a shareholder acquires 20% or more of our common shares, they will be deemed under provincial securities laws to have made a "take-over bid" and, accordingly, unless they can obtain an exemption, they would be required to comply with detailed rules governing bids. 20% holders are also required to file insider reports within three calendar days versus the normal ten-day requirement that applies to all other parties required to file insider reports. They must also file personal information forms with the applicable securities commissions and Canadian exchange where the shares are posted for trading. The provincial securities commissions and the CNSX have the right to veto the individual or entity from remaining an insider or control person if the individual or entity is deemed unsuitable to be involved in the Canadian public markets.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common shares: At any time, the federal, state, local or foreign tax laws or regulations or the administrative or judicial interpretations of those laws or regulations may be changed or amended. We cannot predict when or if any new federal, state, local or foreign tax law, regulation or administrative or judicial interpretation, or any amendment to any existing tax law, regulation or administrative or judicial interpretation, will be adopted, promulgated or become effective and any such law, regulation or interpretation may take effect retroactively. We and our shareholders could be adversely affected by any such change in, or any new tax law, regulation or administrative or judicial interpretation.

We may be subject to certain tax liabilities in Canada in connection with our emigration from Canada and continuing our charter under the laws of the British Virgin Islands: In 2006, we filed "discontinuation documents" with the Yukon, Canada Registrar and continued our charter under the laws of the British Virgin Islands. In connection with this change we could be subject to certain Canadian tax liabilities associated with our deemed disposition of the assets and a deemed dividend calculated by us under Canadian tax laws. We determined we had no tax charges associated with our emigration from Canada.

Although we believe the position we have taken in the submitted tax return was appropriate for determining any potential tax liabilities, there is no assurance that the Canadian tax authorities will not challenge the position to calculate the potential tax liability, which could result in us being subject to additional Canadian taxes.

ERISA plan risks may limit our potential investor base: The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the U.S. Internal Revenue Code prohibit certain transactions that involve (1) certain pension, profit-sharing, employee benefit, or retirement plans or individual retirement accounts (as well as certain entities that hold assets of such arrangements as described below) and (2) any person who is a "party-in-interest" or "disqualified person" with respect to such a plan. Consequently, the fiduciary of a plan contemplating an investment in our common shares should consider whether we, any other person associated with the issuance of our common shares or any of their affiliates is or might become a "party-in-interest" or "disqualified person" with respect to the plan and, if so, whether an exemption from such prohibited transaction rules is applicable. In addition, the Department of Labor Plan Asset Regulations provide that, subject to certain exceptions, the assets of an entity in which a plan holds an equity interest may be treated as assets of an investing plan, in which event the underlying assets of such entity (and transactions involving such assets) would be subject to the prohibited transaction provisions and we could be subject to the prudence and other fiduciary standards of ERISA, which could materially and adversely affect our operations. We intend to take such steps so that we should qualify for one or more of the exceptions available and, thereby, prevent our assets from being treated as assets of any investing plan. However, there can be no assurance that we will be able to meet any of these exceptions.

Cautionary Note Concerning Forward Looking Statements: Various statements contained in this Annual Report, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward looking statements. We use words such as "believe," "intend," "expect," "anticipate," "forecast," "plan," "may," "will," "could," "should" and similar expressions to identify forward looking statements. The forward looking statements in this Annual Report speak only as of the date of this Annual Report and are expressly qualified in their entirety by these cautionary statements. Factors or events that could cause our actual results to differ may emerge from time to time and it is not possible to predict all of them. We disclaim any obligation to update these statements, and we caution our shareholders not to rely on them unduly. Our shareholders are cautioned that any such forward looking statements are not guarantees of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global, political, economic, business, competitive, market, and regulatory conditions as well as, but not limited to, the risk factors described in this Section. These risks and others described under the heading "Risk Factors" are not exhaustive.

IMPORTANT INFORMATION

No person has been authorized to give any information or to make any representation other than those contained in this Annual Report and, if given or made, such information or representations must not be relied upon as having been authorized by us. This Annual Report does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this Annual Report shall not under any circumstances, create any implication that there has been no change in our affairs or that information contained herein is correct as of any time subsequent to the date hereof. The Group accepts responsibility for the information contained in this Annual Report. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Annual Report is in

accordance with the facts and does not omit anything likely to affect the import of such information. The information included in this Annual Report reflects our position at the date of this Annual Report and under no circumstances should the issue and distribution of this Annual Report after the date of its publication be interpreted as implying that the information included herein will continue to be correct and complete at any later date.

CORPORATE OFFICE

Thunderbird Building
Calle Alberto Navarro
El Cangrejo, Apartado 0823-00514
Panama, Republic of Panama
Tel: (507) 223-1234
Fax: (507) 223-0864

DIRECTORS

Salomon Guggenheim, Zurich, Switzerland
Albert W. Atallah, San Diego, California
Douglas Vicari, Oradell, New Jersey
Reto Stadelmann, Zurich, Switzerland
Marie Madeleine Linter, Zurich, Switzerland
Georg Gruenberg, Peru

AUDITOR

Baker Tilly Curacao
Snipweg 30
Willemstad
Curacao

OFFICERS

Salomon Guggenheim, President & CEO
Peter LeSar, Chief Financial Officer
Albert W. Atallah, General Counsel and Secretary
Tino Monaldo, Vice President, Corporate Development

TRANSFER AGENT

Computershare
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3B9, Canada

CAPITALIZATION

Common shares issued: 23,734,312
(as of April 23, 2015)

REGISTERED AND RECORD OFFICE FOR SERVICE IN BRITISH VIRGIN ISLANDS

Icaza, Gonzales-Ruiz & Aleman (BVI) Trust Limited
Vanterpool Plaza, Second Floor
Road Town, Tortola
British Virgin Islands

SHARES LISTED

Euronext Amsterdam
Common Stock Symbol: TBIRD
Frankfurt Stock Exchange
Common Stock Symbol: 4TR

WEBSITE

www.thunderbirdresorts.com