Thunderbird
RESORTS

2013 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 NYSE Euronext Amsterdam exchange (“NYSE 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 and our Strategy Going Forward

Dear Shareholders and Investors:

In last year's CEO Letter to Shareholders, I stated that my intention as incoming CEO was to earn the support of shareholders by building a profitable company through focusing on these 3 key goals:

1. Develop in our existing markets where new revenues should most efficiently grow our bottom line by leveraging existing management overhead, with all material investments to be approved by a newly-formed, Board-level Investment Committee.
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.

We continue to believe that these are the correct steadfast goals for 2014 and beyond. The strategy adjustments, as described in the next section, are that when warranted, we may liquidate non-performing, underperforming and/or non-strategic assets so as to accelerate performance on our stated goals above.

ASSET SALES TO ACCELERATE PERFORMANCE

Sale of Philippines Interests: In last year's CEO Letter, we informed shareholders that we were continuing our "work with Solar and the appropriate regulatory bodies to complete a transaction" under which local media conglomerate Solar Entertainment was to become our joint venture partner in the Philippines. The significant material change to our business in 2013 was that in August, rather than enter into a joint venture, we sold 100% of our Philippines interest to affiliates of Solar. This sale enabled us to perform on our stated goals as described herein.

Pending Sale of Costa Rican Real Estate: In Q3 2013, we announced our intention to sell our undeveloped and thus non-performing real estate that is owned by our Costa Rican Joint venture, of which the group is a 50% shareholder. The process of marketing and selling the prime Tres Rios and Escazu properties is underway. Net sale proceeds are projected to be used to pay down a significant portion of Costa Rica gross debt, which was $14.4 million as of December 31, 2013. The remaining proceeds could be distributed and/or used for reserves and/or development.

PERFORMANCE UNDER OUR STATED GOALS

Development: Please see the progress made in accordance with our stated goals:

a) In October 2013, we entered into agreements to develop a casino in downtown San Jose, Costa Rica, that has since been financed and is under construction with a planned opening during Q2 2014, with 118 slot positions, 28 table positions and 70 food and beverage positions.
b) At the Group's shareholder meeting in September 2013, we estimated approximately $700 thousand new (non-organic) EBITDA[1] growth expected in Peru in 2014 based on: a) New equipment investments; and b) Reallocation of our Peru office complex to increase space for party rentals.
c) In December 2013, Edison Investment Research initiated research on the Group providing shareholders with an independent perspective on our performance based on our goals.
d) In December 2013, the Board of Directors appointed Georg Gruenberg, a successful Peruvian entrepreneur with a well-developed understanding of Peruvian business practices, to serve on the board.

e) In January 2014, the Board of Directors appointed Alfred Meili, a successful Swiss-based real estate entrepreneur, to serve on the board.

Expense Reduction:

a) Corporate expense was reduced from $5.9 million as of December 31, 2012 to $4.9 million as of December 31, 2013.
b) Consolidated operating expenses (operating, general and administrative) were reduced by $0.8 million or 2% as compared to December 31, 2012 figures (despite inflation in our markets).

Debt Reduction:

a) Group gross debt[2] has been reduced to $42.5 million as of December 31, 2013.
b) Group net debt[3] has been reduced to $37.0 million as of December 31, 2013.
c) In September 2013, we announced that we had begun efforts to refinance Peru and Peru-related debt principal balances (includes debt on parent company books), which combined was approximately $31.2 million as of December 31, 2013.

Income Statement:

While the Group had a 37.7% increase in Adjusted EBITDA through December 31, 2013 as compared to through December 31, 2012 (see page 14), we did experience material losses (see page 16). Our Loss for the Year was driven primarily by: $6.3 million of non-cash expenses (Depreciation and amortization, and Forex); $1.6 million in provisions for possible legal settlements (also, non-cash in 2013); $5.9 million in Finance costs (which are reducing at a fast rate, see page 19); and a one-time $2.4 million loss on the disposal of the Philippines, of which $2.2 million is an impairment of a $5.0 million escrow that has yet to be paid to the Group.

NEXT STEPS

We will continue to pursue sustainable bottom line growth and profitability by maintaining our focus on our stated goals over the coming years. Apart from the activities stated above, we are evaluating other development initiatives in existing markets, and are analyzing how to optimize our existing portfolio. We look forward to communicating with shareholders as material events unfold.

Salomon Guggenheim
President & CEO

[1] EBITDA: Earnings before interest, tax, depreciation and amortization. Property EBITDA is an approximation of cash flow at the country levels that are available to pay debt principal and shareholder distributions. Adjusted EBITDA is EBITDA at the level Thunderbird Resorts Inc. and is an approximation of cash flow available at the parent-company level available to pay debt principal and shareholder distributions after adjusting for Corporate Expense.

[2] Gross Debt: Total borrowings and finance lease obligations.

[3] Net Debt: Gross Debt less cash and cash equivalents, accrued interest and unamortized debt issuance costs.

Important Note: Please note that effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer considered an appropriate method to present investments in joint ventures and that equity accounting should be applied. To enable the reader to compare results with previous periods, the Group has elected to present the Costa Rican joint venture proportionally when discussing financial performance in this 2013 Annual Report, except in Chapter 9 – 2013 Consolidated Financial Statements that are compliant with IFRS 11. Also, except for in Chapter 9 – 2013 Consolidated Financial Statements that are compliant with IFRS 11, the Group presents analyses on an ongoing business basis, except where otherwise expressly stated. The Group defines "Ongoing Business" as all operations that continue in 2013 as compared to those same businesses in the previous year. Thunderbird Resorts - El Pueblo was no longer an ongoing business in 2013 as it was sold in April 2012; therefore, we have discounted Thunderbird Resorts - El Pueblo from the 2012 comparative analysis herein so as to discuss financial performance on a like-for-like basis.

Chapter 2: The World of Thunderbird Resorts Inc.

Who We Are

Thunderbird Resorts Inc. (www.thunderbirdresorts.com) is publicly traded on the NYSE Euronext Amsterdam ("TBIRD") and on the Frankfurt Stock Exchange ("4TR"). Our core business is to develop, own and operate gaming venues. We operate in Latin America, specifically in Peru, Costa Rica and Nicaragua. Our mission is to "create extraordinary experiences for our guests."

NICARAGUA
$14.0M Revenue
5 Casinos
543 Slots
182 Table Positions

COSTA RICA
$14.4M Revenue
4 Casinos & 2 Slot Parlors
1 Hotel (21 Rooms)
1,010 Slots
105 Table Positions
One additional casino opens in Q2 2014 with 118 Slots 28 Table Positions

PERU
$30.6M Revenue
2 Casinos & 3 Slot Parlors
1 Hotel Owned (66 Rooms) & 3 Hotels Managed (398 Rooms)
952 Slots
302 Table Positions

Gaming Operations

Thunderbird develops, owns and operates casinos and slot parlors in each of its markets. Our job is to provide customers with a social environment in which they can play exciting games with high theoretical payouts. We work with player tracking systems to build customer loyalty and to provide transparency in our operations. We believe that casinos should have energy, which means great décor, wonderful music and high quality audio-visual and lighting systems.

Thunderbird Casinos

Hotel Operations

Thunderbird owns and manages hotels principally as a support to our gaming operations, and it is not a core business of our Group, representing less than 15% of our revenue. We believe that each property is unique and must be designed to meet the needs of its audience, but that our administration must be operated with common systems and processes.

Thunderbird Hotels

Chapter 3: 2013 Overview and Subsequent Events

Key Performance Indicators

The Group looks at the following Key Performance Indicators ("KPIs") to help understand underlying performance trends: a) Revenue; b) Adjusted EBITDA; c) Cash Generation; d) Productivity and Efficiency Metrics; and e) Group Debt.

REVENUE

Management looks at revenue in two forms: a) As reported revenue per IFRS requirements; and b) Revenue performance on an Ongoing Business basis, as defined on page 7. Please note that "Other" revenues are non-operating revenues to corporate entities, such as the lease of Group-owned office real estate to third party tenants.

Ongoing Business Basis: Below are the full-year revenues on an Ongoing Business basis. Revenues were higher by approximately $1.1 million as compared to 2012 figures.

Total revenues in 2012 have been adjusted to exclude Peru's Thunderbird Resorts - El Pueblo operation of $3.7 million, as it was not an Ongoing Business in 2013. Total revenues in 2012 excluding the El Pueblo operation were $61.9 million as per Note 4 – segmental information.

(In thousands)	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012	Variance	% change
REVENUES BY COUNTRY				
Nicaragua	14,005	12,702	1,303	10.3%
Costa Rica	14,383	16,262	(1,879)	-11.6%
Peru	30,646	29,009	1,637	5.6%
Other	219	211	8	3.8%
Total revenues	**$ 59,253**	**$ 58,184**	$ 1,069	1.8%

Below are Ongoing Business revenues by quarter for 2013.

(In thousands)	Three months ended March 31, 2013	Three months ended June 30, 2013	Three months ended September 30, 2013	Three months ended December 31, 2013
REVENUES BY COUNTRY				
Nicaragua	3,478	3,569	3,320	3,638
Costa Rica	3,863	3,467	3,609	3,444
Peru	7,430	7,396	7,663	8,157
Other	64	46	54	55
Total revenues	**$ 14,835**	**$ 14,478**	**$ 14,646**	**$ 15,294**

Below are Ongoing Business revenues for the last six months of 2013.

(In thousands)	Month ended July 31, 2013	Month ended August 31, 2013	Month ended September 30, 2013	Month ended October 31, 2013	Month ended November 30, 2013	Month ended December 31, 2013
REVENUES BY COUNTRY						
Nicaragua	1,136	1,191	993	1,245	1,084	1,309
Costa Rica	1,320	1,181	1,108	1,131	951	1,362
Peru	2,599	2,765	2,299	2,679	2,355	3,123
Other	18	18	18	19	18	18
Total revenues	**$ 5,073**	**$ 5,155**	**$ 4,418**	**$ 5,074**	**$ 4,408**	**$ 5,812**

ADJUSTED EBITDA

While it is not an IFRS defined term, Management views Earnings Before Interest, Taxes, Depreciation and Amortization Adjusted for Corporate Expense ("Adjusted EBITDA") to be a key metric as it helps us to understand the operational profitability of the Group's business.

Below is the Group's Adjusted EBITDA for 2013 as compared to 2012. Adjusted EBITDA is higher by approximately $1.7 million year-over-year due to stronger revenues in Peru and Nicaragua and a significant Corporate Expense reduction that contributed to offset the material decrease in revenues from the Costa Rican operations.

Adjusted EBITDA in 2012 has been adjusted to exclude Peru's Thunderbird Resorts - El Pueblo operation of $1.3 million as it was not an Ongoing Business in 2013. Total Adjusted EBITDA in 2012 including the El Pueblo operation was $5.7 million as per Note 4 - segmental information.

(In thousands)	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012	Variance	% change
Net gaming wins	$ 48,791	$ 48,457	$ 334	0.7%
Food and beverage sales	4,521	4,391	130	3.0%
Hospitality and other sales	5,941	5,336	605	11.3%
Total revenues	**59,253**	**58,184**	**1,069**	**1.8%**
Promotional allowances	5,032	5,313	(281)	-5.3%
Property, marketing and administration	43,244	42,560	684	1.6%
Property EBITDA	**10,977**	**10,311**	**666**	6.5%
Corporate expenses	4,884	5,887	(1,003)	-17.0%
Adjusted EBITDA	**6,093**	**4,424**	**1,669**	**37.7%**
Adjusted EBITDA as a percentage of revenues	10.3%	7.6%		

Below is the Group's Adjusted EBITDA by quarter during 2013.

(In thousands)	Three months ended March 31, 2013	Three months ended June 30, 2013	Three months ended September 30, 2013	Three months ended December 31, 2013
Net gaming wins	$ 12,281	$ 11,814	$ 12,079	$ 12,617
Food and beverage sales	1,020	1,182	1,130	1,189
Hospitality and other sales	1,534	1,482	1,437	1,488
Total revenues	**14,835**	**14,478**	**14,646**	**15,294**
Promotional allowances	1,195	1,249	1,212	1,376
Property, marketing and administration	10,721	10,769	10,516	11,238
Property EBITDA	2,919	2,460	2,918	2,680
Corporate expenses	1,162	1,227	1,354	1,141
Adjusted EBITDA	**1,757**	**1,233**	**1,564**	**1,539**
Adjusted EBITDA as a percentage of revenues	11.8%	8.5%	10.7%	10.1%

Below is the Group's Adjusted EBITDA by month for the last six months of 2013.

(In thousands)	Month ended July 31, 2013	Month ended August 31, 2013	Month ended September 30, 2013	Month ended October 31, 2013	Month ended November 30, 2013	Month ended December 31, 2013
Net gaming wins	$ 4,195	$ 4,299	$ 3,585	$ 4,160	$ 3,580	$ 4,877
Food and beverage sales	393	374	363	390	363	436
Hospitality and other sales	485	482	470	524	465	499
Total revenues	**5,073**	**5,155**	**4,418**	**5,074**	**4,408**	**5,812**
Promotional allowances	412	426	374	393	400	583
Property, marketing and administration	3,513	3,516	3,487	3,534	3,607	4,097
Property EBITDA	1,148	1,213	557	1,147	401	1,132
Corporate expenses	365	583	406	366	381	394
Adjusted EBITDA	**783**	**630**	**151**	**781**	**20**	**738**
Adjusted EBITDA as a percentage of revenues	15.4%	12.2%	3.4%	15.4%	0.5%	12.7%

Corporate Expenses are the only adjustment within the Adjusted EBITDA calculation. Corporate Expenses were $4.9 million for full-year 2013, but based on the most recent revenue trends, Management is hopeful that Corporate Expenses will stabilize at or below $4.5 million in 2014.

INCOME STATEMENT

The Income Statement below is As Reported and in compliance with IFRS 11, meaning that the Group's joint venture in Costa Rica is accounted for under the equity method rather than proportional consolidation. When reviewing the below table, the only current year cash expenses for continuing operations below the Gross Profit line of $34.6 million are: a) Operating, General and Administrative of $30.6 million; b) Project Development of $27 thousand; c) Financing Costs of $5.9 million; d) Other interest of $206 thousand; and e) Income Tax in the current year of $1.4 million.

	2013	2012 (Restated)
Net gaming wins	$ 42,825	$ 41,699
Food, beverage and hospitality sales	10,097	12,975
Total revenue	52,922	54,674
Cost of goods sold	(18,360)	(19,741)
Gross profit	34,562	34,933
Other operating costs		
Operating, general and administrative	(30,593)	(31,645)
Project development	(27)	(340)
Depreciation and amortization	(5,114)	(7,057)
Other gains and (losses) (Note 5)	(1,605)	3,234
Operating loss	(2,777)	(875)
Share of loss from equity accounted investments	(97)	(176)
Financing		
Foreign exchange (loss) / gain	(1,164)	683
Financing costs (Note 7)	(5,907)	(7,990)
Financing income (Note 7)	838	2,705
Other interest (Note 7)	(206)	(284)
Finance costs, net	(6,439)	(4,886)
Loss before tax	(9,313)	(5,937)
Income taxes expense (Note 8)		
Current	(1,353)	(2,182)
Deferred	(354)	(1,310)
Income taxes expense	(1,707)	(3,492)
Loss for the year from continuing operations	**$ (11,020)**	**$ (9,429)**
(Loss) / profit for the year from discontinued operations (Note 11)	(2,380)	3,991
Loss for the year	**$ (13,400)**	**$ (5,438)**

Gross profit of $34.5 million less Operating, general and administrative of $30.6 million equal Operating gain of $3.97 million before Depreciation, amortization and Other (losses).

The Group depreciates (non-cash) slot machines between 4-10 year. The mix of assets in use is different to the prior year.

Provisions for legal settlements in Pardini litigation and India.

Forex is a non-cash expense.

Financing costs are reducing overtime as loan balances reduce, which reduction is a key to achieving profitability.

Income tax from our operating companies as our Corporate entities are subject to only nominal income tax.

Loss from disposal of the Philippines assets, of which $2.2 million is the impairment of the $5.0 million escrow remained to be released to the Group.

CASH GENERATION

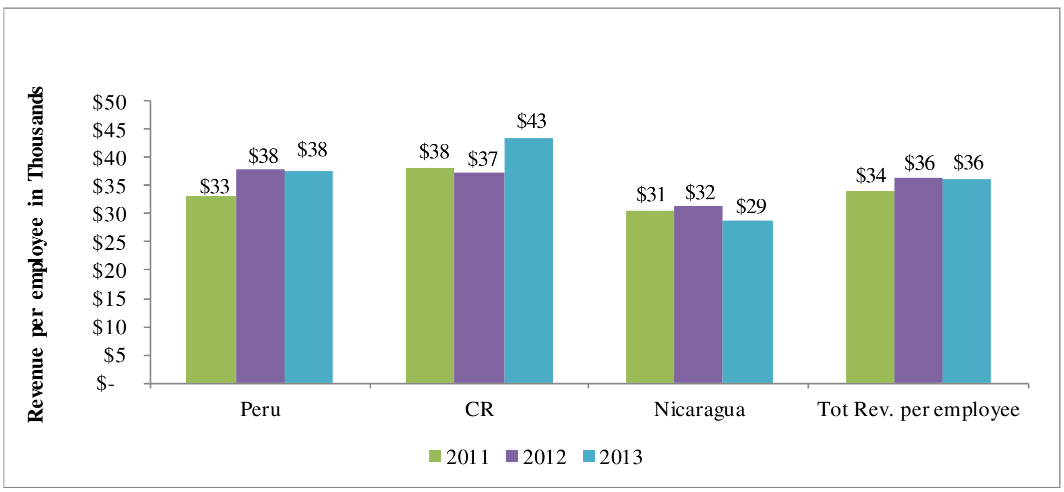
Management defines Cash Generation as Adjusted EBITDA – Financing Cost – Project Development Expense from existing stores as compared to the same stores from the previous year. Cash generation represents the resources available for stakeholders, including repayment of principal and income distributable to shareholders. Based on our ongoing business definition, Cash Generation was improved to approximately $135 thousand in 2013 from ($2.5) million in 2012 as the Group's Adjusted EBITDA strengthened and financing costs and project development levels reduced.

PRODUCTIVITY AND SEGMENTATION

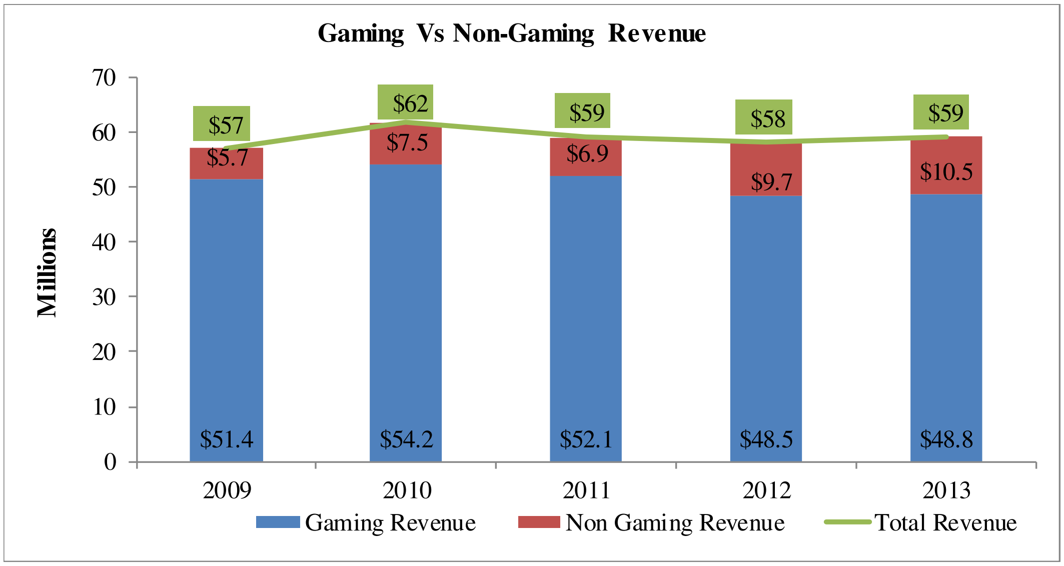
The Group reduced staffing worldwide by approximately 45% over 2013 from 3,013 employees in January to 1,667 employees in December. The change in employment levels is primarily the result of the sale of the Philippine operation in July 2013. Excluding Philippines, the net staff reduction in 2013 for all other operations is 72 employees as compared to 2012. Gaming personnel represented 75% of the Group's staff in January 2013 and increased to 77% as of December 2013 (figures exclude Philippines staff) as the Group continued its focus on its core gaming business.

	December 31, 2013	January 1, 2013	Variance	% change
HEADCOUNT BY COUNTRY				
Peru	814	834	(20)	-2.4%
Costa Rica	331	419	(88)	-21.0%
Nicaragua	488	448	40	8.9%
Philippines	-	1,274	(1,274)	-100.0%
Corporate	34	38	(4)	-10.5%
Total revenues	**1,667**	**3,013**	**(1,346)**	**-44.7%**

Productivity: Below is the trend of Ongoing Business revenue per employee from 2011 to 2013. The Group uses this metric to gauge productivity trends. On a consolidated basis, revenue per employee remained the same when comparing 2013 figures with 2012, led by a 16.2% gain in revenue per employee in Costa Rica that offset a 9.4% drop in Nicaragua. The change in productivity per employee in Nicaragua was primarily due to the opening of the Chinandega property at the end of 2012, which in 2013 was still a start up moving towards business maturity.

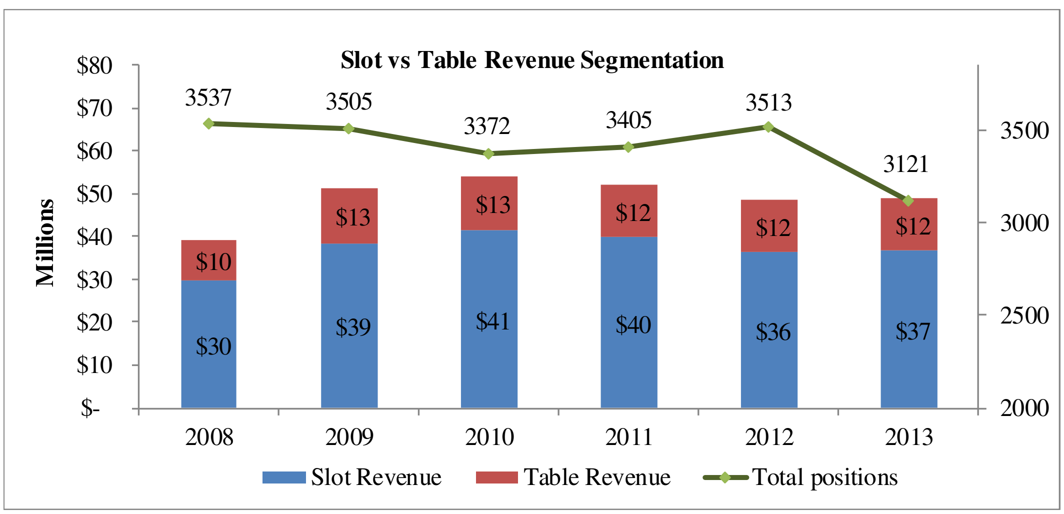


Segmentation: Management believes that the Group achieves greater efficiency, and therefore higher margins, through its core gaming business as compared to its other lines of business. The Group is focused on its core gaming business over its anciliary hopitality and food and beverage businesses. In 2013, gaming represented 82% of total Ongoing Business revenue.



Management believes that within the Group's gaming business we achieve greater efficiency and higher margins through the deployment of slot machines versus tables. Table games require materially more staffing to manage than slot machines.

The chart below shows the number of total gaming positions of the Group and the revenue of tables and slot machines.



GROUP DEBT

On an As Reported basis, Group Gross Debt decreased from $168.6 million in 2009 to $42.5 million in 2013 (see Notes 16 and 21 for As Reported results).

Below are the Group's principal and interest schedules in accordance with the Important Note on page 7.

Principal Repayment Schedule: The table below depicts the Group's scheduled debt principal paydown, inclusive of both Borrowings and Leases through 2019 assuming no new debt and no modifications to existing debt. The table does not assume intercompany debt while it does consider Costa Rica debt as described in the "Important Note" on page 7. For more detailed information under IFRS, please kindly see Note 16 - Borrowings and Note 21 - Obligations under Operating Leases, Finance Leases and Hire Purchase Contracts.

Principal Balance	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
Corporate	$ 2,868	$ 6,870	$ 4,971	$ 4,781	$ 3,140	$ 1,375	$ 3,397	$ 27,402
Costa Rica	2,279	2,849	681	473	997	281	33	7,593
Peru	1,833	1,355	1,183	1,278	1,386	6,931	-	13,966
Nicaragua	296	159	174	165	142	693	-	1,629
Total	**$ 7,276**	**$ 11,233**	**$ 7,009**	**$ 6,697**	**$ 5,665**	**$ 9,280**	**$ 3,430**	**$ 50,590**

Interest Expense Schedule: The table below depicts the Group's scheduled Interest Expense through 2019 assuming no new debt and no modifications to existing debt. The table does not assume intercompany debt while it does consider Costa Rica debt as described in the "Important Note" on page 7.

Interest Expense	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
Corporate	$ 2,404	$ 1,976	$ 1,704	$ 952	$ 614	$ 457	$ 420	$ 8,527
Costa Rica	556	387	130	91	55	10	1	1,230
Peru	1,054	938	839	738	630	271	-	4,470
Nicaragua	138	109	94	78	65	53	-	537
Total	**$ 4,152**	**$ 3,410**	**$ 2,767**	**$ 1,859**	**$ 1,364**	**$ 791**	**$ 421**	**$ 14,764**

Management's analysis of the above is that: a) Principal pay down for 2015 may have to be restructured, but is not an issue of going concern, and is otherwise on an improving trend through 2018; b) The Group is in fact working on refinancing much of its debt and, if realized, this could reduce the bumpiness of our current amortizations; and c) Decreasing Interest Expense and Debt Issuance Costs should materially contribute to the Group's bottom line in the years ahead.

2013 Material Developments and Material Contracts

Through Q2 2013, the Group announced the following material events and material contracts:

There were no material changes announced as to the Group's business during Q1 2013.

- New President and CEO: Salomon Guggenheim was named President and CEO of the Company and retained his position as Chairman of the Board of Directors. Mr. Guggenheim has worked closely with Management since 2002 when he first joined the Company as a Director.

- Working Capital Loan: Reto Stadelmann has been a Director of the Group commencing in June 2012. Mr. Stadelmann loaned the Company $400,000 in January 2013, which paid an interest rate of 12% and was repaid on May 31, 2013. Mr. Stadelmann made a second working capital loan of $1.0 million on June, 2013 which paid an 8% interest rate and was repaid on October 31, 2013.

- Refinancing of Real Estate: The Group owns two properties in the Republic of Panama, one which functions as the Group's corporate headquarters ("TESA building"), and the other is an office space rented to third parties ("Globus office"). In 2013, the TESA building and the Globus office were jointly refinanced with a Panamanian bank under the following terms: a) Term length of 5 years (that may be extended for 2 additional periods of 5 years); b) Interest rate of 7.5%; and c) Amount funded of approximately $2.4 million.

- Unsecured Loan and Salary Deferrals: In April 2013, with the objective to improve the cash flow for corporate entities and as one of the Group's liquidity tools, the Group reached agreements with certain unsecured lenders to defer some loan payments and, to align management to lenders, all officers agreed to partial salary deferrals through approximately August 2, 2013, at which time the deferred salaries were repaid in full.

In Q3 2013, the Group announced the following material events and material contracts:

- Sale of Philippine Operations: On August 6, 2013, the Group entered into a series of transactions that resulted in the sale of its entire economic interests and management rights in its Philippine and related British Virgin Islands ("BVI") operations "Philippine operations" to Magnum Leisure Holdings Inc. and its related entities, affiliates of Solar Entertainment Corporation (collectively "Magnum"), for post-tax consideration of approximately $28.3 million, which is consistent with our previously announced net, post tax post debt payoff amount of approximately $26.5 million. The Group also executed a 36-month, non-compete agreement with Magnum in the Philippines. Of the net price: a) $21.1 million was settled in cash; b) $5 million was paid via a promissory note that amortizes over approximately 18 months at a 7% interest rate and is backed by a letter of credit issued by a major banking institution ("Note receivable") (face value is estimated to be equal to fair value); and b) $5 million will be subject to hold backs by Magnum for up to 30 months ("Hold back") to cover potential contingent liabilities (discounted by $2.8 million to equal estimated fair value of $2.2 million). Also the transactions provided for the assignment of local brands and the assignment of the right to use the Thunderbird /Fiesta casino brands under certain circumstance and limited to the Philippines only.

- Buy Back Program: On August 30, 2013, Thunderbird announced its intention to potentially repurchase a portion of its issued and outstanding common shares. The Board of Directors authorized Thunderbird to acquire up to an aggregate of 1,300,000 of its issued and outstanding common shares over a term not to exceed 12 months and to expend not more than $1,000,000 in the aggregate (the "Buy Back Program"). Thunderbird has the intention to buy back shares, but at its discretion it can choose not to purchase shares depending on various market conditions and factors. The Buy Back Program authorization commenced on September 1, 2013, and will terminate on the earlier of August 31, 2014, or on the date all shares which are subject to the Buy Back Program have been purchased. All purchases will be affected at market prices through the facilities of the NYSE Euronext in Amsterdam in accordance with the applicable rules of this exchange. Thunderbird will enter into discretionary agreements with one or more banks to repurchase Thunderbird shares within the parameters of this Buy Back Program. Between August 30, 2013 and November 15, 2013, Thunderbird purchased 286,515 of its own freely tradable shares on the NYSE Euronext at an average price of approximately $0.92 per share. Since November 15, 2013, no other purchases have been effectuated.

- Election of Directors and Officers: On September 26, 2013, the Group held its Annual General and Special Meeting of shareholders. At the meeting, the shareholders elected the following directors for the ensuing year: Salomon Guggenheim, Douglas Vicari, Reto Stadelmann, Madeleine Linter and Albert W. Atallah. The Board of Directors then held a meeting and appointed the following persons as officers of the Group for the ensuing year: Salomon Guggenheim, President and Chief Executive Officer; Albert Atallah, General Counsel and Corporate Secretary; Peter LeSar, Chief Financial Officer; and Tino Monaldo, Vice President - Corporate Development.

- New Casino in Costa Rica: On October 28, 2013, the Group announced that its Costa Rican joint venture will open a new Fiesta Casino in downtown San Jose under a long-term lease. We expect to open by Q2 2014 with approximately 118 slot machines, 28 table positions and 70 food and beverage positions. A Panamanian bank entered into an agreement to loan the Group's affiliate approximately $2.8 million to fund the project's capital requirements including construction and equipment purchases.

In Q4 2013, the Group announced material events and entered into material contracts as follows:

New Director: On December 16, 2013, Georg Gruenberg became a Director of the Company until the next Annual General meeting of Shareholders.

For more detail on these developments, please visit www.thunderbirdresorts.com to find the Group's interim management reports, half-yearly report and press releases throughout 2013.

2014 Subsequent Events

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

- New Director: On January 19, 2014, Alfred Meili became a Director of the Company until the next Annual General Meeting of Shareholders.

- Guatemala Default Notification: 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. Also, as previously reported, the Group had written off any value associated with such Promissory Note. While the buyer has made some payments pursuant to said Promissory Note, on February 19, 2014, the Group notified the buyer that (1) it was in default under its obligations pursuant to the subject Stock Sale Agreement and Promissory Note, (2) its period to cure any such default expired on April 20, 2014, and (3) if such defaults were not timely cured, then the Group had the right and option to exercise its remedies of foreclosure without further notice upon the expiration of said period. As of the date of this Annual Report, the Group's rights under the Stock Pledge and Asset Pledge to foreclose against the collateral have been exercised. 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 assignment of shares was financed by the Group with a $2 million 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.

- 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 has been pending for over 10 years and was likely to last for a significant number of additional years. Without admitting liability, and to avoid the cost of additional litigation amongst multiple parties, Management believes that the settlement is the most efficient way to end the litigation and remove any potential exposure. The cost of the settlement, including legal fees and costs, is expected to be about $600,000. While the settlement has some conditions precedent, Management expects the settlement to be completed before the end of May 2014.

MARCH 2014 REVENUE REPORT

Below is our preliminary revenue for March 2014 as compared with March 2013:

Thunderbird Resorts Inc. – Group-wide sales results by country (unaudited, *in millions*) [1]	**March 2014**	**March 2013**	**Year-over-year increase/(decrease)**
Peru[2]	$2.31	$2.41	-4.15%
Costa Rica[3][4]	0.99	1.39	-28.78%
Nicaragua	1.09	1.23	-11.38%
Total Consolidated Operating Revenues	**$4.39**	**$5.03**	**-12.72%**

[1] Revenues reported are based on monthly average exchange rates, report same store revenues and are in USD millions. From month to month, exchange rate fluctuations could cause an impact on revenues as compared to the previous year. In particular, from March 2013 to March 2014, the negative impact on revenues from exchange rate in Costa Rica was approximately $150 thousand or roughly 36% of the variance.
[2] 2014 and 2013 revenues consist of all gaming revenue in the country plus revenue from our fully-owned Fiesta Hotel and management fees for the Thunderbird Hotel – Pardo, Thunderbird Hotel – Carrera and Thunderbird Hotel – El Pueblo, which are owned by third parties.
[3] Effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer allowed and equity accounting should be applied to joint ventures. Until further notice and for the convenience of the reader and for the illustrative purposes of this monthly revenue report, the Group has elected to continue to show the Costa Rican joint venture proportional revenues, which vary from the way that the Group accounts for these revenues in our Interim and Annual Financial Statements.
[4] In October 2013, we reduced 290 gaming positions in Costa Rica that cost more to maintain on the floor (because of per position gaming taxes) than their respective revenue. As a result, period revenue has dropped, but should be reflected in enhanced EBITDA from the related properties.

For more detail on these developments, please visit www.thunderbirdresorts.com to find our press releases dated January to April 2014.

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, 2013, we had 1,667 employees in the Group's continuing operations, comprised of 814 in Peru, 331 in Costa Rica (at 100%), 488 in Nicaragua, and 34 elsewhere. As of March 31, 2014, the number of employees increased slightly to 1,685 of which 829 were in Peru, 322 were in Costa Rica, 501 were in Nicaragua and 33 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 17 and 22 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 2013 Annual Report (see Notes 17 and 22 for more information), the Group has provisioned for: a) Settlement with the various parties to the Pardini litigation, which provision is for $600,000; and b) a provision of $930,000 with respect to a corporate guaranty of an obligation owed by Daman Hospitality Private Ltd (DHPL) to Maravege Holding Limited ("Maravage") entered into in September 2010, which provision is for $930,000.

Other than as described in this 2013 Annual Report in Notes 17 and 22 of the 2013 consolidated FS, there are not and have not been any governmental, legal or arbitration proceedings, which may have or have had significant effects on the Group's financial position or profitability.

For more information, see Notes 17 and 22 to the 2013 Consolidated Financial Statements in Chapter 9.

Chapter 4:
Our Businesses by Country

Peru

Description of Properties at Year-end 2013: In Peru, as of December 31, 2013, the Group operates one hotel anchored by a casino, manages three independently-owned hotels under the Thunderbird brand, and owns and operates five standalone gaming venues in addition to our flagship casino which operates within the Fiesta Hotel & Casino. Below is a table that outlines key data points of each property.

Name	Province	Date Acquired	Date Sold	Type	Slots	Table Positions	Hotel Rooms
Fiesta Hotel & Casino	Lima	2007	NA	Hotel & Casino	427	232	66
Thunderbird Resort - El Pueblo (Mgmt 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	-	-
Mystic Slot	Cusco	2010	NA	Slot Parlor	102	-	-
El Dorado	Iquitos	2010	NA	Slot Parlor	97	-	-
Luxor	Tacna	2010	NA	Casino	147	70	-
Peru Total					**952**	**302**	**464**

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 within our Fiesta Hotel & Casino is approximately 5,740 square meters with 427 slot machines and 232 table positions at year-end 2013.

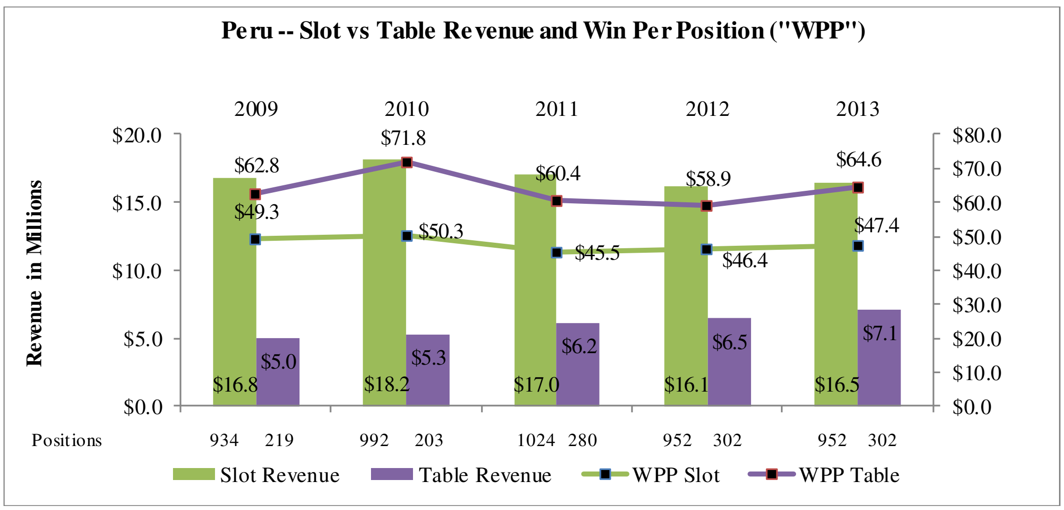
Fiesta Hotel & Casino

The remaining hotels are not owned by the Group, but rather are operated under the Thunderbird brand under management contracts. We own and operate one additional casino and three slot parlors, which are all standalone gaming facilities that combined have over 500 gaming positions, and are generally well located in their markets. Each of these four locations rents space for its operations.

Below please see the Group's analysis in accordance with the Important Note on page 7.

Financial Performance in 2013: Peru was the Group's largest contributor in 2013 to both Group revenue and consolidated property EBITDA. Below, please see the Group's analysis of material variances from the Group's 2013 Thunderbird Peru segment results.

- Revenue from Ongoing Business increased by 6% year-over-year with gaming revenues representing 77% of total revenues. Revenues per position improved for both slots and tables in 2013 compared to 2012.



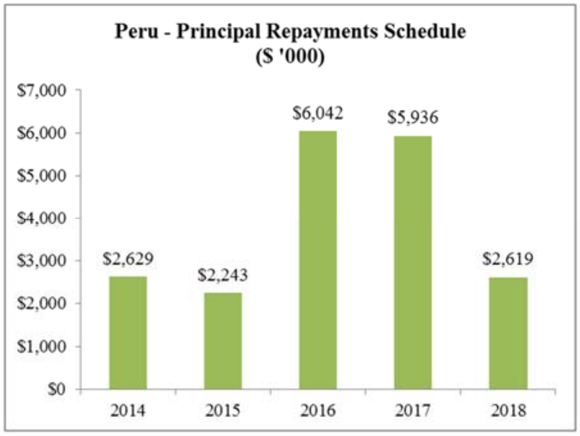
Note: The number of positions for 2013 is the average for the year, since the table was skewed by positions added at year end in some markets. The Group will apply calendar year averages in the future to this analysis.

- Cost of goods sold remained the same as in 2012 ($11.4 million), but was reduced as a percentage of total revenues.

- Operating, general and administrative expenses were properly controlled, increasing by only 2%.

- Financing costs decreased by 57% as compared to 2012, continuing with the positive trend experienced since Q4 2012.

Below is a forecast of principal and interest payments based on loan contracts effective as of December 31, 2013.



Note: Debt service schedules above include Peru related debt balances held in the parent company

The restructuring of Peru debt in recent years has better enabled Management to focus on growth. The Group is continuing efforts to restructure debt in order to further improve cash flows and to extend principal amortization. Below is a Peru summary income statement for 2013 as compared to 2012.

(In thousands)	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012	Variance	% Change
Net gaming wins	$ 23,583	$ 22,620	963	4%
Food, beverage and hospitality sales	7,063	6,389	674	11%
Total revenue	30,646	29,009	1,637	6%
Cost of goods sold	(11,401)	(11,412)	11	0%
Gross profit	19,245	17,597	1,648	9%
Other operating costs				
Operating, general and administrative	(14,091)	(13,790)	(301)	2%
Project development	-	(5)	5	-100%
Depreciation and amortization	(3,848)	(5,715)	1,867	-33%
Other gains	31	2,935	(2,904)	-99%
Operating profit	1,337	1,022	315	31%
Financing				
Foreign exchange (loss) / gain	(1,414)	816	(2,230)	-273%
Financing costs	(1,348)	(3,126)	1,778	-57%
Financing income	105	2,235	(2,130)	-95%
Other interest	(204)	(1)	(203)	20300%
Finance costs, net	(2,861)	(76)	(2,785)	3664%
(Loss) / profit before tax	(1,524)	946	(2,470)	-261%

Costa Rica

Description of Properties at Year-end 2013: Effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer considered an appropriate method to present investments in joint ventures and that equity accounting should be applied. To enable the reader to compare results with previous periods, the Group has elected to present the Costa Rican joint venture proportionally when discussing financial performance in this 2013 Annual Report, except in Chapter 9 – 2013 Consolidated Financial Statements that are compliant with IFRS 11.

In Costa Rica, the Group is a 50-50 joint venture partner in all operations, except for our largest casino in the Fiesta Casino – Holiday Inn Express, which we consolidate as a 56% subsidiary and recognize the 44% non-controlling equity interest within reserves. Our operations are as follows:

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Fiesta Casino – Holiday Inn Express	San José	2005	Casino	300	58	—
Fiesta Casino – Hotel El Presidente	San José	2003	Casino	229	—	—
Fiesta Casino – Hotel America Heredia	Heredia	2005	Casino	212	—	—
Fiesta Casino– Wyndham Herradura	San José	2007	Casino	139	47	—
Lucky's–Perez Zeledon	San José	2007	Slot Parlor	87	—	—
Lucky's–San Carlos	San Carlos	2006	Slot Parlor	43	—	—
Hotel Diamante Real	San José	2008	Hotel	—	—	21
Costa Rica Total				**1,010**	**105**	**21**

Note: In Q2 2014, we expect to open a Fiesta Casino in downtown San Jose with approximately 118 slots and 28 table positions.

The Group’s largest operation in Costa Rica is the Fiesta Casino (below) next to the international airport.

Fiesta Casino – Holiday Inn Express

The Group's affiliates in Costa Rica own two properties that they have been developing for several years as integrated resorts anchored by casinos, both of which are located in prime locations in San Jose, the country's capital. The first and most advanced is the Thunderbird Resorts - Tres Rios, in which the Costa Rica operations have invested approximately $17.9 million (the Group's share being approximately $9.0 million) to acquire the land and to build infrastructure including a highway off-ramp, internal roads, utilities and 7 commercial lots for sale or lease to third parties. The Group is now actively marketing this non-productive property in order to use the proceeds for continued enhancement to our capital structure.

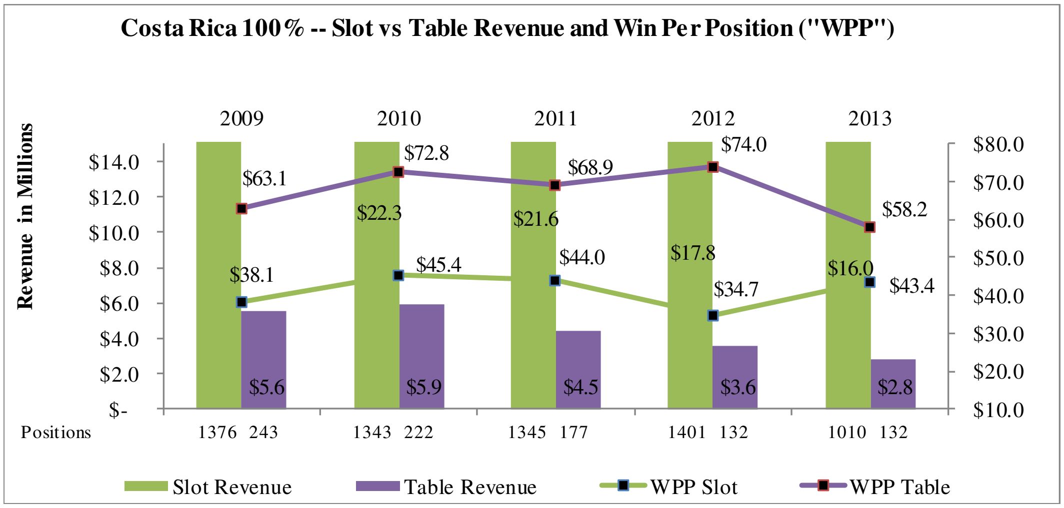
Thunderbird Resorts - Tres Rios property

The second property that the Group's Costa Rican operations owns is a 2.7-hectare property located in the Escazu area of San Jose, which is also an ideal location to develop an integrated resort anchored by a casino. The Group's Costa Rican operations have invested approximately $4.4 million (the Group's share being $2.2 million). The Group is also actively marketing this non-productive property in order to continue to enhance our capital structure.

Below please see the Group's analysis in accordance with the Important Note on page 7.

Financial Performance in 2013: Costa Rica was the Group's second largest contributor in 2013 to both Group revenue and consolidated property EBITDA. Below, please see the Group's analysis of material variances from the Group's 2012 Costa Rica segment results.

- Revenue decreased by 12% year-over-year, maintaining the down ward trend experienced since the smoking ban imposed in Q2 2012, and as a result of the continuing softness in the Costa Rican economy and tourism market.



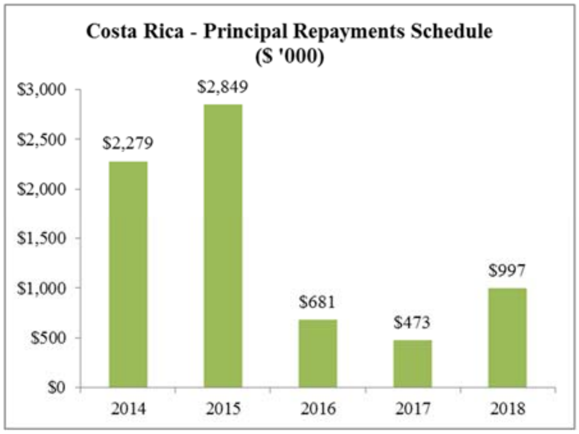
Note: The above shows Costa Rica at 100% for comparison purposes versus the Group's other operations. The number of positions used in 2013 is the average for the year, since the table was skewed by positions added at year end for some markets. The Group will apply calendar averages in the future to this analysis.

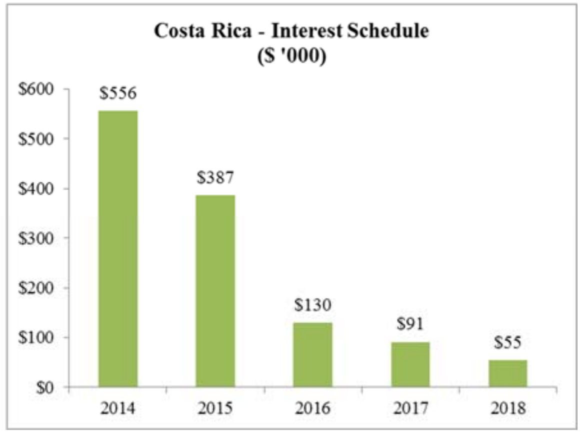
- Cost of goods sold increased by 9% due to higher gaming taxes.

- Operating, general and administrative expenses were significantly reduced by 16% as Management continued to react aggressively to its loss of revenue. Management continues to focus on cost controls to maintain or improve expense levels in 2014.

- Financing costs reduced by 8% as the Group's Costa Rican principal balance reduced by $686 thousand or 8% as compared to the principal balance as of December 31, 2012.

Below is the forecast of principal and interest payments based on loan contracts effective as of December 31, 2013.





Below is a summary income statement for 2013 as compared to 2012.

(In thousands)	Twelve months ended December 31, 2013	2012	Variance	% Change
Net gaming wins	$ 12,853	$ 14,607	(1,754)	-12%
Food, beverage and hospitality sales	1,530	1,655	(125)	-8%
Total revenue	14,383	16,262	(1,879)	-12%
Cost of goods sold	(3,744)	(3,439)	(305)	9%
Gross profit	10,639	12,823	(2,184)	-17%
Other operating costs				
Operating, general and administrative	(7,922)	(9,498)	1,576	-17%
Project development	(45)	(47)	2	-4%
Depreciation and amortization	(2,075)	(2,298)	223	-10%
Other losses	(8)	(7)	(1)	14%
Operating profit	589	973	(384)	-39%
Financing				
Foreign exchange gain	63	21	42	200%
Financing costs	(680)	(739)	59	-8%
Financing income	-	170	(170)	-100%
Finance costs, net	(617)	(548)	(69)	13%
(Loss) / profit before tax	(28)	425	(453)	-107%

Nicaragua

Description of Properties as of Year-end 2013: In Nicaragua, the Group owns and operates five standalone casinos. Below is a table that outlines key data points of each property.

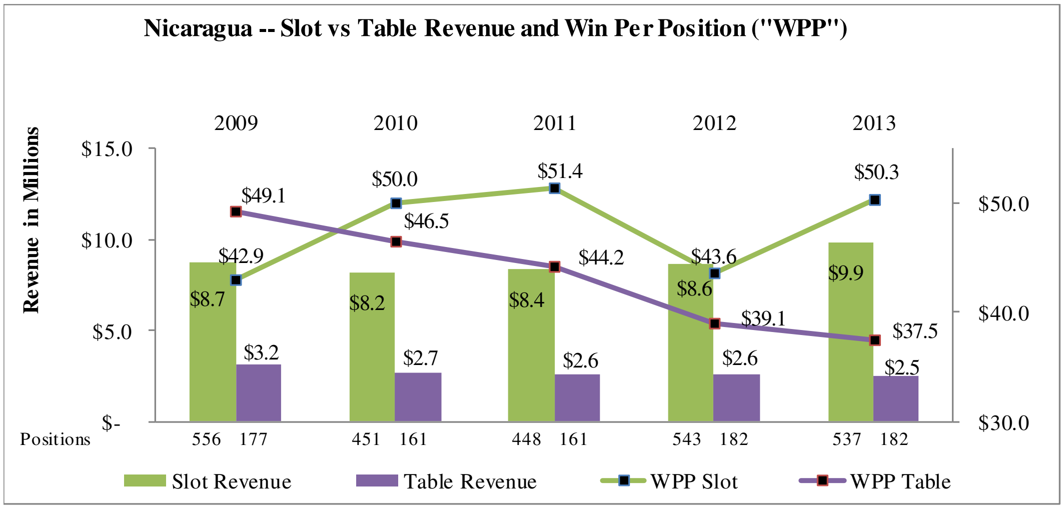
Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Carretera Masaya	Managua	2000	Casino	153	91	—
Pharaoh's Casino – Camino Real	Managua	2005	Casino	112	28	—
Pharaoh's Casino – Holiday Inn	Managua	2006	Casino	83	21	—
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	100	21	—
Pharaoh's Casino	Chinandega	2012	Casino	95	21	
Nicaragua Total				543	182	0

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 (see photo below). The property is located across from an Intercontinental Hotel and close to high-end shopping.

Pharaoh's Casino – Carretera Masaya

Financial Performance in 2013: Nicaragua was the Group's smallest contributor in 2013 to both Group revenue and consolidated property EBITDA. Below, please see the Group's analysis of material variances from the Group's 2012 Thunderbird Nicaragua Segment Result.

- Revenue increased by 10% year-over-year as the Chinandega casino consolidated its operation (opened in Q3 2012). Revenues per position significantly increased for slots and slightly decreased for tables in 2013.



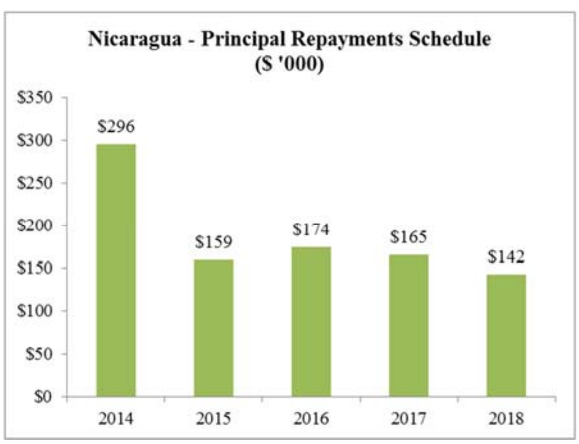
Note: The number of positions for 2013 is the average for the year, since the table was skewed by positions added at year end in some markets. The Group will apply calendar year averages in the future to this analysis.

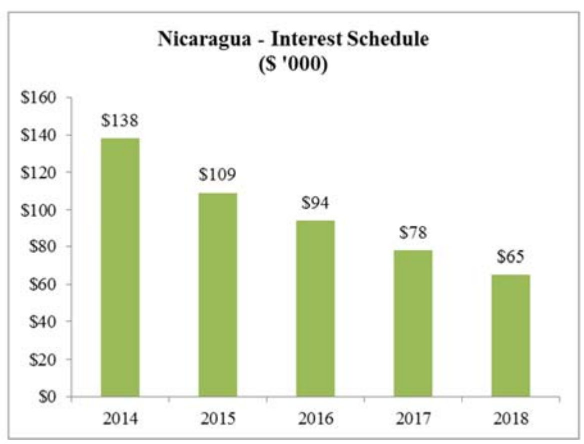
- Cost of goods sold decreased by 2% mainly due to reduced promotional allowances for the year.

- Operating, general and administrative expenses increased by 3% mostly due to expenses related to the Chinandega full-year operation.

- Financing costs, which are minimal in Nicaragua, grew by $54 thousand.

Below is the forecast of principal and interest payments based on loan contracts effective as of December 31, 2013.





Below is a summary income statement for 2013 as compared to 2012**.**

(In thousands)	Twelve months ended December 31, 2013	2012	Variance	% Change
Net gaming wins	$ 12,355	$ 11,230	1,125	10%
Food, beverage and hospitality sales	1,650	1,472	178	12%
Total revenue	14,005	12,702	1,303	10%
Cost of goods sold	(4,886)	(4,993)	107	-2%
Gross profit	9,119	7,709	1,410	18%
Other operating costs				
Operating, general and administrative	(6,847)	(6,630)	(217)	3%
Project development	-	(245)	245	-100%
Depreciation and amortization	(624)	(553)	(71)	13%
Other losses	(122)	(60)	(62)	103%
Operating profit	1,526	221	1,305	590%
Financing				
Foreign exchange loss	(245)	(195)	(50)	26%
Financing costs	(239)	(185)	(54)	29%
Financing income	4	7	(3)	-43%
Finance costs, net	(480)	(373)	(107)	29%
Profit / (loss) before tax	1,046	(152)	1,198	-788%

India

The below is a summary of previous announcements in relation to the India business.

We entered the Indian market in 2008 by initiating a hotel project in Daman, India, which is located just north of Maharashtra State whose capital is Mumbai. The project 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. In February 2012, we previously announced that the project known as "Thunderbird Resorts – Daman" 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. We also announced that the hotel was still waiting for its hotel occupancy permit to be granted by the relevant local authorities. Through the date of publication of this 2013 Annual Report, the Group believes to the best of its knowledge that Daman Hospitality Private Limited ("DHPL"), has been granted its hotel occupancy permit and that it has commenced operating the hotel.

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 Corp Limited ("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.

In Note 22 - Commitments and Contingencies, under the sub-section Daman Hospitality loan guarantees, the Group explains 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 outcome of any potential litigation, including the liability pursuant to these corporate guarantees, is not known at this time. The Group has now recorded a provision for a partial settlement of the dispute for \$930,411.

Chapter 5:
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 three of the Group's seven gaming licenses in 2013. Currently, one license is in process of being renewed, while the remaining licenses do not need to be renewed as described in the table below. The DGJCMT has issued the renewals for periods of four 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	8/24/2009	8/24/2014
SNC	Mystic Slot	Cusco	Slots	4 years	2/7/2013	2/7/2017
SNC	Luxor	Lima	Slots	4 years	11/29/2012	11/29/2017
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 22 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 just by the ICT ("Instituto Costarrisence de Turismo") only 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 necessary additionally 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 22 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.

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 US$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 of the Company, 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. In addition, 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 to present to the before the regulator quarterly reports regarding the compliance efforts of the company with respect to these regulations and certain aspects of the company's operations.

PROVISIONS AND OTHER CONTINGENCIES

See Notes 22 and 17 of the Group's Financial Statements that describe certain matters such as the India settlement provision, the Pardini settlement provision, the NAFTA provision, the Peru tax controversy, the Costa Rica tax controversy, the Daman Hospitality loan guarantee, the Canadian tax controversy, the Chile controversy, and the Guatemala Controversy.

Chapter 6:
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 tozicht).*

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 10 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, 2013. 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 2014. 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 2014; and (ix) 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, 2013. 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 NYSE 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, 2013 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, 2013, 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 10, “Risk Factors”.

April 30, 2014
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
Alfred Meili, Director

Chapter 7:
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	54	President, CEO and Director	4-Mar-60
Albert Atallah	58	General Counsel, Corporate Secretary and Director	9-Apr-56
Madeleine Linter	58	Director	16-Aug-55
Roberto de Ocampo	68	Director	10-Jan-46
Douglas Vicari	54	Director	9-Aug-59
Reto Stadelmann	49	Director	12-Sep-64
Georg Gruenberg	76	Director	2-Mar-38
Alfred Meili	66	Director	28-Sep-47

Note: Roberto de Ocampo was a director through September 26, 2013. Georg Gruenberg became a member of the Board of Directors on December 16, 2013. On January 19, 2014, subsequent to the fiscal year 2013, Alfred Meili was appointed as a member of the Board of Directors.

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	45	Chief Financial Officer	14-Jun-68
Tino Monaldo	55	Vice President—Corporate Development	12-Oct-58
Angel Sueiro	42	Vice President—Design and Construction	19-Mar-72

Note: Angel Sueiro was Vice President—Design and Construction through August 2013.

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 non-executive 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 us as a Director in January 2014. Dr. Meili was born in Lucerne, Switzerland. He completed his undergraduate studies in Economics at the University of St. Gallen and thereafter, completed graduate studies in Law at the University of Zurich. Dr.Meili successfully practiced law for 20 years with the law firm of Reichenbach & Associates in Zurich. Dr. Meili then built one of the largest real estate companies in Switzerland as founder, major shareholder, CEO and President of the Board of Directors.

Roberto de Ocampo. Mr. de Ocampo joined us as a Director in 2007, and is no longer a Director as of September 26, 2013.

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 7 Directors as of the date of this Annual Report, of whom 5 (Messrs. Gruenberg, Stadelmann, Vicari, Meili and Ms. Linter) are independent. Independence determinations were made by the Group's Board of Directors using the current guidelines of the New York Stock Exchange Euronext for companies listed on that exchange. In making those determinations, the Group's Board of Directors considered many factors, including certain relationships of Mr. de Ocampo (who was a Director until September 26, 2013) that our Board of Directors determined were immaterial and/or not compromising of such person's independence. 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 5 independent Directors except the Audit Committee which consists of 4 independent Directors and 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, Meili and 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, Meili and 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 2013. 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	$ 454,748	$ 13,954	$ 468,702
Tino Monaldo (2)	Employee	325,000	60,562	385,562
Angel Sueiro (3)	Employee	80,500	213,360	293,860
Albert Atallah (4)	Director-Employee	225,000	50,262	275,262
Peter Lesar (5)	Employee	240,000	24,619	264,619
Madeleine Linter	Director	48,000	-	48,000
Douglas Vicari	Director	48,000	-	48,000
Reto Stadelmann	Director	48,000	-	48,000
Roberto de Ocampo (6)	Director	36,000	-	36,000
Georg Gruenberg (7)	Director	-	-	-
Total		**$ 1,505,248**	**$ 362,757**	**$ 1,868,005**

(1) Aggregate other compensation includes health insurance ($446) and housing allowance of ($13,508).

(2) Aggregate other compensation consists of professional fees paid to Mr. Monaldo ($52,020) and other benefit ($8,542). Mr. Monaldo is responsible to pay for his health, life, dental insurance, other professional fees and costs, and a portion of his disability insurance.

(3) Angel Sueiro was Vice President—Design and Construction through August 11, 2013. Aggregate and other compensation includes health insurance ($1,529), commissions on real estate sales in 2013 ($49,831), and severance of ($162,000).

(4) Aggregate other compensation includes life, health, dental and disability insurance ($42,218) and other benefits ($8,044).

(5) Aggregate other compensation includes health insurance ($2,621), housing allowance of ($18,000), and other benefits (3,998).

(6) Roberto de Ocampo was a director through September 26, 2013.

(7) Georg Gruenberg became a board member on December 16, 2013.

BOARD OF DIRECTOR COMPENSATION

Director's fees for Independent Directors are equal to $48,000 annually and were paid quarterly 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.

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 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.

RESTRICTED STOCK AND RESTRICTED STOCK UNITS

The Administrator may award actual common shares ("Restricted Stock") or hypothetical common share units having a value equal to the fair market value of an identical number of common shares ("Restricted Stock Units"), which award may, but need not, provide that such Restricted Stock or Restricted Stock Units may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of an obligation or for any other purpose for such period (the "Restricted Period") as the Administrator shall determine.

Subject to the restrictions set forth in the Award, Participants who are granted Restricted Stock generally will have the rights and privileges of a stockholder as to such restricted stock, including the right to vote such restricted stock.

The following Restricted Stock awards were granted pursuant to the Equity Plan in 2007 and 2010 and in the aggregate are as set forth below:

	Director/Employee	Total Number of Shares	Vested Shares	Forfeited Shares	Unvested Shares
Salomon Guggenheim	Director-Employee	3,333	3,333	-	-
Albert Atallah	Director-Employee	33,333	33,333	-	-
Peter LeSar	Employee	35,000	35,000	-	-
Tino Monaldo	Employee	151,667	151,667	-	-
Roberto de Ocampo	Director	3,333	3,333	-	-
Angel Sueiro	Employee	70,000	63,334	6,666	-
Douglas Vicari	Director	3,333	3,333	-	-
Other employees		214,168	190,836	23,332	-
Former empoyees		431,667	268,333	163,334	-
Former Directors		6,666	6,666	-	-
Total		**952,500**	**759,168**	**193,332**	**-**

Each grant of Restricted Stock described above vested one-third per year for three years.

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 22, 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 acquisition of more than 20% of shares by a shareholder or a shareholder group, an involuntary change in more than 1/6th of the directors, 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 involuntary removal of more than one incumbent board of directors under certain circumstances. Such loan principal balances as of December 31, 2013 are approximately $8.0 million.

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 151,210 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 2013 and through March 31, 2014, 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 2013. 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. 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, monthly 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 (5) 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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), and (iv) 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 $52,000 per year for consulting and legal services, adjusted annually for increases based on the CPI. 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.

Angel Sueiro. Mr. Angel Sueiro had an employment agreement that was terminated by mutual agreement as of August 6, 2013 as Mr. Sueiro agreed to remain with our former Philippines operations upon sale to new shareholders. His monthly base compensation under the employment agreement was $152,118 per annum. He and the Company entered into a Separation of Employment Agreement wherein he was paid a one-time payment of $162,000. He also entered into a Consulting Agreement under which he is to be paid $7,333 per month for 18 months.

2013 PERFORMANCE BONUSES

No performance bonuses were paid to officers during 2013.

Chapter 8:
Investor Relations, Shares & Dividends

The following table sets forth information regarding the beneficial ownership of the Group's common shares as of December 31, 2013 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, 2013).

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 [8]
Salomon Guggenheim [2]	Director-Employee	286,406	1.23%
Albert Atallah [3]	Director-Employee	229,030	0.98%
Tino Monaldo [4]	Employee	183,178	0.79%
Peter LeSar [5]	Employee	124,716	0.54%
Reto Stadelmann	Director	121,647	0.52%
Roberto de Ocampo [6]	Director	94,436	0.41%
Douglas Vicari	Director	110,652	0.48%
Angel Sueiro [7]	Employee	86,698	0.37%
Marie Madeline Linter	Director	63,484	0.27%
Total		**1,300,247**	**5.59%**

(1) Includes restricted common shares granted under our 2007 equity incentive plan. See Chapter 7, "2007 Equity Incentive Plan".
(2) Includes 263,406 common shares and 23,000 common shares issuable upon exercise of options.
(3) Includes 177,981 common shares and 51,049 common shares issuable upon exercise of options.
(4) Includes 153,017 common shares and 30,161 common shares issuable upon exercise of options.
(5) Includes 118,716 common shares and 6,000 common shares issuable upon exercise of options.
(6) As of the last day of his tenure with the Group in September 2013, Roberto de Ocampo owned 104,780 shares.
(7) As of the last day of his tenure with the Group in August 2013, Angel Sueiro owned 86,698 shares. There were 6,666 unvested shares that were returned to treasury and 36,000 common shares issuable upon exercise of options that expired.
(8) Percentage based on 23,100,993 issued and outstanding shares as of December 31, 2013 and 151,210 common shares issuable upon exercise of options.

Conflicts of Interest

Below are the transactions involving officers, directors, and Group executives with potential conflicts of interest.

Michael Fox. Mr. Fox indirectly owns 10% of Angular Investments S.A., which owns 50% of Grupo Thunderbird de Costa Rica and 43.83% of Thunderbird Gran Entretenimiento, S.A. Mr. Fox serves as a member of the Board of Directors of our Costa Rican operations. In such capacity, he received aggregate Director fees of $nil in 2013 and $nil in 2012. As of January 1, 2014, Mr. Fox was no longer employed directly by Thunderbird Resorts Inc., though he does continue to work for our affiliated business in Costa Rica.

Alberto Loaiza. Mr. Loaiza has a minority interest in an operation in Guatemala that was owned by the Group through December 31, 2010, and to which the Group has a pending, secured loan. As of April 22, 2014, Mr. Loaiza no longer has any interest in said Guatemala operations (see Note 22, Commitments and Contingencies, Guatemala Controversy (i).

Other Officers and Directors. Other than as stated above, 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. He also received $78,000 in advisor fees in 2011. 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) Consulting Agreement dated September 2009 with the Group's Philippine operating company Eastbay Resorts Inc. to arrange and fund an $800 thousand loan to the Philippines; b) Direct lender to the Group's subsidiary operations in the amount of $100 thousand to Daman Hospitality Private Limited, an India company; and c) 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 $477,976 as of December 31, 2013.

Tino Monaldo (Vice President, Corporate Development). We paid Mr. Monaldo total consulting fees of $52,000 in 2013 and $52,000 in 2012. 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 20 to the Group's consolidated financial statements for the year ended December 31, 2013, 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 NYSE Euronext Amsterdam under the symbol "TBIRD."

COMMON SHARES AND OPTIONS

As of December 31, 2013, we had 23,100,993 common shares outstanding, ISIN VGG885761061; each common share is fully paid. The number of outstanding common shares above excludes (i) 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 (ii) 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, 2013, the Group owns 286,515 shares as part of its Buy Back Program.

As of April 30, 2014, we have 23,149,641 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, 2013:

Grant Date	Unexercised	Exercisable
8/17/2005	56,000	56,000
1/17/2007	11,111	11,111
7/25/2007	84,099	84,099
Total	**151,210**	**151,210**
Exercise Price	**Unexercised**	**Exercisable**
$ 1.92	-	-
$ 2.10	56,000	56,000
$ 3.30	11,111	11,111
$ 4.98	84,099	84,099
Total	**151,210**	**151,210**
Expiration Date	**Unexercised**	**Exercisable**
1/17/2014	11,111	11,111
7/25/2014	28,033	28,033
8/17/2014	18,666	18,666
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	**151,210**	**151,210**

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 NYSE 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 NYSE 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 NYSE 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 an adverse effect on the rights of the Group’s shareholders 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, 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 NYSE 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 NYSE 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 and second 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) an explanation of material events, transactions and controlled undertakings; (ii) the consequences thereof for the Group's financial position; and (iii) a 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 CB CBS/SecServ/IS/PAS, Bijlmerplein 888, location code: AMP L.02.007, 1102 MG 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 NYSE 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 NYSE 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 CB CBS/SecServ/IS/PAS, Bijlmerplein 888, location code: AMP L.02.007, 1102 MG 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 2012, 2011, 2010 and 2009 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 9:
2013 Consolidated Financial Statements & Report of the Independent Auditors

Report of the Independent Auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THUNDERBIRD RESORTS INC.

We have audited the non-statutory consolidated financial statements of Thunderbird Resorts Inc. ("the Group") for the year ended 31 December 2013 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement letter. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Management's Responsibility Statement set out on page 43, the Directors are responsible for the preparation of the non-statutory consolidated financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory consolidated financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory consolidated financial statements sufficient to give reasonable assurance that the non-statutory consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the non-statutory consolidated financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited non-statutory consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the non-statutory consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2013 and of its loss for the year then ended in accordance with IFRSs as issued by the IASB.

EMPHASIS OF MATTER

In forming our opinion on the non-statutory consolidated financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 22 to the non-statutory consolidated financial statements which describes the uncertainties relating to developments in Regulatory and Tax Legislation pertaining to gambling, and related activities, in the jurisdictions within which the Group operates. The ultimate outcome of those matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Grant Thornton UK LLP

Nicholas Watson
Grant Thornton UK LLP
Statutory Auditor
Reading
30 April 2014

Financial Statements

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
For the year ended December 31, 2013

	Dec. 31, 2013	Dec. 31, 2012 (Restated)	Jan. 1, 2012 (Restated)
Assets			
Non-current assets			
Property, plant and equipment (Note 10)	$ 33,708	$ 76,055	$ 86,868
Investment accounted for using the equity method (Note 27)	3,954	3,902	1,366
Intangible assets (Note 9)	7,939	11,970	12,149
Deferred tax asset (Note 8)	352	802	2,355
Trade and other receivables (Note 12)	5,321	4,482	5,221
Due from related parties (Note 20)	120	120	120
Total non-current assets	51,394	97,331	108,079
Current assets			
Trade and other receivables (Note 12)	8,662	9,872	12,016
Due from related parties (Note 20)	11,477	13,528	14,561
Inventories (Note 13)	886	1,354	1,369
Restricted cash (Note 14)	1,724	3,388	3,653
Cash and cash equivalents (Note 14)	5,491	5,118	3,371
Total current assets	28,240	33,260	34,970
Total assets	**$ 79,634**	**$ 130,591**	**$ 143,049**

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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, 2013

	Dec 31, 2013	Dec 31, 2012 (Restated)	Jan. 1, 2012 (Restated)
Equity and liabilities			
Capital and reserves			
Share capital (Note 18)	109,926	109,969	105,850
Share option reserve	467	783	9,116
Retained earnings	(95,666)	(81,648)	(80,635)
Translation reserve	734	4,523	1,996
Equity attributable to equity holders of the parent	15,461	33,627	36,327
Non-controlling interest	6,117	8,218	7,810
Total equity	21,578	41,845	44,137
Non-current liabilities			
Borrowings (Note 16)	37,612	51,216	52,365
Obligations under leases and hire purchase contracts (Note 21)	275	1,553	8,152
Derivative financial instruments (Note 25)	-	21	848
Other financial liabilities (Note 24)	-	378	213
Deferred tax liabilities (Note 8)	54	37	374
Provisions (Note 17)	2,100	3,196	3,331
Due to related parties (Note 20)	-	522	873
Trade and other payables (Note 15)	999	5,542	2,946
Total non-current liabilities	41,040	62,465	69,102
Current liabilities			
Trade and other payables (Note 15)	6,785	12,412	12,540
Due to related parties (Note 20)	2,429	2,225	1,158
Borrowings (Note 16)	3,778	6,189	5,425
Obligations under leases and hire purchase contracts (Note 21)	833	1,280	3,323
Other financial liabilities (Note 24)	666	2,005	2,971
Current tax liabilities	513	594	2,648
Provisions (Note 17)	2,012	1,576	1,745
Total current liabilities	17,016	26,281	29,810
Total liabilities	58,056	88,746	98,912
Total equity and liabilities	**$ 79,634**	**$ 130,591**	**$ 143,049**

The consolidated financial statements were approved by the Board of Directors on April 30, 2014.

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, 2013

	2013	2012 (Restated)
Net gaming wins	$ 42,825	$ 41,699
Food, beverage and hospitality sales	10,097	12,975
Total revenue	52,922	54,674
Cost of goods sold	(18,360)	(19,741)
Gross profit	34,562	34,933
Other operating costs		
Operating, general and administrative	(30,593)	(31,645)
Project development	(27)	(340)
Depreciation and amortization	(5,114)	(7,057)
Other gains and (losses) (Note 5)	(1,605)	3,234
Operating loss	(2,777)	(875)
Share of loss from equity accounted investments	(97)	(176)
Financing		
Foreign exchange (loss) / gain	(1,164)	683
Financing costs (Note 7)	(5,907)	(7,990)
Financing income (Note 7)	838	2,705
Other interest (Note 7)	(206)	(284)
Finance costs, net	(6,439)	(4,886)
Loss before tax	(9,313)	(5,937)
Income taxes expense (Note 8)		
Current	(1,353)	(2,182)
Deferred	(354)	(1,310)
Income taxes expense	(1,707)	(3,492)
Loss for the year from continuing operations	**$ (11,020)**	**$ (9,429)**
(Loss) / profit for the year from discontinued operations (Note 11)	(2,380)	3,991
Loss for the year	**$ (13,400)**	**$ (5,438)**

- 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, 2013

	2013	2012 (Restated)
Other comprehensive income (amounts, which will be recycled)		
Exchange differences arising on the translation of foreign operations	$ (2,729)	$ 2,527
Other comprehensive income for the year	(2,729)	2,527
Total comprehensive income for the year	**$ (16,129)**	**$ (2,911)**
Loss for the year attributable to:		
Owners of the parent	(14,334)	(5,846)
Non-controlling interest	934	408
	$ (13,400)	$ (5,438)
Total comprehensive income attributable to:		
Owners of the parent	(17,063)	(3,319)
Non-controlling interest	934	408
	$ (16,129)	$ (2,911)
Basic and diluted loss per share (in $) : (Note 19)		
Loss from continuing operations	(0.52)	(0.43)
(Loss) / profit from discontinued operations	(0.10)	0.17
Total	(0.62)	(0.26)

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, 2013

	Attributable to equity holders of parent							
	Share capital	Reserve - share commitments	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2012 (Restated)	$ 105,850	$ 9,116	$ -	$ 1,996	$ (80,635)	$ 36,327	$ 7,810	$ 44,137
Transactions with owners:								
Issue of new shares	645	-	-	-	-	645	-	645
Recognition of shares in trust for loan	355	-	-	-	-	355	-	355
Cancellation of restricted shares	(381)	-	-	-	-	(381)	-	(381)
Reclasification between reserves	3,500	(9,116)	783	-	4,833	-	-	-
	$ 4,119	$ (9,116)	$ 783	$ -	$ 4,833	$ 619	$ -	$ 619
Loss for the year	-	-	-	-	(5,846)	(5,846)	408	(5,438)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	-	-	-	2,527	-	2,527	-	2,527
Total comprehensive income for the year	-	-	-	2,527	(5,846)	(3,319)	408	(2,911)
Balance at December 31, 2012 (Restated)	$ 109,969	$ -	$ 783	$ 4,523	$ (81,648)	$ 33,627	$ 8,218	$ 41,845

	Attributable to equity holders of parent							
	Share capital	Reserve - share commitments	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

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, 2013

	2013	2012 (Restated)
Cash flow from operating activities		
Loss for the year	$ (11,020)	$ (9,429)
Items not involving cash:		
Depreciation and amortization	5,209	7,057
Loss on disposal of property, plant and equipment	131	387
Unrealized foreign exchange	1,487	(1,035)
Increase / (decrease) in provision	1,246	(112)
Bad debt expense	-	115
Other gains	-	(3,578)
Gain on derivative financial instruments	-	(1,012)
Share based payments	240	204
Finance income	(838)	(2,594)
Finance cost	5,907	7,990
Other interests	206	284
Results from equity accounted investments	97	176
Tax expenses	1,707	3,492
Net change in non-cash working capital items		
Decrease in trade, prepaid and other receivables	4,726	6,457
Decrease in inventory	7	84
(Decrease) / increase in trade payables and accrued	(1,751)	195
Cash (used) from operations	7,354	8,681
Total tax paid	(1,434)	(3,837)
Net cash generated by continuing operations	5,920	4,844
Net cash (used) from discontinued operations	(1,322)	1,976
Net cash (used) from operating activities	**$ 4,598**	**$ 6,820**

- 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, 2013

	2013	2012 (Restated)
Cash flow from investing activities		
Expenditure on property, plant and equipment	(3,422)	(4,234)
Proceeds on sale of Peru Hotels	-	13,600
Proceeds on sale of property, plant and equipment	59	
Proceeds on sale of Philippines operation, net of cash disposed	17,265	-
Cost of sale of Philippines operation	(522)	-
Interest received	317	111
Net cash used from investing activities	**$ 13,697**	**$ 9,477**
Cash flow from financing activities		
Shares buy-back	(283)	-
Proceeds from issue of new loans	1,550	15,713
Repayment of loans and leases payable	(15,884)	(25,620)
Interest paid	(5,188)	(4,436)
Net cash used from financing activities	**$ (19,805)**	**$ (14,343)**
Net change in cash and cash equivalents during the year	(1,510)	1,954
Cash and cash equivalents, beginning of the year	8,506	7,024
Effect of foreign exchange adjustment	219	(472)
	7,215	8,506
Included in disposal group (Note 11)	-	(5,167)
Cash and cash equivalents, end of the year	**$ 7,215**	**$ 3,339**

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 sports books 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 NYSE Euronext Amsterdam under the symbol "TBIRD."

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements for the year ended December 31, 2013 (including comparatives) were approved and authorised for issue by the board of directors on April 30, 2014.

IAS 1.10(f) requires an entity to present an additional statement of financial position as at the beginning of the preceding period when an entity:

- applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, and

- the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.

Related notes to the additional statement of financial position are not required. The retrospective application of certain new and revised IFRS (see Note 3 below) in 2013 has a material effect on the consolidated statement of financial position as at January 1, 2012.

Therefore, the Group presents a third statement of financial position as at January 1, 2012 without related notes except for the disclosures required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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, 2013. 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 2014. 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 2014; and (ix) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale.

Considering the above, Management and the Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the 18 months following December 31, 2013. For these reasons, Management and the 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, 2012, 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, 2013:

- IFRS 10 "Consolidated Financial Statements";
- IFRS 11 "Joint Arrangements";
- IFRS 12 "Disclosure of Interests in Other Entities"
- IFRS 13 "Fair Value Measurement";
- Consequential amendments to IAS 27 'Separate Financial Statements' and IAS 28 "Investments in Associates and Joint Ventures",
- The revised version of IAS 19 "Employee Benefits";

The only standard to have a material impact on the Group's previous financial statements is IFRS 11, and the impact is described below.

IFRS 11 "Joint Arrangements"

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" (IAS 31) and SIC 13 "Jointly controlled Entities– Non-Monetary-Contributions by Venturers". It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates. The Group's only operating joint arrangement within the scope of IFRS 11 is its 50% investment in Thunderbird de Costa Rica, S.A. ("TCR"), which was accounted for using the proportionate consolidation method under IAS 31.

Management has reviewed the classification of TCR in accordance with IFRS 11 and has concluded that it is a joint venture.

IFRS 11 has been applied retrospectively but with certain simplifications in accordance with the transitional provisions of that standard. Consequently, the investment in TCR has been restated by aggregating the carrying amounts of the assets and the liabilities that the Group had previously proportionately consolidated with effect from January 1, 2012.

The effects on the statement of financial position at January 1, 2012 and December 31, 2012 are:

	December 31, 2012	January 1, 2012
Increase in:		
Investment accounted for using the equity method	3,902	1,366
Trade and other receivables - current	-	5,431
Due from related parties - non-current	89	-
Due from related parties - current	13,428	-
Decrease in:		
Property, plant and equipment	(16,106)	(15,647)
Intangible assets	(952)	(1,035)
Deferred tax asset	(133)	(111)
Trade and other receivables - non-current	(549)	(101)
Trade and other receivables - current	(8,562)	-
Inventories	(126)	(195)
Restricted cash	(353)	(391)
Cash and bank balances	(119)	(623)
Borrowings - non-current	5,558	5,985
Borrowings - current	1,947	1,812
Due to related parties	410	1,793
Trade and other payables - non-current	452	383
Trade and other payables - current	387	467
Other financial liabilities	45	20
Current tax liabilities	161	336
Provisions - current	127	99
Minority interest	394	411
Change in net assets	**-**	**-**

The effects on the statement of comprehensive income for the year ended December 31, 2012 are:

	December 31, 2012
Increase in:	
Share of loss from equity accounted investments	(176)
Decrease in:	
Net gaming wins	(6,758)
Food, beverage, hospitality and other sales	(443)
Cost of goods sold	1,505
Operating, general and administrative	3,299
Project development	109
Depreciation and amortization	1,747
Other gains and losses	11
Foreign exchange loss	(72)
Financing costs	696
Financing income	12
Income tax expense	87
Change profit for the period	17
Change in non-controlling interest	(17)
Change in loss attributed to owners of the parent	-

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 2013 consolidated financial statements:

- IFRS 9 Financial Instruments;
- Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27;
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014); and
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015).

The Directors are of the opinion that, with the exception of IFRS 9 impacting the measurement of the Group's borrowings, which is 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	4 – 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, 2013, Management assesses that the useful lives represent the expected utility of the assets of the Group. The carrying amounts are analyzed in Note 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, 2013 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, Costa Rica and the Philippines.

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	
	2013	2012	2013	2012	2013	2012	2013	2012
Continuing operations								
Total revenue	14,383	16,262	14,005	12,702	-	-	30,646	32,700
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	3,478	4,465	2,272	1,497	-	(19)	5,227	5,628
Project development	(45)	(47)	-	(245)	-	-	-	(5)
Depreciation and amortization	(2,075)	(2,298)	(624)	(553)	-	-	(3,848)	(5,763)
Other gains and (losses)	(8)	(7)	(122)	(60)	-	-	31	2,793
Segments result	1,350	2,113	1,526	639	-	(19)	1,410	2,653
Foreign exchange gain / (loss)	63	22	(245)	(195)	-	(8)	(1,414)	816
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	-	-
Finance costs	(680)	(740)	(239)	(185)	-	-	(1,348)	(3,467)
Finance income	-	170	4	7	-	-	105	2,235
Other interest	-	-	-	-	-	-	(204)	(2)
Management fees - intercompany charges	(761)	(1,140)	-	(418)	(1,215)	(2,791)	(73)	(516)
Profit / (loss) before taxation	(28)	425	1,046	(152)	(1,215)	(2,818)	(1,524)	1,719
Taxation	(149)	(280)	(374)	(273)	-	-	(1,217)	(3,211)
Profit / (loss) for the year-continuing operations	(177)	145	672	(425)	(1,215)	(2,818)	(2,741)	(1,492)
Profit / (loss) for the year-discontinued operations	(114)	(64)	-	-	(2,625)	4,241	-	-
Profit / (loss) for the year	(291)	81	672	(425)	(3,840)	1,423	(2,741)	(1,492)
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(291)	81	672	(425)	(3,840)	1,423	(2,741)	(1,492)
Non-controlling interest	2	63	297	(190)	626	854	-	-
Total comprehensive income attributable to owners of the parent	(293)	18	375	(235)	(4,466)	569	(2,741)	(1,492)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	2,508	1,664	1,387	1,387	-	3,901	4,277	4,277
Intangible assets with finite useful lives	6	88	56	40	-	-	560	720
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	9,059	10,499	5,941	6,774	-	36,438	22,487	28,101
Other segment assets (including cash)	7,024	8,182	(2,149)	(2,442)	-	20,808	20,696	24,415
Total segment assets	18,597	20,433	5,235	5,759	-	61,147	48,020	57,513
Assets classified as held for sale	9,886	9,357	-	-	-	-	-	-
Total assets	28,483	29,790	5,235	5,759	-	61,147	48,020	57,513
Total segment liabilities	7,970	8,484	2,932	4,031	-	40,438	21,066	26,148
Liabilities associated with assets held for sale	2,193	2,578	-	-	-	-	-	-
Total liabilities	10,163	11,062	2,932	4,031	-	40,438	21,066	26,148
Net assets / (liabilities)	18,320	18,728	2,303	1,728	-	20,709	26,954	31,365
Non-controlling interest	4,940	5,188	1,312	1,015	-	2,409	-	-
Other segment items								
Capital expenditure	419	1,718	190	2,673	-	2,095	832	3,481
Depreciation and amortization	2,075	2,298	624	553	-	5,348	3,848	5,763
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

- continued -

	Total Operation		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2013	2012	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Continuing operations								
Total revenue	59,034	61,664	219	211	(6,331)	(7,201)	52,922	54,674
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	10,977	11,571	(4,884)	(5,887)	(2,410)	(2,905)	3,683	2,779
Project development	(45)	(297)	(26)	(91)	44	48	(27)	(340)
Depreciation and amortization	(6,547)	(8,614)	(152)	(189)	1,585	1,746	(5,114)	(7,057)
Other gains and (losses)	(99)	2,726	(1,512)	497	6	11	(1,605)	3,234
Segments result	4,286	5,386	(6,574)	(5,670)	(775)	(1,100)	(3,063)	(1,384)
Foreign exchange gain / (loss)	(1,596)	635	505	92	(73)	(44)	(1,164)	683
Share of profit / (loss) from equity accounted investments	-	-	-	-	(97)	(176)	(97)	(176)
Finance costs	(2,267)	(4,392)	(4,252)	(4,249)	612	651	(5,907)	(7,990)
Finance income	109	2,412	729	389	-	(96)	838	2,705
Other interest	(204)	(2)	(2)	(282)	-	-	(206)	(284)
Management fees - intercompany charges	(2,049)	(4,865)	2,006	4,840	329	534	286	509
Profit / (loss) before taxation	(1,721)	(826)	(7,588)	(4,880)	(4)	(231)	(9,313)	(5,937)
Taxation	(1,740)	(3,764)	(77)	185	110	87	(1,707)	(3,492)
Profit / (loss) for the year-continuing operations	(3,461)	(4,590)	(7,665)	(4,695)	106	(144)	(11,020)	(9,429)
Profit / (loss) for the year-discontinued operations	(2,739)	4,177	245	(250)	114	64	(2,380)	3,991
Profit / (loss) for the year	(6,200)	(413)	(7,420)	(4,945)	220	(80)	(13,400)	(5,438)
Currency translation reserve	-	-	(2,729)	2,527	-	-	(2,729)	2,527
Total comprehensive income for the year	(6,200)	(413)	(10,149)	(2,418)	220	(80)	(16,129)	(2,911)
Non-controlling interest	925	727	-	(336)	9	17	934	408
Total comprehensive income attributable to owners of the parent	(7,125)	(1,140)	(10,149)	(2,082)	211	(97)	(17,063)	(3,319)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	8,172	11,229	-	-	(866)	(21)	7,306	11,208
Intangible assets with finite useful lives	622	848	17	1	(6)	(87)	633	762
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	37,487	81,812	1,831	879	(5,610)	(6,636)	33,708	76,055
Other segment assets (including cash)	25,571	50,963	7,602	(11,609)	4,814	3,212	37,987	42,566
Total segment assets	71,852	144,852	9,450	(10,729)	(1,668)	(3,532)	79,634	130,591
Assets classified as held for sale	9,886	9,357	-	-	(9,886)	(9,357)	-	-
Total assets	81,738	154,209	9,450	(10,729)	(11,554)	(12,889)	79,634	130,591
Total segment liabilities	31,968	79,101	32,234	16,114	(6,146)	(6,469)	58,056	88,746
Liabilities associated with assets held for sale	2,193	2,578	-	-	(2,193)	(2,578)	-	-
Total liabilities	34,161	81,679	32,234	16,114	(8,339)	(9,047)	58,056	88,746
Net assets / (liabilities)	47,577	72,530	(22,784)	(26,843)	(3,215)	(3,842)	21,578	41,845
Non-controlling interest	6,252	8,612	-	-	(135)	(394)	6,117	8,218
Other segment items								
Capital expenditure	1,441	9,967	61	45	(395)	3,789	1,107	13,801
Depreciation and amortization	6,547	8,614	152	189	(1,585)	(1,746)	5,114	7,057
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

(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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Continuing operations										
Total revenue	53,216	52,758	5,818	8,906	219	211	(6,331)	(7,201)	52,922	54,674
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	10,522	9,934	455	1,637	(4,884)	(5,887)	(2,410)	(2,905)	3,683	2,779
Project development	(43)	(297)	(2)	-	(26)	(91)	44	48	(27)	(340)
Depreciation and amortization	(4,941)	(6,774)	(1,606)	(1,840)	(152)	(189)	1,585	1,746	(5,114)	(7,057)
Other gains and (losses)	(122)	(206)	23	2,932	(1,512)	497	6	11	(1,605)	3,234
Segments result	5,416	2,657	(1,130)	2,729	(6,574)	(5,670)	(775)	(1,100)	(3,063)	(1,384)
Foreign exchange gain / (loss)	(1,560)	600	(36)	35	505	92	(73)	(44)	(1,164)	683
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	(97)	(176)	(97)	(176)
Finance costs	(1,707)	(1,464)	(560)	(2,928)	(4,252)	(4,249)	612	651	(5,907)	(7,990)
Finance income	6	178	103	2,234	729	389	-	(96)	838	2,705
Other interest	-	-	(204)	(2)	(2)	(282)	-	-	(206)	(284)
Management fees - intercompany charges	(2,263)	(4,964)	214	99	2,006	4,840	329	534	286	509
Profit / (loss) before taxation	(108)	(2,993)	(1,613)	2,167	(7,588)	(4,880)	(4)	(231)	(9,313)	(5,937)
Taxation	(1,368)	(2,360)	(372)	(1,404)	(77)	185	110	87	(1,707)	(3,492)
Profit / (loss) for the year-continuing operations	(1,476)	(5,353)	(1,985)	763	(7,665)	(4,695)	106	(144)	(11,020)	(9,429)
Profit / (loss) for the year-discontinued operations	(1,923)	8,553	(816)	(4,376)	245	(250)	114	64	(2,380)	3,991
Profit / (loss) for the year	(3,399)	3,200	(2,801)	(3,613)	(7,420)	(4,945)	220	(80)	(13,400)	(5,438)
Currency translation reserve	-	-	-	-	(2,729)	2,527	-	-	(2,729)	2,527
Total comprehensive income for the year	(3,399)	3,200	(2,801)	(3,613)	(10,149)	(2,418)	220	(80)	(16,129)	(2,911)
Non-controlling interest	925	727	-	-	-	(336)	9	17	934	408
Total comprehensive income attributable to owners of the parent	(4,324)	2,473	(2,801)	(3,613)	(10,149)	(2,082)	211	(97)	(17,063)	(3,319)
Assets and liabilities										
Segment intangible assets:										
Intangible assets with indefinite useful lives	8,158	11,215	14	14	-	-	(866)	(21)	7,306	11,208
Intangible assets with finite useful lives	172	239	450	609	17	1	(6)	(87)	633	762
Financial assets - investments	-	-	-	-	-	-	-	-	-	-
Segment assets:										
Property, plant and equipment	19,378	41,947	18,109	39,865	1,831	879	(5,610)	(6,636)	33,708	76,055
Other segment assets (including cash)	17,589	39,234	7,982	11,729	7,602	(11,609)	4,814	3,212	37,987	42,566
Total segment assets	45,297	92,635	26,555	52,217	9,450	(10,729)	(1,668)	(3,532)	79,634	130,591
Assets classified as held for sale	9,886	9,357	-	-	-	-	(9,886)	(9,357)	-	-
Total assets	55,183	101,992	26,555	52,217	9,450	(10,729)	(11,554)	(12,889)	79,634	130,591
Total segment liabilities	24,267	44,051	7,701	35,050	32,234	16,114	(6,146)	(6,469)	58,056	88,746
Liabilities associated with assets held for sale	2,193	2,578	-	-	-	-	(2,193)	(2,578)	-	-
Total liabilities	26,460	46,629	7,701	35,050	32,234	16,114	(8,339)	(9,047)	58,056	88,746
Net assets / (liabilities)	28,723	55,363	18,854	17,167	(22,784)	(26,843)	(3,215)	(3,842)	21,578	41,845
Non-controlling interest	6,252	8,612	-	-	-	-	(135)	(394)	6,117	8,218
Other segment items										
Capital expenditure	1,311	9,498	130	469	61	45	(395)	3,789	1,107	13,801
Depreciation and amortization	4,941	6,774	1,606	1,840	152	189	(1,585)	(1,746)	5,114	7,057
Impairment losses	-	-	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-	-	-

(1) Includes non-operating entities

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

5. OTHER GAINS AND (LOSSES)

	2013	2012 (Restated)
Provision for Daman Hospitality loan guarantees [a]	(930)	-
Legal case settlement [b]	(600)	-
Other write off of assets [c]	(196)	(502)
Gain on Guatemala sale [d]	39	221
Fair value adjustment for financial derivative contracts [e]	21	1,012
Impairment adjustment for shares pledged for borrowings [f]	61	(172)
Other	-	576
Gain from sale of Peru hotels	-	2,953
Severance settlement	-	(854)
Total	**$ (1,605)**	**$ 3,234**

a. Provision for India loan guarantee

In Note 22 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 outcome of any potential litigation, including the liability pursuant to these corporate guarantees, is not known at this time.” Management believes that the parties are working towards a resolution of this dispute and have accordingly recorded a provision for $930,000. See Note 22, Commitments and Contingencies and Note17, Provisions.

b. Legal case settlement provision

During 2013 the group entered into negotiations to settle a long standing legal dispute with Pardini & Asociados (“Pardini”) related to the Group’s former Panamanian affiliate International Thunderbird Gaming (Panama) Corp (“ITGPC”). The negotiations resulted in a non-binding agreement to settle Pardini’s lawsuit against the Group and ITBGC. The Group has recorded a provision for our pro-rata share of the settlement and related legal expenses of $600,000. See Note 17, Provisions and Note 29, Subsequent Events.

c. Other write off of assets

Certain trade receivables in Corporate, Nicaragua, Costa Rica, and Peru were determined to be uncollectable and an expense of $65,000 (2012 restated - $115,000) has been recorded. In addition, losses were recognized on dispositions, abandonments or obsolescence of property, plant and equipment and write-off of deposits totaling $203,000 (2012 restated - $544,000) which partially offset with gains on sale of property, plant, and equipment and reversals of provisions of $72,000 (2012 restated - $157,000).

d. Gain on sale of Guatemala operation

On December 31, 2010, the Group entered into an agreement to transfer its Guatemala operations to Inversiones Fenix, S.A. for consideration of $3,018,000, comprised of a $2,100,000 promissory note, related interest payment and related debt assumption. At the date of disposal, the fair value of the consideration received was $Nil as significant uncertainty existed over the receipt of any future cash flows.

During 2013, the Group received interest payments totaling $39,000 which have been recorded within other gains and losses.

e. Fair value adjustments for financial derivative contracts

During the fourth quarter of 2011 and the first half of 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 25). Upon initial recognition embedded derivatives of $1,033,000 (2011 - $848,000) were separately measured and recorded within derivative financial instruments. The fair value of derivative financial instruments was $Nil as of December 31, 2013, resulting in a fair value gain of $21,000 for the period.

f. 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 $43,050, based on the share price as of December 31, 2013. A reversal of impairment of $61,500 (2012: impairment of $171,500) related to cash received in excess of the recoverable amount of the asset previously held on the balance sheet was recorded for the period

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:

	2013	2012
Salaries and bonuses	1,427	1,525
Share-based payments	180	204
Short-term benefits	261	85
Total	**$ 1,868**	**$ 1,814**

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:

	2013	2012 (Restated)
Finance cost		
Bank loans	$ 1,492	$ 566
Other loans	2,734	3,896
Related party loans	485	488
Finance charges payable under finance leases and hire purchase contracts	64	379
Amortization of borrowing costs	1,132	2,661
Total finance costs (on a historical cost basis)	**$ 5,907**	**7,990**
Finance income		
Bank interest receivable	23	111
Gain on loan refinancing	-	2,594
Gain on loan extinguishment	521	-
Interest on note receivable	294	-
Total finance income (on a historical cost basis)	**$ 838**	**$ 2,705**
Other interest		
Other interest	206	284
Total other interest	**$ 206**	**$ 284**

Other interest includes interest paid on tax liabilities in the Group's Peru operations.

8. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in profit or loss

	2013	2012 (Restated)
Current Income Tax		
Foreign tax	$ 1,353	$ 2,182
Total current income tax	1,353	2,182
Deferred Tax		
Origination and reversal of temporary differences	354	1,310
Total deferred tax	354	1,310
Tax charged in the statement of comprehensive income	**$ 1,707**	**$ 3,492**
Taxes allocated to:		
Loss for the year	1,707	3,492
Totals	**$ 1,707**	**$ 3,492**

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:

	2013	2012 (Restated)
Accounting loss before income tax	$ (9,313)	$ (5,937)
Effect of different tax rates on overseas earnings	1,707	3,492
Total tax expense reported in the statement of income	$ 1,707	$ 3,492
Deferred income tax assets		
Total deferred tax	$ 352	$ 802
Deferred income tax liabilities		
Other assets - net book value in excess of unamortized tax	33	-
Withholding tax on repatriation of retained earnings from foreign subsidiaries	-	35
Other	21	2
Total deferred tax liabilities	**$ 54**	**$ 37**

At December 31, 2013, the Group has unrecognized United States income tax net operating losses of $29,124,000 (2012 - $28,231,000). 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, 2013, the Group has unrecognized Peru income tax net operating losses of $1,641,000. The $492,000 tax benefit associated with the Peru loss carry forwards 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 $352,000 (2012 Restated - $802,000), for temporary differences related to provisions and book reserves in certain Peru and Costa Rica subsidiaries.

	Statement of Financial Position 2013			Statement of Financial Position 2012 (Restated)		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total
Balance at beginning of year	$ 802	$ (37)	$ 765	$ 2,355	$ (374)	$ 1,981
Included in disposal group	(70)	-	(70)	-	-	-
Movement in profit or loss	(334)	(21)	(355)	(1,629)	341	(1,288)
Foreign exchange and other	(46)	4	(42)	76	(4)	72
Balance at end of year	**$ 352**	**$ (54)**	**$ 298**	**$ 802**	**$ (37)**	**$ 765**

9. INTANGIBLE ASSETS

	2013				2012 (Restated)			
	Gaming licenses	**Goodwill**	**Others (Software and license)**	**Total**	**Gaming licenses**	**Goodwill**	**Others (Software and license)**	**Total**
Cost								
Balance at beginning of year	$ 1,476	$ 11,600	$ 2,945	$ 16,021	$ 1,476	$ 11,600	$ 2,880	$ 15,956
Additions	-	-	80	80	-	-	65	65
Sale of subsidiary	(1,376)	(4,294)	-	(5,670)	-	-	-	-
Balance at end of year	100	7,306	3,025	10,431	1,476	11,600	2,945	16,021
Accumulated amortization and impairment								
Balance at beginning of year	1,376	393	2,282	4,051	1,376	393	2,038	3,807
Change for the year	-	-	210	210	-	-	244	244
Sale of subsidiary	(1,376)	(393)	-	(1,769)	-	-	-	-
Balance at end of year	-	-	2,492	2,492	1,376	393	2,282	4,051
Carrying amount								
At beginning of year	100	11,207	663	11,970	100	11,207	842	12,149
At end of year	**$ 100**	**$ 7,306**	**$ 533**	**$ 7,939**	**$ 100**	**$ 11,207**	**$ 663**	**$ 11,970**

The Peru license has an unamortized balance of $100,000 as of December 31, 2013 (2012 - $100,000). The decrease in goodwill for 2013 to $7,306,000 (2012 Restated - $11,207,000) is due to the disposal of the Group's Philippine operations.

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 2013, the Group has identified three geographical regions as its operating segments: Peru, Costa Rica and Nicaragua (four in 2012, also including Philippines). 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 Costa Rica, there is only one operation. In the case of Nicaragua, this is deemed to be by operating location.

For the purpose of annual impairment testing, Goodwill is allocated to the CGU expected to benefit from the synergies of the business combinations in which the Goodwill arises. The carrying amount of Goodwill allocated to the Peru, Costa Rica and Nicaragua CGUs (2012: also Philippines) was deemed to be significant in comparison with the total carrying amount of goodwill and was allocated as follows:

	2013		
	Goodwill	**Other assets considered for impairment (1)**	**Total assets considered for impairment**
Peru	**$ 4,277**	**$ 37,729**	**$ 42,006**
Costa Rica	**1,642**	**1,778**	**3,420**
Fiesta Holiday Inn (TGE)	1,642	1,778	3,420
Nicaragua	**1,387**	**2,549**	**3,936**
Pharaoh's Central	660	1,363	2,023
Pharaoh's Camino Real	193	395	588
Pharaoh's Holiday Inn	118	243	361
Pharaoh's Bello Horizonte	309	330	639
Pharaoh's Chinandega	107	218	325
Total	**$ 7,306**	**$ 42,056**	**$ 49,362**

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

The recoverable amount of each cash generating unit 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 include:

- Consistent gross profit margin percentages based on historic actual results in these markets. The Group's Management believes that this is the best available input for forecasting future budgeted cash flow projections. Gross profit margins are based on three key measures, customer drop, net win margins and hotel occupancy rates. Customer drop is based on monies placed by customers for the casino gaming businesses. Management takes into account the product mix and industry developments when determining customer drop. Net win margins are based on values achieved in the past. Hotel occupancy rates are based on past experience.
- Expected efficiency improvements have not been taken into account. Costs (such as wages) reflect publicly available forecasts of inflation for the industry.
- Forward exchange rates (USD/Soles/Colones/Cordobas/Philippine Pesos) based on the closing spot rate at the date of the impairment test (consistent with 2012).
- Maintaining a consistent market share based on the average market share for the previous two periods, increased by the historical growth rate.
- Consider that a debt to equity of 60:40 will be the most appropriate long term ratio, in line with the debt to equity structure of other operators which operate in the Latin American market.

Cash flow projections

Cash flow projections are based on Management's approved five-year budgets (2014-2018), followed by an extrapolation of expected cash flows into perpetuity using growth rates determined by Management as outlined below:

	Revenue growth rates	Expense growth rates	Discount rates
	2013	2013	2013
Peru	3.9% - 7.1%	3.0% - 4.8%	13.2%
Costa Rica			
Fiesta Holiday Inn (TGE)	3.2%	3.0%	14.7%
Nicaragua			
Pharaoh's Central	5.0%	3.0%	19.7%
Pharaoh's Camino Real	5.0%	3.0%	19.7%
Pharaoh's Bello Horizonte	5.0%	3.0%	19.7%
Pharaoh's Chinandega	5% - 10%	3.0%	19.7%
Pharaoh's Holiday Inn (1)	4.5% - 5.0%	3.0%	19.7%

Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of each segment (all based on publicly available information). The growth rate for the Pharaoh's Chinandega casino in Nicaragua shows a growth rate above the average growth rate for the country as revenues have been significantly ramping up since the second half of 2013 (the casino started operations in Q3 2012).

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 recoverable amount of each CGU was as follows:

		2013
Peru	**$**	**50,297**
Costa Rica		**9,051**
Nicaragua		**14,354**
Pharaoh's Central		7,366
Pharaoh's Camino Real		1,603
Pharaoh's Holiday Inn		485
Pharaoh's Bello Horizonte		4,425
Pharaoh's Chinandega		475
Total	**$**	**73,702**

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:

- Gross profit margin percentage could be impacted by the following factors:
  i. Customer drop may be affected by seasonality, a decrease in customers, a decrease in marketing spending, a change in technology, competition or regulatory change;
  ii. Net win margins may be affected by changes in the gaming legislation and in gaming technology; and

iii. Hotel revenues may be affected by seasonality.

- Growth rates, based on estimates of GDP growth for revenues and inflation for costs may be affected by economic changes;
- Discount rates may be impacted by changes in capital structure of the Group and its participants; and
- Terminal values may be affected by a decrease in demand for the properties due to changes in legislation to the gaming industry.

After considering all key assumptions, Management considers that a reasonably possible change in only the following assumptions would cause each segment's carrying amount to exceed its recoverable amount:

Discount rate

If the discount rate currently disclosed above reaches the following reasonably possible amounts (after incorporating any consequential effects of the change on other inputs used in the recoverable amount estimate), the CGU's recoverable amount would be equal to its carrying amount. This analysis incorporated reasonable changes in other key inputs into the discount rate including foreign currency, market risk premium, and the cost of debt:

	2013 Discount rates
Peru	14.9%
Nicaragua	
Pharaoh's Chinandega	25.1%
Pharaoh's Holiday Inn	20.9%

Gross profit margins

If the assumed gross profit margin percentages deviate resulting in Property EBITDA percentages being reduced to the same extent for each CGU in each of the forecast years (after incorporating any consequential effects of the change on other inputs used) the recoverable amount would be equal to its carrying amount:

	Property EBITDA percentage applied in model	Property EBITDA deviation margin
Peru	19-24%	2% (or 10.4% of 19-24%)
Nicaragua		
Pharaoh's Chinandega	7-15%	2% (or 22.0% of 7-15%)
Pharaoh's Holiday Inn	6-10%	1% (or 5.6% of 6-10%)

10. PROPERTY, PLANT AND EQUIPMENT

	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

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2012*	$ 70,571	$ 10,161	$ 38,857	$ 25,467	$ 4,300	$ 149,356
Foreign exchange adjustments	3,626	198	2,211	1,068	95	7,198
Additions	1,431	50	660	386	5,814	8,341
Disposals	(11,868)	(49)	-	(1,797)	(692)	(14,406)
Transfers	1,125	385	3,232	1,234	(5,976)	-
As of December 31, 2012*	64,885	10,745	44,960	26,358	3,541	150,489
Depreciation						
As of January 1, 2012*	$ 11,924	$ 4,114	$ 29,609	$ 16,841	$ -	$ 62,488
Foreign exchange adjustments	727	96	1,755	677	-	3,255
Charge for the year	3,084	778	5,388	3,009	-	12,259
Disposals	(2,036)	(47)	-	(1,485)	-	(3,568)
As of December 31, 2012*	13,699	4,941	36,752	19,042	-	74,434
Net book value as of January 1, 2012*	58,647	6,047	9,248	8,626	4,300	86,868
Net book value as of December 31, 2012*	$ 51,186	$ 5,804	$ 8,208	$ 7,316	$ 3,541	$ 76,055

*2012 figures restated

Assets pledged as security

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

	2013		2012 (Restated)	
	Cost	Amortized cost	Cost	Amortized cost
Property	25,835	18,333	44,624	36,787
Gaming equipment	6,763	513	6,699	1,744
Total	**$ 32,598**	**$ 18,846**	**$ 51,323**	**$ 38,531**

The carrying value of assets held under finance leases and hire purchase contracts at December 31, 2013 was $1,196,000 (2012 - $668,000).

11. DISCONTINUED OPERATIONS

On August 6, 2013, the Group entered into a series of transactions that resulted in the sale of its entire economic interests and Management rights in its Philippine and related British Virgin Islands ("BVI") operations "Philippine operations" to Magnum Leisure Holdings Inc. and its related entities, affiliates of Solar Entertainment Corporation (collectively "Magnum"), for post-tax, net consideration of approximately $28.3 million, which is consistent with our previously announced net, post tax post debt payoff amount of approximately $26.5 million.

The Group also executed a 36-month non-compete agreement with Magnum in the Philippines. Of the net price: a) $21.1 million was settled in cash; b) $5 million was paid via a promissory note that amortizes over approximately 18 months at a 7% interest rate and is backed by a letter of credit issued by a major banking institution ("Note receivable"), (face value is estimated to be equal to fair value); and b) $5 million will be subject to hold backs by Magnum for up to 30 months to cover potential contingent liabilities ("Hold back"), (discounted by $2.8 million to equal estimated fair value of $2.2 million). Also the transactions provided for the assignment of local brands and the assignment of the right to use the Thunderbird /Fiesta casino brands under certain circumstance and limited to the Philippines only.

Revenues and expenses, gains and losses relating to the Philippine operations have been eliminated from the Group's statement of comprehensive income in both the current and the prior period and are shown in a single line item on the face of the statement of comprehensive income (see "loss for the period from discontinued operations").

Operating profit of the Philippines operation until the date of disposal and the loss on disposal of assets and liabilities sold are summarized as follows:

	2013	2012
Net gaming wins	$ 25,421	$ 45,223
Food, beverage, hospitality and other sales	3,074	5,393
Total revenue	28,495	50,616
Cost of goods sold	(14,028)	(23,984)
Gross profit	14,467	26,632
Other operating costs		
Operating, general and administrative	(8,798)	(16,064)
Project development	-	(182)
Depreciation and amortization	(3,089)	(5,380)
Other gains and (losses)	14	(399)
Operating profit	2,594	4,607
Financing		
Foreign exchange (loss) / gain	(525)	931
Financing costs	(668)	(1,535)
Financing income	17	24
Finance costs, net	(1,176)	(580)
Profit before tax	1,418	4,027
Income taxes expense		
Current	(7)	(57)
Deferred	-	21
Income taxes expense	(7)	(36)
Profit for the year	1,411	3,991
Loss on disposal	(3,791)	-
(Loss) / profit for the year from discontinued operations	**$ (2,380)**	**$ 3,991**

Cash flows generated by the Group's Philippine operations for the reporting period can be summarized as follows:

	2013	2012
Operating activities	4,551	10,845
Investing activities	(2,390)	(1,988)
Financing activities	(3,483)	(6,881)
Cash flows from discontinued operations	**$ (1,322)**	**$ 1,976**

The fair values of the identifiable assets and liabilities of the Group's Philippine operations disposed of are estimated as follows:

	Philippines
Property, plant and equipment	$ 32,639
Goodwill	3,901
Deferred tax asset	66
Trade and other receivables	5,129
Inventories	461
Other assets	2,602
Cash and cash equivalents	3,845
Prepaid expenses	3,137
Borrowing	(2,681)
Obligations under leases	(923)
Trade and other payables	(4,673)
Other financial liabilities	(658)
Other liabilities	(5,090)
Provisions	(2,143)
Non-controlling interest	(3,035)
Net assets disposed	**$ 32,577**
Consideration in cash	21,110
Note receivable	5,000
Hold back	2,158
Fair value of proceeds	**$ 28,268**
Cost of sale	(542)
Currency translation write off	1,060
Loss on Disposal	**$ (3,791)**

Loss on disposal

On August 6, 2014, 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 bears interest at 7% and is fully amortized over 18 months, and a $5 million Hold backs for 30 months to cover potential contingent liabilities. The fair value recognized for the Hold back is $2.2 million, which represents the present value of the Group's estimate of the cash inflow. It reflects Management's estimate that 50% of the hold back may be used to cover potential contingent liabilities and is discounted over 30 months using an interest rate of 7%.

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	2013	2012 (Restated)
Trade and other receivables (Non-current)		
Notes receivable (Note 11)	430	-
Severance funds for employees	71	66
Cash bond to secure PAGCOR gaming license in Philipines	-	647
Deposits for rental, land and equipment	216	429
Receivable in escrow	2,203	-
Guarantee on borrowing	731	726
Recoverable value added tax	1,670	2,614
Total trade and other receivables (non-current)	**$ 5,321**	**$ 4,482**
Trade and other receivables (Current)		
Notes receivable (Note 11)	4,570	-
Trade and other receivables	1,201	3,868
Prepaid expense	879	2,157
Value added tax and employee receivables	365	468
Deposits for rentals, land and equipment	12	1,716
Receivable in escrow	1,627	1,653
Recoverable value added tax	8	10
Total trade and other receivables (current)	**$ 8,662**	**$ 9,872**

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 $65,000 (2012 Restated - $115,000) has been recorded accordingly.

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

	2013	2012 (Restated)
Not more than 3 months	1,100	1,817
More than 3 months but not more than 6 months	2	1,913
More than 6 months but not more than 1 year	65	61
More than 1 year	34	77
Total	**$ 1,201**	**$ 3,868**

13. INVENTORIES

	2013	2012 (Restated)
Food and beverage supplies	190	400
Casino goods and promotional items	216	253
Hotel food service and room supplies	41	10
Uniform and operational supplies	102	286
Gaming machine parts	337	405
Total	**$ 886**	**$ 1,354**

Cost of goods sold within cost of sales was $2,967,000 for the year ended December 31, 2013 and $4,328,000 for the year ended December 31, 2012 (Restated). There were inventory write downs of $18,000 in 2013 (2012- $160,000).

14. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at December 31, 2013 and December 31, 2012:

	2013	2012 (Restated)
Cash at banks and on hand	5,491	5,118
Restricted cash	1,724	3,388
Total	**$ 7,215**	**$ 8,506**

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 $5,491,000 as of December 31, 2013 (2012 Restated - $5,118,000).

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 $1,724,000 at December 31, 2013 (2012 Restated - $3,388,000).

15. TRADE AND OTHER PAYABLES

	2013	2012 (Restated)
Trade and other payables (Non-current)		
Trade and other payables	216	139
Other liabilities	710	2,689
Deferred Income	73	2,714
Total trade and other payables (non-current)	**$ 999**	**$ 5,542**
Trade and other payables (current)		
Trade and other payables	5,105	6,159
Other accrued liabilities	1,680	6,175
Deferred Income	-	78
Total trade and other payables (current)	**$ 6,785**	**$ 12,412**

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

16. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal re[ayments							
	2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:								
>15%	$ 150	$ -	$ -	$ -	$ -	$ -	$ -	$ 150
13% to 14%	109	409	-	-	-	-	-	518
11% to 12%[2]	2,028	3,243	990	1,105	1,232	4,772	(153)	13,217
<10%	1,950	5,015	5,333	5,120	3,436	7,625	(974)	27,505
Total principal repayments	**$ 4,237**	**$ 8,667**	**$ 6,323**	**$ 6,225**	**$ 4,668**	**$ 12,397**	**$ (1,127)**	**$ 41,390**

1. Floating rate loans are calculated as of the effective rate on December 31, 2013.
2. Includes $7,161,000 of convertible loan notes with an embedded derivative of $21,000 (December 31, 2012 - $848,000 AR Note 28).

	2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 2,868	$ 6,871	$ 4,968	$ 4,782	$ 3,140	$ 4,773	$ (903)	$ 26,499
Costa Rica	73	552	-	-	-	-	(43)	582
Nicaragua	296	159	174	165	142	693	-	1,629
Peru	1,000	1,085	1,181	1,278	1,386	6,931	(181)	12,680
Total principal repayments	**$ 4,237**	**$ 8,667**	**$ 6,323**	**$ 6,225**	**$ 4,668**	**$ 12,397**	**$ (1,127)**	**$ 41,390**

	Borrowing summary	
	2013	2012 (Restated)
Total borrowing	41,390	57,405
Less current portion of borrowings	(3,778)	(6,189)
Borrowing non-current	**$ 37,612**	**$ 51,216**

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							
	2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 2,868	$ 6,871	$ 1,102	$ 2,537	$ 3,140	$ 4,773	$ (677)	$ 20,614
Peru	-	-	3,866	2,245	-	-	(226)	5,885
Total principal repayments	**$ 2,868**	**$ 6,871**	**$ 4,968**	**$ 4,782**	**$ 3,140**	**$ 4,773**	**$ (903)**	**$ 26,499**

During 2013, the Group has obtained new borrowings detailed as follows:

	Additions	Balance Dec 31, 2013	Collateral	Interest rate	Maturity Date
The Company and wholly owned subsidiaries					
Loans with non-financial entities	1,400	-	unsecured	8%	Oct-13
Nicaragua					
Loans with non-financial entities	150	150	unsecured	18%	Dec-14
Total	**$ 1,550**	**$ 150**			

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

Additions Summary	Balance Dec 31, 2012 (Restated)	Additions	Refinancing Additions	Refinancing Extinguishment	Repayments	Disposal	Unamortized premiums, discounts & issuance costs	Balance Dec 31, 2013
Loans with financial entities	$ 20,466	$ -	$ 2,420	$ (810)	$ (2,695)	$ (2,694)	$ (201)	$ 16,486
Loans with non-financial entities	31,516	1,550	35	(878)	(11,380)	(1,124)	(700)	19,019
Convertible loan notes with non-financial entities	7,719	-	253	239	(2,100)	-	(226)	5,885
Total	**$ 59,701**	**$ 1,550**	**$ 2,708**	**$ (1,449)**	**$ (16,175)**	**$ (3,818)**	**$ (1,127)**	**$ 41,390**

Notes

Additions

a. During the year ended December 31, 2013, Thunderbird Resorts Inc., obtained unsecured financing from a private lender for $1.4 million. The loans bore interest between 1% and 8%, and matured within 4 months of issue and have been fully repaid.

b. During the year ended December 31, 2013, Buena Esperanza Ltda., obtained unsecured financing from two private lenders for $150 thousand. The loans bear interest at 18% and mature in 12 months from the date of issue. Principal and interest payments are due monthly in 12 equal installments.

Refinancing additions - original loan extinguishment

a. During the year ended December 31, 2013, the Group secured a senior secured loan for $2.4 million to refinance a senior secured loan and loan with a private lender of $810 thousand and $878 thousand, respectively. The new loan is secured with the corporate building, bears interest at 7.5%, and matures in 5 years. Principal and interest payments are due monthly in 59 equal installments and a balloon payment in month 60.

Refinancing additions – capitalization of accrued interest

b. During the year ended December 31, 2013, the Group had additions to borrowings of $288 thousand resulting from capitalization of accrued interest. $253 thousand related to Convertible notes whose terms included 13 months of interest accrual with accrued balance to be added to principal balance in month 13 and $35 thousand related to loans with private lenders which have been fully paid.

Repayments

a. During the year ended December 31, 2013, the Group extinguished early 32 loans with private lenders, which loan terms included interest rates between 7% and 15%. Approximately $8.5 million of principal and $1.9 million of accrued interest were paid.

b. During the year ended December 31, 2013, the Group repaid $7.7 million of loan principal, consisting of $2.7 million of loans with financial entities, $2.9 million of loans with non-financial entities, and $2.1 million of convertible loan notes.

Disposal

a. On August 2013 the Group de-recognized $3.8 million of borrowings following the disposal of our Philippines operation (Note 11).

17. PROVISIONS

	Current 2013	Non-Current 2013	Current 2012 (Restated)	Non-Current 2012 (Restated)
Employee benefits	$ 1,039	$ 497	$ 1,170	$ 2,356
Other	253	883	286	-
Litigation provisions	720	720	120	840
	$ 2,012	**$ 2,100**	**$ 1,576**	**$ 3,196**

	Employee benefits	Litigation	Other	Total
Balance at January 1, 2012 (Restated)	$ 2,903	$ 1,144	$ 1,027	$ 5,074
Provisions recognized	2,771	-	940	3,711
Provisions utilized	(2,227)	(184)	(726)	(3,137)
Provisions released	(63)	-	(955)	(1,018)
Differences arising from foreign exchange	141	-	1	142
Balance at December 31, 2012 (Restated)	**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**

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, 2013, the Group has recorded provisions amounting to $330,000 (2012 - $322,000), 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 22 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 outcome of any potential litigation, including the liability pursuant to these corporate guarantees, is not known at this time." The Group has now recorded a provision for a partial settlement of the dispute for $930,000. For more information, please see Note 22 Commitments and Contingencies.

Litigation

The following is a summary of any litigation, including actions settled since January 1, 2013 and any actions currently open. Any other material litigation that is currently pending and not listed herein is listed in Note 22 to the Group's financial statements.

Pardini case settlement provision

The Group has disclosed litigation in Panama since 2001 related to its prior ownership of gaming operations in Panama, which we later sold in 2010. While the Group believes it would ultimately prevail in this litigation, for purposes of avoiding future significant litigation costs anticipated if the lawsuit were to continue, the Group entered into negotiations with the various parties in 2013 that has resulted in a non-binding agreement to settle the lawsuit. Therefore, the Group has recorded a provision for our share of the settlement and related legal expenses of $600,000. See Note 29, Subsequent Events.

Mexico – NAFTA settlement

In 2007, the U.S. District Court affirmed the NAFTA tribunal's award for $1.25 million in costs and attorney fees award. On March 31, 2010, the Group entered into a settlement agreement to Mexico in annual installments of approximately $168,000 per year for five years and a payment of

$630,000 in the sixth year. Mexico made certain concessions with respect to the settlement of the amount awarded by the NAFTA tribunal, including a waiver of interest from the time of the award up to the date of the settlement. The Group entered into a modification of the aforesaid settlement agreement wherein the Group and Mexico agreed that the annual installments will be paid in 6 installments per year rather than in one annual payment.

The remaining provision at December 31, 2013 is $840,000 (2012- $960,000).

18. 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 ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2011	**22,541,577**	**$ 105,850**
Share based payments	544,996	1,000
Cancellation of restricted shares	(169,998)	(381)
Transfers from reserves - share commitments	-	3,500
Balance as at December 31, 2012	**22,916,575**	**$ 109,969**
Exercise of options		
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**

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 151,210 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 2012 and 2013:

	Number of shares	Weighted average exercise price
Balance as at December 31, 2011	**572,655**	**$ 3.83**
Cancelled due to expiring	(327,635)	3.80
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**
Number of options currently exercisable	151,210	$ 3.79

The following table summarizes information about the share options outstanding at December 31, 2013:

Range of exercise prices	Number outstanding options	Weighted average remaining life	Weighted average exercise price
\$2.01 - \$3.00	56,000	1.63 years	\$ 2.10
\$3.01 - \$5.00	95,210	1.39 years	\$ 4.78
	151,210	1.48 years	\$ 3.79

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 2013 was \$Nil (2012- \$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.

Reserves – share commitments

This reserve has historically comprised of equity-settled share-based payments and warrants. In 2012, following an exercise to review the composition of other reserves, amounts have been transferred to share capital, share options reserve and retained earnings to better reflect the value of share options not yet exercised at the balance sheet date.

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.

19. LOSS PER SHARE

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

	2013	2012
Shares used in computation of basic and diluted earnings per share (000's)	22,961	22,821
Loss for the period attributable to the parent	$ (14,334)	$ (5,846)
Basic loss per share	**(0.62)**	**(0.26)**
Diluted loss per share	**(0.62)**	**(0.26)**

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, 2013, 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.

20. RELATED PARTY TRANSACTIONS

	Current	Non-Current	Current	Non-Current
	2013	2013	2012	2012
Due from related parties				
Nicaraguan Partners	$ -	$ 41	$ -	$ 41
Costa Rican Partner	11,477	55	10,214	55
Philippine Partners	-	-	3,314	-
Transactions with officers	-	24	-	24
Joint venture	-	-	-	-
	11,477	120	13,528	120
Due to related parties				
Nicaraguan Partners	1,210	-	1,241	-
Costa Rican Partner	1,219	-	949	-
Philippine Partners	-	-	35	522
	$ 2,429	-	$ 2,225	$ 522

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 amounts due from joint ventures represent the fees that have been accrued for but not yet paid by the joint venture entities. 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 $11,532,000 (2012 restated – $10,270,000) 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 $55,000 (2012 restated – $55,000) due from the Group partner in Costa Rica for the purchase of non-controlling interest in the Thunderbird Gran Entretenimiento entity. Additionally, $41,000 (2012 – $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, 2013 is $24,000 (2012 – $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 $1,219,000 (2012 – $949,000) for its portion of management fees. $1,210,000 (2012 – $1,241,000) 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 2012 only held the roles of Director and advisor to the Group, received aggregate advisor fees of $Nil in 2013 and $78,000 in 2012. In addition, he 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 2013 and 2012.

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

		2013		2012 (Restated)	
		Amount due	Interest paid	Amount due	Interest paid
	Country				
Director	Corporate	1,630	712	2,630	129
Director	Philippines	-	116	1,155	94
Officer related party	Corporate	1,758	142	-	-
	Total	**$ 3,388**	**$ 970**	**$ 3,785**	**$ 223**

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 $52,000 in 2013 and $52,000 in 2012. Mr. Monaldo pays his own health, life, and dental insurance, other professional fees and expenses, and a portion of his disability insurance.

21. 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, 2013, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due December 31, 2013		Future commitments due December 31, 2012	
	Minimun Lease Payments	Present value	Minimun Lease Payments	Present value
Finance lease commitments				
Not longer than one year	891	833	1,516	1,280
After one year but not more than five years	283	275	1,611	1,553
Present value of minimum lease payments	**$ 1,174**	**$ 1,108**	**$ 3,127**	**$ 2,833**
Obligations under leases and hire purchase contracts current		$ (833)		$ (1,280)
Obligations under leases and hire purchase contracts non-current		**$ 275**		**$ 1,553**

Assets held under finance leases and hire purchase contracts as of December 31, 2013 and December 31, 2012:

	2013		2012	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 45	$ 39	$ 550	$ 219
Gaming equipment	1,673	1,157	614	386
Other	-	-	72	63
Total	**$ 1,718**	**$ 1,196**	**$ 1,236**	**$ 668**

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	
	2013	2012 (Restated)
Not longer than one year	$ 2,474	$ 2,231
After one year but not more than five years	6,514	5,495
After five years	6,934	4,131
Total	**$ 15,922**	**$ 11,857**

Operating lease expense for the year ended December 31, 2013 was $2,425,000 (2012 Restated - $3,727,000).

22. COMMITMENTS AND CONTINGENCIES

As at December 31, 2013, 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:		
2014	$	4,237
2015		8,667
2016		6,323
2017		6,225
2018		4,668
Thereafter		12,397
Subtotal		42,517
Less: Debt issuance costs		(1,127)
	$	**41,390**

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\.6,963,793 Peruvian Soles (USD$2,490,627) for the first set of resolutions, S\.6,490,336 Peruvian Soles (USD$2,321,293) for the second set of resolutions and S\.6,074,727 Peruvian Soles ($2,172,649) 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 $0.6 million for the tax year ended December 31, 2009, and a proposed tax assessment of $0.8 million for the tax year ended December 31, 2010. Additional gaming taxes of $0.2 million 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. We anticipate filing our appeal during Q2 2014 to the appropriate Costa Rica court. At this time, the Group cannot accurately assess the results and probabilities of these next steps of the process; however, we remain confident that we will present a strong position in the court process.

The Group's subsidiary GTCR operation received a proposed tax assessment in the approximate amount of $340,000 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. The GTCR case remains in the TFA administrative process with no decision released yet. The Group believes this tax assessment is incorrect and inconsistent with the tax laws of Costa Rica and therefore GTCR will file the appropriate appeal.

The Group's Costa Rican tax counsel believes that each of TGE and GTCR subsidiaries applied tax positions correctly. Therefore, the Group intends to vigorously defend its position with respect to each of these tax matters at all administrative and judicial levels. The Group is not responsible for payment of the alleged taxes until the decisions are final and not subject to further administrative and judicial appeal. However, interest, fines and penalties on the tax assessments will continue to accrue during the time of the administrative and judicial appeal and up to when a final decision is achieved.

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

We 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 iii) 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.
- Delta and others dispute their respective obligations and the legal positions taken by the Group. The outcome of any potential litigation, including the liability pursuant to these corporate guarantees, is not known at this time. While there can be no assurances that litigation will not occur, the Group believes that the DHPL shareholders and FCD holders are working toward a non-litigious resolution.

Through the date of publication of this 2013 Annual Report, Management believes the hotel has received its occupancy permit and has commenced operating the hotel in Daman.

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") $380,000 (US $380,760 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. Chile controversy

The Group's Chilean subsidiary, Thunderbird Chile, S.A., was engaged in a "legal challenge" in its quest to be included as a bidder in the Chile Bid Process. On April 5, 2006, the Santiago Court of Appeals unanimously ruled (3-0) in favor of Thunderbird Chile, S.A.'s petitions against the Chilean Gaming Commission's resolutions that had excluded Thunderbird from the current casino bid process. The Court found that the Gaming Commission's resolutions were arbitrary and illegal. The Commission appealed the decision to the Supreme Court. The Supreme Court ruled against Thunderbird Chile, S.A. and no further legal challenges are now pending. A lawsuit was filed against the Thunderbird Chile, S.A. regarding the termination of the "Rancagua lease." The matter was concluded in August of 2008 as the court in Chile rendered a judgment against Thunderbird Chile, S.A. as of August 4, 2008, in the amount of CHP $ 1,741 million, which as of the date of the judgment converted to $2.8 million. Thunderbird Chile, S.A. is not expecting any material impact to its financials as a result of the judgment. The Group believes that the parties in Chile will not collect on the judgment as the Chilean subsidiary is insolvent and therefore there is no accrual in the consolidated financial statements related to this liability.

f. Guatemala controversy

- Guatemala Default Notification: 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. Also, as previously reported, the Group had written off any value associated with such Promissory Note. While the buyer has made some payments pursuant to said Promissory Note, on February 19, 2014, the Group notified the buyer that (1) it was in default under its obligations pursuant to the subject Stock Sale Agreement and Promissory Note, (2) its period to cure any such default expired on April 20, 2014, and (3) if such defaults were not timely cured, then the Group had the right and option to exercise its remedies of foreclosure without further notice upon the expiration of said period. As of the date of this Annual Report, the Group's rights under the Stock Pledge and Asset Pledge to foreclose against the collateral have been exercised. 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 assignment of shares was financed by the Group with a $2 million note at 10%, with the obligation to 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.
- 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.

23. 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	
		2013	2012 (Restated)
Nominal amounts	**Country**		
Financial assets			
	Costa Rica	$ 58	$ 55
	Nicaragua	375	227
	Philippines	-	9,993
	Peru	8,119	2,883
Financial liabilities			
	Costa Rica	(932)	(637)
	Nicaragua	(3,114)	(1,028)
	Philippines	-	(14,395)
	Peru	(4,876)	(6,824)
Short term exposure		**$ (370)**	**$ (9,726)**
Financial liabilities			
	Costa Rica	(552)	(625)
	Nicaragua	(1,484)	(1,825)
	Philippines	-	(1,465)
	Peru	(12,115)	(13,709)
Long term exposure		**$ (14,151)**	**$ (17,624)**

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, 2013 and 2012. 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:

	2013			2012		
Country	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Costa Rica	2.01%	$ (1)	$ 309	2.74%	$ 3	$ 528
Philippines	4.81%	-	-	4.46%	92	968
Peru	4.27%	(122)	1,202	2.56%	(39)	822
Total		**$ (123)**	**$ 1,511**		**$ 56**	**$ 2,318**

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:

	2013			2012		
Country	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Costa Rica	2.01%	$ 1	$ (297)	2.74%	$ (3)	$ (500)
Philippines	4.81%	-	-	4.46%	(84)	(885)
Peru	4.27%	112	(1,104)	2.56%	37	(783)
Total		**$ 113**	**$ (1,401)**		**$ (50)**	**$ (2,168)**

Interest rate sensitivity

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long financings are therefore usually at fixed rates. At December 31, 2013, the Group is exposed to changes in borrowings market interest rates through some of its banks borrowings of approximately $1,480,060 as of December 31, 2013 (2012 Restated - $6,683,387), 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 +/-0.48% as of December 31, 2013 (2012 Restated - +/- 5.21%), with effect from the beginning of the year, would be an increase of $5,132 (2012 Restated - $28,997) or a decrease of $5,132 (2012 Restated - $28,997). 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.

24. FINANCIAL INSTRUMENT BY CATEGORY

	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	Total
Liabilities as per statement of financial position		
Borrowings	$ 42,498	$ 42,498
Trade and other payables	6,785	6,785
Other financial liabilities	666	666
Total	**$ 49,949**	**$ 49,949**

	Loans and receivables
Group	
December 31, 2012 (Restated)	
Assets as per statement of financial position	
Trade and other receivable	$ 25,926
Cash and cash equivalents	8,506
Total	**$ 34,432**

	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Borrowings	$ -	$ 60,238	$ 60,238
Trade and other payables	-	12,412	12,412
Other financial liabilities	-	2,383	2,383
Derivative financial instruments	21	-	21
Total	**$ 21**	**$ 75,033**	**$ 75,054**

25. FINANCIAL INSTRUMENTS

Credit risk analysis:

The Group continuously monitors defaults of customers and other counterparties, 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, 2013, the table set below shows the Group's liabilities maturities per year:

	2014	2015	2016	2017	2018	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 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**

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	$ 12,964	$ 10,209	$ 18,605	$ 4,775	$ 5,853	$ 18,701	$ 71,107
Finance lease obligations	1,516	1,247	334	26	4	-	3,127
Convertible debt notes	1,021	748	748	5,936	2,572	-	11,025
Trade payables	11,942	-	-	-	-	-	11,942
Due to related parties	1,800	-	-	-	-	-	1,800
Total	**$ 29,243**	**$ 12,204**	**$ 19,687**	**$ 10,737**	**$ 8,429**	**$ 18,701**	**$ 99,001**

Derivative financial instruments:

During 2011 and 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 16). 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, 2013.

Derivative Financial Instrument	
Balance at December 31, 2012	$ 21
Additions	-
Valuation adjustments recognised in (profit)	(21)
Balance at December 31, 2013	**$ -**

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.

Financial instruments measured at fair value:

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Liabilities	-	-	-	-
Net fair value	**$ -**	**$ -**	**$ -**	**$ -**

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Liabilities	-	21	-	21
Net fair value	**$ -**	**$ 21**	**$ -**	**$ 21**

There have been no significant transfers between level 1 and 2 in the reporting period.

26. 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.

	2013	2012 (Restated)
The leverage ratios at December 31, 2013 and 2012 were as follows:		
Total borrowings and finance lease obligations (Note 16 and 21)	$ 43,625	$ 62,535
Less: Cash and cash equivalents	(7,215)	(8,506)
Less: Accrued interest	(666)	(2,383)
Less: unamortized debt issuance cost	(1,127)	(2,297)
Net Debt	$ 34,617	$ 49,349
Operating loss from continuing operations before other gain and loss items	(1,172)	(4,109)
Add: Depreciation and amortization	5,114	7,057
EBITDA	$ 3,942	$ 2,948
Leverage ratio	8.78	16.74

27. INVESTMENT IN JOINT VENTURES

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

Name	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interest held by the NCI 2013	2012
Thunderbird Gran Entretenimiento, S.A. ("TGE")	Costa Rica	Gaming	44.25%	44.25%
Buena Ezperanza Limitada, S.A. ("BELSA")	Nicaragua	Gaming	44.10%	44.10%

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:

	2013	2012
Assets		
Non-current assets		
Property, plant and equipment	$ 11,220	$ 12,742
Intangible assets	1,744	1,906
Investments in associates	-	-
Deferred tax asset	222	266
Trade and other receivables	1,852	868
Total non-current assets	15,038	15,782
Current assets		
Trade and other receivables	422	386
Inventories	222	250
Restricted cash	540	708
Cash and cash equivalents	230	236
Total current assets	1,414	1,580
Assets classified as held for sale	19,772	18,714
Total assets	36,224	36,076
Equity and liabilities		
Capital and reserves		
Share capital	14,596	14,596
Retained earnings	(6,662)	(6,662)
Translation reserve	(28)	(132)
Equity attributable to equity holders of the parent	7,906	7,802
Non-controlling interest	270	788
Total equity	8,176	8,590
Non-current liabilities		
Borrowings	6,012	6,882
Due to related parties	1,234	822
Other liabilities	682	906
Total non-current liabilities	7,928	8,610
Current liabilities		
Trade and other payables	11,898	9,916
Borrowings	3,278	3,140
Other financial liabilities	50	90
Current tax liabilities	330	322
Provisions	178	252
Total current liabilities	15,734	13,720
Liabilities associated with assets held for sale	4,386	5,156
Total liabilities	28,048	27,486
Total equity and liabilities	$ 36,224	$ 36,076

	2013	2012
Net gaming wins	$ 11,932	$ 13,516
Food, beverage, hospitality and other sales	732	882
Total revenue	12,664	14,398
Cost of goods sold	(3,342)	(3,010)
Gross profit	9,322	11,388
Other operating costs		
Operating, general and administrative	(5,158)	(6,650)
Project development	(88)	(94)
Depreciation and amortization	(3,170)	(3,496)
Other gains and losses	(12)	(20)
Operating profit	894	1,128
Financing		
Foreign exchange gain	146	86
Financing costs	(1,224)	(1,280)
Financing income	-	(24)
Finance costs, net	(1,078)	(1,218)
Loss before tax	(184)	(90)
Income taxes expense		
Current	(178)	(198)
Deferred	(44)	24
Taxation	(222)	(174)
Loss from operating activities	(406)	(264)
Loss from discontinued operations	(228)	(126)
Loss for the period	(634)	(390)
Non-controlling interest	18	34
Loss for the period	**$ (616)**	**$ (356)**

	2013	**2012**
Operating activities	3,686	4,744
Investing activities	(1,656)	(1,676)
Financing activities	(2,412)	(4,230)

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:

	2013	2012
Non-current assets	$ 15,038	$ 15,782
Assets classified as held for sale	19,772	18,714
Current assets	1,414	1,580
Total assets	36,224	36,076
Non-current liabilities	(7,928)	(8,610)
Liabilities associated with assets held for sale	(4,386)	(5,156)
Current liabilities	(15,734)	(13,720)
Total liabilities	(28,048)	(27,486)
Less: Non-controlling interest	(270)	(788)
Total net assets	**7,906**	**7,802**
Proportion of ownership interest held by Group	50%	50%
Carrying amount of investment in Thunderbird de Costa Rica	**3,953**	**3,901**

28. 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 yearend. 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, 2013:

Name of subsidiary	Jurisdiction of formation	Effective ownership interest
Thunderbird Entertainment, S.A,	Panama	100%
Thunderbird Gran Entretenimiento, S.A.	Costa Rica	55.75%
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	Principal activity	Proportion of ownership interest held by the NCI 2013	2012
Thunderbird Gran Entretenimiento, S.A. ("TGE")	Costa Rica	Gaming	44.25%	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 2013 and 2012.

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

in thousands	TGE		BELSA	
	2013	2012	2013	2012
Non-current assets	3,540	3,978	6,074	6,866
Current assets	9,435	9,020	1,784	1,616
Total assets	**12,975**	**12,998**	**7,858**	**8,482**
Non-current liabilities	(1,101)	(1,006)	(1,630)	(2,267)
Current liabilities	(723)	(1,007)	(3,925)	(4,487)
Total liabilities	**(1,824)**	**(2,013)**	**(5,555)**	**(6,754)**
Equity attributable to the owners of the parent	**6,346**	**6,191**	**991**	**713**
Non-controlling interest	**4,805**	**4,794**	**1,312**	**1,015**

in thousands	TGE		BELSA	
	2013	2012	2013	2012
Revenue	8,052	9,063	14,005	12,701
Profit / (Loss) for the year attributable to the owners of the parent	15	98	375	(238)
Profit / (Loss) for the year attributable to NCI	11	80	297	(190)
Profit / (Loss) for the year	**26**	**178**	**672**	**(428)**
Other comprehensive income for the year (all attributable to ownwers of the parent)	**(141)**	**(82)**	**98**	**97**

in thousands	TGE		BELSA	
	2013	2012	2013	2012
Net cash (used in) from operating activities	(197)	(197)	1,482	1,207
Net cash (used in) from investing activities	(23)	(23)	(2,584)	(375)
Net cash (used in) from financing activities	(53)	(53)	701	(667)

29. SUBSEQUENT EVENTS

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

New Director: On January 19, 2014, Alfred Meili became a director of the Company until the next Annual General Meeting of Shareholders.

Guatemala Default Notification: 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. Also, as previously reported, the Group had written off any value associated with such Promissory Note. While the buyer has made some payments pursuant to said Promissory Note, on February 19, 2014, the Group notified the buyer that (1) it was in default under its obligations pursuant to the subject Stock Sale Agreement and Promissory Note, (2) its period to cure any such default expired on April 20, 2014, and (3) if such defaults were not timely cured, then the Group had the right and option to exercise its remedies of foreclosure without further notice upon the expiration of said period. As of the date of this Annual Report, the Group's rights under the Stock Pledge and Asset Pledge to foreclose against the collateral have been exercised. 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 assignment of shares was financed by the Group with a $2 million note at 10%, with the obligation to 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.

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 has been pending for over 10 years and was likely to last for a significant number of additional years. Without admitting liability, and to avoid the cost of additional litigation amongst multiple parties, Management believes that the settlement is the most efficient way to end the litigation and remove any potential exposure stemming from the Group's sale of its Panama casinos in 2010. The cost of the settlement, including legal fees and costs, is expected to be about $600,000. While the settlement has some conditions precedent, Management expects the settlement to be completed before the end of May 2014.

For more detail on these developments, please visit www.thunderbirdresorts.com to find our press releases dated January to April 2014.

Chapter 10:
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 22 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 17 and 22 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: We currently operate 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 NYSE 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 NYSE Euronext Amsterdam, we cannot assure you that we will always do so. In addition, an active trading market for our shares on NYSE 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, NYSE Euronext Amsterdam, the level of liquidity of your shares may decline. In addition, because a large percentage of NYSE 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. NYSE 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 NYSE Euronext Amsterdam on admission, and are currently listed and trading, we cannot assure you that our securities will continue to be listed on NYSE 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 Convertible into Common Stock: As of December 31, 2013, 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 2014, we have 23,149,641 million 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.

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TRANSFER AGENT

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CAPITALIZATION

Common shares issued: 23,149,641
(as of April 30, 2014)

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

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

WEBSITE

www.thunderbirdresorts.com