Thunderbird

RESORTS

2017 HALF-YEAR (SEMI-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 2017 Half-year Report contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, national, and local jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential revenue, future plans, and objectives of Thunderbird Resorts Inc., are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Group's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in the Group's documents filed from time-to-time with the Euronext Amsterdam exchange (“Euronext Amsterdam”) and other regulatory authorities.

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

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Chapter 1:
Letter from the CEO

Dear Shareholders and Investors:

Below is an update that summarizes the Group's performance and progress through June 30, 2017.

1. PERFORMANCE IN ACCORDANCE WITH OUR PREVIOUSLY-STATED GOALS[1]

A. **Increase our EBITDA[2]**: Adjusted EBITDA (after deducting Corporate-level expenses) increased by $580 thousand as compared to through half-year 2016.

B. **Improve our Profit / (Loss)**: Our Loss from Continuing Operations improved by $220 thousand and, netting out extraordinary gains in half-year 2016, the improvement would have been $840 thousand.

C. **Increase our Net Debt**: Net debt[3] increased by $744 thousand as compared to year-end December 31, 2016. The Group refinanced its Peru debt, adding debt that it is now using to reduce costs and improve cash flow at the Peru level. The results of these efforts should start to be reflected in the coming quarters. We also refinanced and added working capital debt at the Corporate level.

2. PERFORMANCE ON ASSET SALES

In our September 21, 2016 Annual General and Special Shareholders' Meeting, shareholders approved Special Resolutions that authorized the Board of Directors to sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors".

The Group has been negotiating the sale of a substantial portion of its assets to a qualified third party purchaser on an exclusive basis over the past several months. The transaction has not yet been consummated, though definitive agreements are nearly finalized. Should the parties not reach definitive agreements in the coming weeks, the Group will endeavor to sell these assets to other prospective purchasers. The Group has been approached by several other qualified groups to pursue the acquisition of a similar asset mix. We will continue to pursue a transaction(s) that will support the best interest of shareholders according to the shareholder mandate set forth in the September 21, 2016 Special Resolutions.

We will keep you informed of any material events and progress as further developments take place.

Salomon Guggenheim
Chief Executive Officer and President
September 30, 2017

[1.] *Unless otherwise stated, all figures reported herein are in USD and report the results of those businesses that were continuing as of June 30, 2017 as compared to those same businesses through the twelve months ended June 30, 2016. The purpose is for the reader to understand the performance of the Group's continuing businesses.*
[2.] *"EBITDA" is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests,*

development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA less "Corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.

[3].. Net debt equals total borrowings and finance lease obligations less cash, cash equivalents and other liquid assets.

Chapter 2:
June 30, 2017 Group Overview and Updates by Country

Group Overview for Half-year 2017

Below is our consolidated profit / (loss) summary for the six months ended June 30, 2017 as compared with the same period of 2016.

(In thousands)

	Six months ended June 30, 2017	Six months ended June 30, 2016	Variance	% change
Net gaming wins	$ 15,198	$ 16,124	$ (926)	-5.7%
Food and beverage sales	1,282	1,429	(147)	-10.3%
Hospitality and other sales	1,532	1,923	(391)	-20.3%
Total revenues	**18,012**	**19,476**	**(1,464)**	**-7.5%**
Promotional allowances	2,326	2,474	(148)	-6.0%
Property, marketing and administration	12,645	13,777	(1,132)	-8.2%
Property EBITDA	**3,041**	**3,225**	**(184)**	-5.7%
Corporate expenses	959	1,723	(764)	-44.3%
Adjusted EBITDA	**2,082**	**1,502**	**580**	**38.6%**
Property EBITDA as a percentage of revenues	11.6%	7.7%		
Depreciation and amortization	1,561	1,514	47	3.1%
Interest and financing costs, net	1,659	1,697	(38)	-2.2%
Management fee attributable to non-controlling interest	1	2	(1)	-50.0%
Foreign exchange (gain) / loss	29	294	(265)	-90.1%
Other (gains) / losses	(98)	(716)	618	-86.3%
Income taxes	142	143	(1)	-0.7%
Loss for the period from continuing operations	**$ (1,212)**	**$ (1,432)**	**$ 220**	**-15.4%**

Group debt: Below is the Group's Gross debt and Net debt on June 30, 2017.

(In thousands)

	Jun-17	Dec-16
Borrowings	$ 31,940	$ 28,504
Obligations under leases and hire purchase contracts	466	812
Gross Debt	**$ 32,406**	**$ 29,316**
Less: cash and cash equivalents (excludes restricted cash)	3,864	1,519
Net Debt	**$ 28,542**	**$ 27,798**

Note: Gross debt above is presented net of debt issuance costs (costs of debt at time of issuance, which are currently non-cash and amortize over time) which is why there is an approximate $186 thousand variance with the total principal balance below.

The Group estimates its debt schedule as follows starting in July 2017:

Principal Balance	2017	2018	2019	2020	2021	2022	Thereafter	Total
Corporate	$ 10,710,505	$ 4,388,847	$ 1,375,026	$ 1,534,143	$ 1,711,672	$ 151,280	$ -	$ 19,871,473
Peru	586,661	1,461,586	1,177,530	1,268,806	1,372,502	1,485,770	4,115,910	11,468,765
Nicaragua	198,354	430,681	632,009	181,386	14,963	-	-	1,457,393
Total	**$ 11,495,520**	**$ 6,281,114**	**$ 3,184,565**	**$ 2,984,335**	**$ 3,099,137**	**$ 1,637,050**	**$ 4,115,910**	**$ 32,797,631**

Interest Expense	2017	2018	2019	2020	2021	2022	Thereafter	Total
Corporate	$ 517,917	$ 748,855	$ 456,979	$ 297,863	$ 120,334	$ 1,387	$ -	$ 2,143,335
Peru	450,866	793,803	704,805	611,679	505,449	392,181	422,471	3,881,254
Nicaragua	72,624	111,273	65,807	13,049	311	-	-	263,064
Total	**$ 1,041,407**	**$ 1,653,931**	**$ 1,227,591**	**$ 922,591**	**$ 626,094**	**$ 393,568**	**$ 422,471**	**$ 6,287,653**

Peru Update

Description of Properties as of Half-year 2017

In Peru, as of June 30, 2017, the Group operates one wholly-owned hotel anchored by a casino, manages two independently-owned hotels under the Thunderbird brand, and owns and operates four standalone gaming venues in addition to our flagship casino, which operates within the Fiesta Hotel & Casino. Below is a table that outlines key information for each property.

Name	Province	Date Acquired	Date Sold	Type	Slots	Table Positions	Hotel Rooms
Fiesta Hotel & Casino	Lima	2007	NA	Hotel & Casino	423	214	66
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	Casino	179	58	-
Mystic Slot	Cusco	2010	NA	Slot Parlor	102	-	-
Luxor	Tacna	2010	NA	Casino	155	51	-
Peru Total					**859**	**323**	**229**

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, a spa, 3,750 square meters of office space and approximately 300 parking spaces. The casino is approximately 5,740 square meters with 423 slot machines and 214 table positions.

Summary Peru Half-year 2017 Consolidated P&L:

Below is our Peru profit / (loss) summary for the six months ended June 30, 2017 as compared with the same period of 2016.

(In thousands)	Six months ended June 30, 2017	Six months ended June 30, 2016	Variance	% change
Net gaming wins	$ 8,861	$ 10,013	$ (1,152)	-11.5%
Food and beverage sales	392	411	(19)	-4.6%
Hospitality and other sales	1,529	1,872	(343)	-18.3%
Total revenues	**10,782**	**12,296**	**(1,514)**	**-12.3%**
Promotional allowances	1,476	1,601	(125)	-7.8%
Property, marketing and administration	7,783	8,441	(658)	-7.8%
Property EBITDA	**1,523**	**2,254**	**(731)**	-32.4%
Property EBITDA as a percentage of revenues	14.1%	18.3%		
Depreciation and amortization	1,148	1,133	15	1.3%
Interest and financing costs, net	652	559	93	16.6%
Management fee attributable to non-controlling interest	4	5	(1)	-20.0%
Foreign exchange (gain) / loss	18	(80)	98	-122.5%
Other (gains) / losses	(41)	30	(71)	-236.7%
Income taxes	-	-	-	0.0%
(Loss) / Profit for the period from continuing operations	**$ (258)**	**$ 607**	**$ (865)**	**-142.5%**

Nicaragua Update

Description of Properties as of Half-year 2017

In Nicaragua, the Group operates five standalone casinos. Below is a table that outlines information for each property as of June 30, 2017.

Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Highway to Masaya	Managua	2000	Casino	152	91	-
Pharaoh's Casino – Camino Real	Managua	2005	Casino	115	21	-
Zona Pharaoh's – Avenida Bolivar	Managua	2006	Casino	111	21	-
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	101	21	-
Pharaoh's Casino	Chinandega	2012	Casino	93	21	-
Nicaragua Total				572	175	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. The property is located across from an Intercontinental Hotel and close to high-end shopping.

Summary Nicaragua Half-year 2017 Consolidated P&L:

Below is our Nicaragua profit / (loss) summary for the six months ended June 30, 2017 as compared with the same period of 2016.

(In thousands)

	Six months ended June 30, 2017	Six months ended June 30, 2016	Variance	% change
Net gaming wins	$ 6,337	$ 6,111	$ 226	3.7%
Food and beverage sales	890	1,018	(128)	-12.6%
Hospitality and other sales	3	51	(48)	-94.1%
Total revenues	**7,230**	**7,180**	**50**	**0.7%**
Promotional allowances	850	873	(23)	-2.6%
Property, marketing and administration	4,862	5,336	(474)	-8.9%
Property EBITDA	**1,518**	**971**	**547**	56.3%
Property EBITDA as a percentage of revenues	21.0%	13.5%		
Depreciation and amortization	413	373	40	10.7%
Interest and financing costs, net	62	73	(11)	-15.1%
Management fee attributable to non-controlling interest	-	12	(12)	-100.0%
Foreign exchange (gain) / loss	51	81	(30)	-37.0%
Other (gains) / losses	14	(1)	15	-1500.0%
Income taxes	142	141	1	0.7%
Profit for the period from continuing operations	**$ 836**	**$ 292**	**$ 544**	**186.3%**

Other Group Updates

During the half-year ended June 30, 2017, the Group engaged in the following listed material events:

1. Deferral of Unsecured Loans: The Group has reached an agreement with a series of unsecured lenders to defer payments on their loans effective January 1, 2017. Any and all interest that accrues during this deferral period shall be added to the principal balance effective June 30, 2017.

2. Continuing expense reduction including temporary reduction of Officers' salaries:

    a. Corporate expenses have been further reduced to less than a $2.0 million annualized run rate as of this Half-year 2017.

    b. In January 2016 the Company implemented a compensation plan for its officers in order to reduce the Group's cost structure to a level that is sustainable. The Group was reduced to the following personnel: CEO, CFO and General Counsel all working full time, but with a continued deferral of 50% or more of their compensation until such time as there are sufficient cash reserves to pay and/or until such time as these officers receive shares for their deferred time, which ongoing agreements will be subject to review by the board's Compensation Committee. These Officers continued to dedicate full time employment to the Company but discounted a cash portion of their salaries by approximately $50,000 per month in order to preserve cash.

       This "salary deferral" plan has been re-evaluated on a six months basis and in each period, beginning July 1 2016, January 1, 2017 and most recently July 1 2017, the board has assessed and approved the plan based on the needs of the company on a go-forward basis.

       In consideration of the extension of the discounting on the cash portion of the salaries, Officers have reserved the right to collect unpaid compensation either through stock at market rate or in cash against future liquidity events.

       The Company last held its AGM and Special meeting of shareholders on September 22, 2016. The Company's Circular for that AGM/Special Meeting included a recap of the Company's issued and outstanding shares and a reference to the "shares for salary deferral" as follows (emphasis in ***bold underline*** form):

"The only shares issued and outstanding in the capital of Thunderbird are the Common Shares which total 25,054,371 as of the Record Date. Of those shares, as of the Record Date, the Directors and Senior Officers, as a group, beneficially own, directly or indirectly, and control 2,721,922 Common Shares which represent approximately 10.9% of the issued Common Shares of Thunderbird. These Directors and Officers also hold stock options exercisable for up to 15,334 additional Common Shares of Thunderbird. Thunderbird purchased 283,972 of its own Shares under its Buy Back Program in 2013. ***Thereafter, Thunderbird purchased an additional 710,000 of its own shares separate and apart from its Buy Back program. The total shares that are owned by Thunderbird is 993,972.*** *Certain members of Management have entered into salary deferral arrangement for period January 1 2016 to December 31, 2016. Under this arrangement which was approved by the Company's compensation committee and the Board, the Management team has the option to accept additional shares in lieu of the cash that has been deferred. The potential number of shares range from approximately 1.5 million to 2.0 million depending on the average share price throughout 2016 and assuming that share prices remain within the average range in which they have traded over the ninety day period previous to the publication of this Information Circular.* ***In order to minimize the issuance of new shares in case Management opts to accept shares in lieu of cash, Management would first draw down on those 993,972 shares already purchased by the Company itself."***

Effective October 1, 2017, the Company's Compensation Committee and its Board of Directors approved the Officers election to collect unpaid compensation for the period January 1, 2016 to December 31, 2016 in stock at market rate. This total cash deferral for 2016 amounted to $505,000. The Officers will collectively receive a total of approximately 2,533,923 shares. Of this 2,533,923 in shares, 993,972 already purchased by the Company will be transferred by the company pro rata to the officers in keeping with the Company's Circular for the September 22, 2016 AGM. The balance of 1,539,951 will be issued to the officers as new shares.

Chapter 3:
Other Key Items

Capital Resources and Liquidity

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 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 key personnel employment contract terms and staff reductions.
- Deferral or aging of accounts payables.
- Cost management programs at both the operations and Group levels.

Based upon our current expectations, we anticipate that our available cash balances, our cash flow from operations and available borrowing capacity under our existing credit arrangements will be sufficient to fund our liquidity requirements for at least the next 12 months.

Management's statement on "going concern"

Please refer to Note 2 to the interim condensed consolidated financial statements.

Access to Capital

The Group's long-term capital resources may include equity and debt offerings (public and/or private) and/or other financing transactions, in addition to cash generated from our operations. Accordingly, we may access the capital markets (equity and debt) from time-to-time to partially refinance our capital structure and to fund other needs including ongoing working capital needs. Our ability to satisfy future capital needs in the long term may depend on our ability to raise additional capital (debt and/or equity at the parent or subsidiary level). No assurance can be made that we will be able to raise the necessary funds on satisfactory terms. After evaluating the Group performance, its markets, general market conditions, and the matters noted above, the Directors have a reasonable expectation that the Group has or will secure adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Group continues to adopt the going concern basis in preparing the interim condensed consolidated financial statements.

Business Status

Employees

As of June 30, 2017, we had 1,279 valued employees, including 529 in Nicaragua, 742 in Peru and 8 elsewhere.

Incorporation and Trading Market

Unless otherwise specified or the context so requires, “Thunderbird Resorts Inc.”, “the Company”, “the Group”, “it” and “its” refer to Thunderbird Resorts Inc. and all its Group companies as defined in Article 24b Book 2 of the Dutch Civil Code.

The Group is registered in the British Virgin Islands with common shares traded under the symbol TBIRD on the Euronext Amsterdam, the regulated market of the Euronext Amsterdam N.V. (“Euronext”). The Group has adopted the U.S. dollar (“USD”) as its reporting currency. As required by EU regulation, the Group’s interim condensed consolidated financial statements have been prepared in accordance with international financial reporting standards (“IFRS”) and IAS 34.

Our existing common shares are traded on the Euronext Amsterdam under the symbol TBIRD and on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the symbol 4TR. Our Group’s external auditor for 2016 is Baker Tilly Curacao.

The Company is a British Virgin Islands corporation that is domiciled in the British Virgin Islands. The registered office is at Icaza, González-Ruiz & Alemán (BVI) Trust Limited, Vanterpool Plaza, Second Floor, Road Town, Tortola, BVI and our principal executive offices are located in Zurich, Swizerland, Beethovenstrasse 48, Zurich, Switzerland CH-8002. Our telephone number is (4144) 786-3232. Our website is www.thunderbirdresorts.com.

Outlook

See Letter from the CEO on page 5.

Indebtedness and Contractual Obligations

Our total long-term indebtedness, interest and other known contractual obligations are summarized below as of June 30, 2017. The contractual obligations for short-term and long-term debt reflect our historical debt levels and reflect the debt repayments that will actually be due under our capital structure as of the date of this 2017 Half-year Report.

	Six months ended Dec 31, 2017	2018	2019	2020	2021	2022	Thereafter	Total
Long-term bank and other loans	$ 3,819	$ 7,689	$ 4,408	$ 3,904	$ 3,725	$ 2,031	$ 4,538	$ 30,114
Finance lease obligations	99	427	4	3	-	-	-	533
Convertible debt notes	9,037	-	-	-	-	-	-	9,037
Trade and other payables	6,011	-	-	-	-	-	-	6,011
Due to related parties	1,482	-	-	-	-	-	-	1,482
Total	**$ 20,448**	**$ 8,116**	**$ 4,412**	**$ 3,907**	**$ 3,725**	**$ 2,031**	**$ 4,538**	**$ 47,177**

Subsidiary debt arrangements and debt: Our joint ventures and operating subsidiaries typically finance their projects with indebtedness, either borrowed from us or from third party lenders.

Quantitative and qualitative disclosures about market risk: Market risk is the risk of loss arising from adverse changes to interest rates, foreign exchange rates, commodity prices and other market factors. Our primary exposure to market risk is exchange rate risk associated with the currencies of the jurisdictions in which we operate. Foreign currency translation gains and losses were material to our results of operations for the six months ended June 30, 2017, and may continue to be material in future periods. We do not currently hedge our exposure to foreign currency. We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. We do not have any material floating-rate indebtedness. We may be subject to government policies that suppress foreign investment and economic development. In addition, governments may be provoked by religious or other organized groups to oppose casinos.

Off balance sheet arrangements and commitments: We have no off-balance sheet arrangements except for operating lease commitments described under “Indebtedness and contractual obligations.”

Inflation: We believe that the principal risk to us from inflation is the effect that increased prices may have on labor costs and on the costs associated with the development and construction of new projects. We believe that we are not exposed to extraordinary inflation risk.

Risks and Regulatory Environment: While the Group continually attempts to identify risks at all levels of the organization and to undertake corrective actions, constant changes in the business environment make it challenging to keep abreast of evolving conditions. Management has reviewed the risk and regulatory environment in the first half of 2017. No new material risks have been identified that have not already been disclosed in this 2017 Half-year Report or the 2016 Annual Report, Chapter 5, “Regulatory Environment,” Chapter 10, Risk Factors and Note 22 “Commitments and Contingencies.”

Chapter 4:
Interim Consolidated Financial Statements

Financial Statements

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
As of June 30, 2017 and December 31, 2016

	June 30, 2017	December 31, 2016
Assets		
Non-current assets		
Property, plant and equipment (Note 7)	$ 20,693	$ 21,456
Investment accounted for using the equity method (Note16)	2,586	2,758
Intangible assets	5,867	5,912
Deferred tax asset	192	185
Trade and other receivables	1,440	1,566
Due from related parties (Note 13)	42	42
Total non-current assets	30,820	31,919
Current assets		
Trade and other receivables	966	792
Due from related parties (Note 13)	1,827	1,804
Inventories	589	480
Restricted cash	1,716	1,348
Cash and cash equivalents	3,864	1,519
Total current assets	8,962	5,943
Total assets	**$ 39,782**	**$ 37,862**

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

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
As of June 30, 2017 and December 31, 2016

	June 30, 2017	December 31, 2016
Equity and liabilities		
Capital and reserves		
Share capital (Note 11)	110,611	110,563
Retained earnings	(113,341)	(111,676)
Translation reserve	(5,459)	(5,429)
Equity attributable to equity holders of the parent	(8,189)	(6,542)
Non-controlling interest	2,634	2,266
Total equity	(5,555)	(4,276)
Non-current liabilities		
Borrowings (Note 9)	16,147	16,005
Obligations under leases and hire purchase contracts (Note 10)	8	10
Deferred tax liabilities	20	21
Provisions	1,727	1,688
Trade and other payables	464	356
Total non-current liabilities	18,366	18,080
Current liabilities		
Trade and other payables	7,928	7,633
Due to related parties (Note 13)	1,480	1,301
Borrowings (Note 9)	15,793	12,499
Obligations under leases and hire purchase contracts (Note 10)	458	802
Other financial liabilities	527	419
Current tax liabilities	(31)	442
Provisions	816	962
Total current liabilities	26,971	24,058
Total liabilities	45,337	42,138
Total equity and liabilities	**$ 39,782**	**$ 37,862**

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

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2017

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2017	**2016**	**2017**	**2016**
Net gaming wins	$ 15,198	$ 16,124	$ 7,576	$ 7,983
Food, beverage and hospitality sales	2,814	3,352	1,479	1,790
Total revenue	18,012	19,476	9,055	9,773
Cost of goods sold	(7,114)	(7,965)	(3,583)	(4,023)
Gross profit	10,898	11,511	5,472	5,750
Other operating costs				
Operating, general and administrative	(8,817)	(10,011)	(4,494)	(5,156)
Depreciation and amortization	(1,561)	(1,514)	(782)	(750)
Other gains and (losses) (Note 5)	98	716	6	(26)
Operating profit / (loss)	618	702	202	(182)
Share of loss from equity accounted investments (Note 16)	(84)	(57)	(84)	(57)
Financing				
Foreign exchange loss	(29)	(294)	(122)	(52)
Financing costs (Note 6)	(1,747)	(1,765)	(969)	(910)
Financing income (Note 6)	96	75	51	48
Other interest (Note 6)	(8)	(7)	(4)	(4)
Finance costs, net	(1,688)	(1,991)	(1,044)	(918)
Loss before tax	(1,154)	(1,346)	(926)	(1,157)
Income taxes expense				
Current	(142)	(143)	(71)	(71)
Deferred	-	-	-	-
Income taxes expense	(142)	(143)	(71)	(71)
Loss for the year from continuing operations	**$ (1,296)**	**$ (1,489)**	**$ (997)**	**$ (1,228)**
Gain / (loss) for the year from discontinued operations (Note	-	(261)	12	(266)
Loss for the year	**$ (1,296)**	**$ (1,750)**	**$ (985)**	**$ (1,494)**

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

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2017

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2017	2016	2017	2016
Other comprehensive income (amounts, which will be recycled)				
Exchange differences arising on the translation of foreign operations	$ (30)	$ 405	$ 144	$ 2,945
Other comprehensive income for the year	(30)	405	144	2,945
Total comprehensive income for the year	**$ (1,326)**	**$ (1,345)**	**$ (841)**	**$ 1,451**
Gain / (loss) for the year attributable to:				
Owners of the parent	(1,665)	(1,878)	(1,174)	(1,567)
Non-controlling interest	369	128	189	73
	$ (1,296)	$ (1,750)	$ (985)	$ (1,494)
Total comprehensive income attributable to:				
Owners of the parent	(1,695)	(1,473)	(1,030)	1,378
Non-controlling interest	369	128	189	73
	$ (1,326)	$ (1,345)	$ (841)	$ 1,451
Basic and diluted loss per share (in $) : (Note 12)				
Loss from continuing operations	(0.07)	(0.07)	(0.05)	(0.05)
Gain / (loss) from discontinued operations	-	(0.01)	-	(0.01)
Total	(0.07)	(0.08)	(0.05)	(0.06)

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

THUNDERBIRD RESORTS INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of United States dollars)

For the six months ended June 30, 2017

	Attributable to equity holders of parent						
	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2016	$ 110,456	$ 89	$ (5,209)	$ (104,633)	$ 703	$ 1,911	$ 2,614
Transactions with owners:							
Issue of new shares	48	-	-	-	48	-	48
	$ 48	$ -	$ -	$ -	$ 48	$ -	$ 48
Profit / (loss) for the year	-	-	-	(1,878)	(1,878)	127	(1,751)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	405	-	405	-	405
Total comprehensive income for the year	-	-	405	(1,878)	(1,473)	127	(1,346)
Balance at June 30, 2016	$ 110,504	$ 89	$ (4,804)	$ (106,511)	$ (722)	$ 2,038	$ 1,316
Transactions with owners:							
Issue of new shares	59				59		59
Options cancellation and expiration		(89)		89	-		-
	$ 59	$ (89)	$ -	$ 89	$ 59	$ -	$ 59
Profit / (loss) for the year	-	-	-	(5,254)	(5,254)	228	(5,026)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(625)		(625)	-	(625)
Total comprehensive income for the year	-	-	(625)	(5,254)	(5,879)	228	(5,651)
Balance at December 31, 2016	$ 110,563	$ -	$ (5,429)	$ (111,676)	$ (6,542)	$ 2,266	$ (4,276)

	Attributable to equity holders of parent						
	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2017	$ 110,563	$ -	$ (5,429)	$ (111,676)	$ (6,542)	$ 2,266	$ (4,276)
Transactions with owners:							
Issue of new shares	48	-	-	-	48	-	48
	$ 48	$ -	$ -	$ -	$ 48	$ -	$ 48
Profit / (loss) for the year	-	-	-	(1,665)	(1,665)	368	(1,297)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(30)	-	(30)	-	(30)
Total comprehensive income for the year	-	-	(30)	(1,665)	(1,695)	368	(1,327)
Balance at June 30, 2017	$ 110,611	$ -	$ (5,459)	$ (113,341)	$ (8,189)	$ 2,634	$ (5,555)

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

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2017

	Six months ended June 30 (unaudited)			
		2017		2016
Cash flow from operating activities				
Loss for the year	$	(1,296)	$	(1,489)
Items not involving cash:				
Depreciation and amortization		1,561		1,514
Unrealized foreign exchange		(297)		(121)
Decrease in provision		(159)		(1,186)
Bad debt expense		14		
Other losses		29		8
Share based payments		48		48
Finance income		(96)		(75)
Finance cost		1,747		1,765
Other interests		8		7
Disposal of Equity accounted investments		-		(1,232)
Results from equity accounted investments		84		57
Tax expenses		142		143
Net change in non-cash working capital items				
Decrease / (increase) in trade, prepaid and other receivables		243		(77)
(Increase) / decrease in inventory		(38)		23
Increase in trade payables and accrued liabilities		308		1,167
Cash generated from operations		2,298		552
Total tax paid		(608)		(168)
Net cash generated by continuing operations		1,690		384
Net cash generated from operating activities	**$**	**1,690**	**$**	**384**

- continued -

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2017

	Six months ended June 30 (unaudited)	
	2017	**2016**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(431)	(226)
Proceeds on sale of property, plant and equipment	-	1,273
Proceeds on sale of Costa Rica Joint Venture	-	1,534
Interest received	96	75
Net cash (used) / generated from investing activities	**$ (335)**	**$ 2,656**
Cash flow from financing activities		
Proceeds from issue of new loans	13,322	100
Repayment of loans and leases payable	(11,050)	(2,642)
Interest paid	(1,012)	(1,267)
Net cash generated / (used) from financing activities	**$ 1,260**	**$ (3,809)**
Net change in cash and cash equivalents during the year	2,615	(769)
Cash and cash equivalents, beginning of the year	2,867	4,403
Effect of foreign exchange adjustment	98	6
Cash and cash equivalents, end of the year	**$ 5,580**	**$ 3,640**

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

Notes to the Interim Consolidated Financial Statements

1. BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nature of operations

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

These activities are grouped into the following service lines:

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

General information and statement of compliance with IFRS

Thunderbird Resorts Inc., the Group's parent company, is a corporation incorporated and registered in the British Virgin Islands, number 1055634.

Its headquarters is located at Beethovenstrasse 48, Zurich, Swizerland CH-8002. The Group's common shares are listed on the Euronext Amsterdam under the symbol "TBIRD."

The condensed interim consolidated financial statements (the interim financial statements) are for the six months ended June 30, 2017, and have been prepared in accordance with IAS 34 "Interim Financial Reporting" (IAS 34). They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016. These Interim Financial Statements have not been reviewed or audited.

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 12 months following this 2017 Half-year Report. Directors have reviewed the 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. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to revenues not achieving anticipated levels.

The Directors have considered the: (i) base of investors and debt lenders historically available to Thunderbird Resorts, Inc.; (ii) global capital markets; (iii) limited trading exposures to our local suppliers and retail customers; (iv) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (v) sources of Group income, including management fees charged to and income distributed from its various operations; (vi) cash generation, debt amortization levels and key debt service coverage ratios; (vii) fundamental trends of the Group's businesses; (viii) extraordinary cash inflows and outflows from one-time events forecasted to occur in the 12-month period following this 2017 Half-year Report; (ix) ability to re-amortize and unsecured lenders; (x) level of probability of refinancing of secured debt; (xi) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale; and (xii) level of interest of third parties in the acquisition of certain operating assets, and status of genuine progress and probability of closing within the Going Concern period.

The Directors have also considered certain critical factors that might affect its continuing operations, as follows:

- Special Resolution: On September 21, 2016, the Group's shareholders approved a special resolution that, among other items, authorized the Board of Directors of the Corporate to sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors." This resolution facilitates the sale of any one or any combination of assets required to support maintaining of a going concern by the Group.
- Sellable Pricing of Assets; Asset Sale Schedules and Re-financing Scenarios: The Group now has sufficient market feedback, including offers for certain key assets, which have enabled the Group to incorporate market-determined pricing into its models.
- Secured debt Refinancing and Cash Flow: Debt service payments for secured bank loans in Peru and secured and unsecured loans at the Corporate-level continue to be a significant part of the Group's outflow.
- Corporate Expense and Cash Flow: Corporate expense has decreased materially in recent years, and continues to decrease. Progress in this regard includes preliminary, unaudited corporate expense in Q4 2016 through Half-year 2017 of $959 thousand, which is a material reduction from the $1.7 million reported through Half-year 2016.

- Liquidity and Working Capital: The Group is currently operating with low levels of reserves and working capital. Certain scenarios in relation to asset sales will not create working capital, while others will. Selling all or virtually all Group real estate and reverting cash flow will be critical to creating a healthy level of working capital reserves for periods beyond the Going Concern period.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for the 12 months following the reporting period of this 2017 Half-year Report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

These interim 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, 2016.

The preparation of the condensed set of Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2016.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these Interim Financial Statements. Management does not consider the impact of seasonality on operations to be significant.

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. Our Peru operating segment also operates a hotel.

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. 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.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

Operating segments

	Costa Rica		Nicaragua		Peru	
	2017	2016	2017	2016	2017	2016
Continuing operations						
Total revenue	-	-	7,230	7,180	10,782	12,296
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	-	-	1,518	971	1,523	2,254
Depreciation and amortization	-	-	(413)	(373)	(1,148)	(1,133)
Other gains and (losses)	-	-	(14)	1	41	(30)
Segments result	-	-	1,091	599	416	1,091
Foreign exchange gain / (loss)	-	-	(51)	(81)	(18)	80
Share of profit / (loss) from equity accounted investments	(84)	(57)	-	-	-	-
Finance costs	-	-	(69)	(78)	(656)	(553)
Finance income	-	-	7	5	12	1
Other interest	-	-	-	-	(8)	(7)
Management fees - intercompany charges	-	-	-	(12)	(4)	(5)
Profit / (loss) before taxation	(84)	(57)	978	433	(258)	607
Taxation	-	-	(142)	(141)	-	-
Profit / (loss) for the year-continuing operations	(84)	(57)	836	292	(258)	607
Profit / (loss) for the year-discontinued operations	-	(623)	-	-	-	-
Profit / (loss) for the year	(84)	(680)	836	292	(258)	607
Currency translation reserve	-	-	-	-	-	-
Total comprehensive income for the year	(84)	(680)	836	292	(258)	607
Non-controlling interest	-	-	369	128	-	-
Total comprehensive income attributable to owners of the parent	(84)	(680)	467	164	(258)	607
Assets and liabilities						
Segment intangible assets:						
Intangible assets with indefinite useful lives	-	-	1,387	1,387	4,277	4,277
Intangible assets with finite useful lives	-	-	14	19	189	229
Segment assets:						
Property, plant and equipment	-	-	6,154	6,323	14,538	15,132
Other segment assets (including cash)	-	-	460	(665)	18,879	17,389
Total segment assets	-	-	8,015	7,064	37,883	37,027
Assets classified as held for sale	-	4,556	-	-	-	-
Total assets	-	4,556	8,015	7,064	37,883	37,027
Total segment liabilities	-	-	3,276	3,060	18,468	17,574
Liabilities associated with assets held for sale	-	900	-	-	-	-
Total liabilities	-	900	3,276	3,060	18,468	17,574
Net assets / (liabilities)	-	3,656	4,739	4,004	19,415	19,453
Non-controlling interest	-	-	2,634	2,266	-	-
Other segment items						
Capital expenditure	-	-	395	911	30	284
Depreciation and amortization	-	-	413	373	1,148	1,133

- continued -

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

	Total Operation		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Continuing operations								
Total revenue	18,012	19,476	-	-	-	-	18,012	19,476
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	3,041	3,225	(959)	(1,723)	-	-	2,082	1,502
Depreciation and amortization	(1,561)	(1,506)	-	(8)	-	-	(1,561)	(1,514)
Other gains and (losses)	27	(29)	71	745	-	-	98	716
Segments result	1,507	1,690	(888)	(986)	-	-	619	704
Foreign exchange gain / (loss)	(69)	(1)	40	(293)	-	-	(29)	(294)
Share of profit / (loss) from equity accounted investments	(84)	(57)	-	-	-	-	(84)	(57)
Finance costs	(725)	(631)	(1,022)	(1,134)	-	-	(1,747)	(1,765)
Finance income	19	6	77	69	-	-	96	75
Other interest	(8)	(7)	-	-	-	-	(8)	(7)
Management fees - intercompany charges	(4)	(17)	3	15	-	-	(1)	(2)
Profit / (loss) before taxation	636	983	(1,790)	(2,329)	-	-	(1,154)	(1,346)
Taxation	(142)	(141)	-	(2)	-	-	(142)	(143)
Profit / (loss) for the year-continuing operations	494	842	(1,790)	(2,331)	-	-	(1,296)	(1,489)
Profit / (loss) for the year-discontinued operations	-	(623)	-	362	-	-	-	(261)
Profit / (loss) for the year	494	219	(1,790)	(1,969)	-	-	(1,296)	(1,750)
Currency translation reserve	-	-	(30)	405	-	-	(30)	405
Total comprehensive income for the year	494	219	(1,820)	(1,564)	-	-	(1,326)	(1,345)
Non-controlling interest	369	128	-	-	-	-	369	128
Total comprehensive income attributable to owners of the parent	125	91	(1,820)	(1,564)	-	-	(1,695)	(1,473)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	5,664	5,664	-	-	-	-	5,664	5,664
Intangible assets with finite useful lives	203	248	-	-	-	-	203	248
Financial assets - investments	-	-		-		-	-	-
Segment assets:								
Property, plant and equipment	20,692	21,455	1	1	-	-	20,693	21,456
Other segment assets (including cash)	19,339	16,724	(6,262)	(6,546)	145	316	13,222	10,494
Total segment assets	45,898	44,091	(6,261)	(6,545)	145	316	39,782	37,862
Assets classified as held for sale	-	4,556	-	-	-	(4,556)	-	-
Total assets	45,898	48,647	(6,261)	(6,545)	145	(4,240)	39,782	37,862
Total segment liabilities	21,744	20,634	23,593	21,504	-	-	45,337	42,138
Liabilities associated with assets held for sale	-	900	-	-	-	(900)	-	-
Total liabilities	21,744	21,534	23,593	21,504	-	(900)	45,337	42,138
Net assets / (liabilities)	24,154	27,113	(29,854)	(28,049)	145	(3,340)	(5,555)	(4,276)
Non-controlling interest	2,634	2,266	-	-	-	-	2,634	2,266
Other segment items								
Capital expenditure	425	1,195	-	-	-	-	425	1,195
Depreciation and amortization	1,561	1,506	-	8	-	-	1,561	1,514

(1) Includes non-operating entities
(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

Other supplementary information

	Gaming		Hotel		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Continuing operations										
Total revenue	16,401	17,509	1,611	1,967	-	-	-	-	18,012	19,476
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	2,773	2,547	268	678	(959)	(1,723)	-	-	2,082	1,502
Depreciation and amortization	(900)	(864)	(661)	(642)	-	(8)	-	-	(1,561)	(1,514)
Other gains and (losses)	(15)	(17)	42	(12)	71	745	-	-	98	716
Segments result	1,858	1,666	(351)	24	(888)	(986)	-	-	619	704
Foreign exchange gain / (loss)	(23)	(110)	(46)	109	40	(293)	-	-	(29)	(294)
Share of profit / (loss) from equity accounted investments	(84)	(57)	-	-	-	-	-	-	(84)	(57)
Finance costs	(401)	(440)	(324)	(191)	(1,022)	(1,134)	-	-	(1,747)	(1,765)
Finance income	8	6	11	-	77	69	-	-	96	75
Other interest	-	-	(8)	(7)	-	-	-	-	(8)	(7)
Management fees - intercompany charges	(4)	(17)	-	-	3	15	-	-	(1)	(2)
Profit / (loss) before taxation	1,354	1,048	(718)	(65)	(1,790)	(2,329)	-	-	(1,154)	(1,346)
Taxation	(142)	(141)	-	-	-	(2)	-	-	(142)	(143)
Profit / (loss) for the year-continuing operations	1,212	907	(718)	(65)	(1,790)	(2,331)	-	-	(1,296)	(1,489)
Profit / (loss) for the year-discontinued operations	-	(623)	-	-	-	362	-	-	-	(261)
Profit / (loss) for the year	1,212	284	(718)	(65)	(1,790)	(1,969)	-	-	(1,296)	(1,750)
Currency translation reserve	-	-	-	-	(30)	405	-	-	(30)	405
Total comprehensive income for the year	1,212	284	(718)	(65)	(1,820)	(1,564)	-	-	(1,326)	(1,345)
Non-controlling interest	369	128	-	-	-	-	-	-	369	128
Total comprehensive income attributable to owners of the parent	843	156	(718)	(65)	(1,820)	(1,564)	-	-	(1,695)	(1,473)
Assets and liabilities										
Segment intangible assets:										
Intangible assets with indefinite useful lives	5,664	5,664	-	-	-	-	-	-	5,664	5,664
Intangible assets with finite useful lives	121	126	82	122	-	-	-	-	203	248
Segment assets:										
Property, plant and equipment	10,260	10,755	10,432	10,700	1	1	-	-	20,693	21,456
Other segment assets (including cash)	9,649	13,860	9,690	2,864	(6,262)	(6,546)	145	316	13,222	10,494
Total segment assets	25,694	30,405	20,204	13,686	(6,261)	(6,545)	145	316	39,782	37,862
Assets classified as held for sale	-	4,556	-	-	-	-	-	(4,556)	-	-
Total assets	25,694	34,961	20,204	13,686	(6,261)	(6,545)	145	(4,240)	39,782	37,862
Total segment liabilities	7,997	13,929	13,747	6,705	23,593	21,504	-	-	45,337	42,138
Liabilities associated with assets held for sale	-	900	-	-	-	-	-	(900)	-	-
Total liabilities	7,997	14,829	13,747	6,705	23,593	21,504	-	(900)	45,337	42,138
Net assets / (liabilities)	17,697	20,132	6,457	6,981	(29,854)	(28,049)	145	(3,340)	(5,555)	(4,276)
Non-controlling interest	2,634	2,266	-	-	-	-	-	-	2,634	2,266
Other segment items										
Capital expenditure	417	991	8	204	-	-	-	-	425	1,195
Depreciation and amortization	900	864	661	642	-	8	-	-	1,561	1,514

(1) Includes non-operating entities
(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

5. OTHER GAINS AND (LOSSES)

	Six months ended June 30,		Three months ended June 30,	
	2017	2016	2017	2016
Gain on sale and write off of assets	118	-	26	-
Other	(20)	(12)	(20)	(26)
Sale of corporate property	-	728	-	-
Total	**$ 98**	**$ 716**	**$ 6**	**$ (26)**

a. Gain on sale and write off of assets

Certain trade receivables in the Group’s Nicaragua subsidiary were determined to be uncollectable and an expense of $14,000 has been recorded. In addition, a gain of $90,000 was recognized on the sale of a trademark related to the Group's Costa Rica subsidiary, which was disposed of in 2015, and release of certain aged liabilities of $41,000 in Peru.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

6. FINANCING COSTS AND REVENUES

Finance cost includes all interest-related income and expenses, 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 years presented:

	Six months ended June 30, 2017	Six months ended June 30, 2016	Three months ended June 30, 2017	Three months ended June 30, 2016
Finance cost				
Bank loans	$ 510	$ 234	$ 275	$ 168
Other loans	912	1,035	465	601
Related party loans	72	66	36	33
Finance charges payable under finance leases and hire purchase contracts	27	181	11	18
Amortization of borrowing costs	214	249	176	90
Other finance charges	12	-	6	-
Total finance costs (on a historical cost basis)	**$ 1,747**	**1,765**	**$ 969**	**$ 910**
Finance income				
Bank interest receivable	19	9	15	5
Third party interest receivable	77	66	36	43
Total finance income (on a historical cost basis)	**$ 96**	**$ 75**	**$ 51**	**$ 48**
Other interest				
Other interest	8	7	4	4
Total other interest	**$ 8**	**$ 7**	**$ 4**	**$ 4**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

7. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2017	$ 24,199	$ 2,045	$ 21,219	$ 8,487	$ 169	$ 56,119
Foreign exchange adjustments	520	(15)	474	84	(4)	1,059
Additions	4	4	88	141	187	424
Disposals	-	-	-	(5)	2	(3)
Transfers	1	5	-	66	(72)	-
As of June 30, 2017	24,724	2,039	21,781	8,773	282	57,599
Depreciation						
As of January 1, 2017	$ 9,317	$ 1,688	$ 16,492	$ 7,166	$ -	$ 34,663
Foreign exchange adjustments	288	(20)	389	71	-	728
Charge for the year	623	43	575	276	-	1,517
Disposals	-	-	-	(2)	-	(2)
As of June 30, 2017	10,228	1,711	17,456	7,511	-	36,906
Net book value as of January 1, 2017	14,882	357	4,727	1,321	169	21,456
Net book value as of June 30, 2017	$ 14,496	$ 328	$ 4,325	$ 1,262	$ 282	$ 20,693

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2016	$ 24,959	$ 2,065	$ 21,215	$ 9,291	$ 79	$ 57,609
Foreign exchange adjustments	72	(62)	135	(76)	(4)	65
Additions	9	14	662	249	260	1,194
Disposals	(846)	19	(833)	(1,085)	(4)	(2,749)
Transfers	5	9	40	108	(162)	-
As of December 31, 2016	24,199	2,045	21,219	8,487	169	56,119
Depreciation						
As of January 1, 2016	$ 8,279	$ 1,633	$ 16,124	$ 7,554	$ -	$ 33,590
Foreign exchange adjustments	116	(58)	123	(62)	-	119
Charge for the year	1,223	122	968	731	-	3,044
Disposals	(301)	(9)	(723)	(1,057)	-	(2,090)
As of December 31, 2016	9,317	1,688	16,492	7,166	-	34,663
Net book value as of January 1, 2016	16,680	432	5,091	1,737	79	24,019
Net book value as of December 31, 2016	$ 14,882	$ 357	$ 4,727	$ 1,321	$ 169	$ 21,456

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

Assets pledged as security

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

	June 30, 2017		December 31, 2016	
	Cost	Amortized cost	Cost	Amortized cost
Property	$ 20,836	$ 11,306	$ 20,214	$ 11,165
Gaming equipment	3,629	293	3,515	298
Total	**$ 24,465**	**$ 11,599**	**$ 23,729**	**$ 11,463**

The carrying value of assets held under finance leases and hire purchase contracts at June 30, 2017 was $2,058,000 (December 31, 2016 - $1,971,000).

8. DISCONTINUED OPERATIONS

The Group did not have any discontinued operations for the period ended June 30, 2017.

On April 28, 2016, the Group disposed of its ownership interest in Importadores del Yukon “IDY” (of which the Group owned 50%). The property was sold for approximately $3.2 million and after the payment of taxes, fees and other sale related costs (property was debt free), the net cash received for the Group’s 50% share was approximately $1.5 million. A net loss of $261,000 is presented as discontinued operations for the period ended June 30, 2016.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

9. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal repayments							
	Six months ended Dec 31, 2017	2018	2019	2020	2021	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:								
>15%	$ 50	$ -	$ -	$ -	$ -	$ -	$ -	$ 50
13% to 14%	68	151	70	-	-	-	-	289
11% to 12%[2]	718	1,232	1,375	1,534	1,712	151	-	6,722
<10%	10,577	4,521	1,736	1,448	1,387	5,602	(392)	24,879
Total principal repayments	**$ 11,413**	**$ 5,904**	**$ 3,181**	**$ 2,982**	**$ 3,099**	**$ 5,753**	**$ (392)**	**$ 31,940**

1. Floating rate loans are calculated as of the effective rate on June 30, 2017.
2. Includes $9,011,605 of convertible loan notes.

	Six months ended Dec 31, 2017	2018	2019	2020	2021	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 10,711	$ 4,388	$ 1,375	$ 1,535	$ 1,711	$ 151	$ (36)	$ 19,835
Nicaragua	198	431	632	181	15	-	-	1,457
Peru	504	1,085	1,174	1,266	1,373	5,602	(356)	10,648
Total principal repayments	**$ 11,413**	**$ 5,904**	**$ 3,181**	**$ 2,982**	**$ 3,099**	**$ 5,753**	**$ (392)**	**$ 31,940**

	Borrowing summary	
	June 30, 2017	December 31, 2016
Total borrowing	31,940	28,504
Less current portion of borrowings	(15,793)	(12,499)
Borrowing non-current	**$ 16,147**	**$ 16,005**

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							
	Six months ended Dec 31, 2017	2018	2019	2020	2021	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 1,131	$ 3,156	$ -	$ -	$ -	$ -	$ (36)	$ 4,251
Peru	9,580	1,232	1,375	1,535	1,711	151	-	15,584
Total principal repayments	**$ 10,711**	**$ 4,388**	**$ 1,375**	**$ 1,535**	**$ 1,711**	**$ 151**	**$ (36)**	**$ 19,835**

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During the six months ended June 30, 2017, the Group has obtained new borrowings detailed as follows:

	Additions	Balance June 30, 2017	Collateral	Interest rate	Maturity Date
The Company and wholly owned subsidiaries					
Loans with non-financial entities	2,530	2,030		10% - 40%	Jun-2017 - Oct-2017
Nicaragua					
Loans with non-financial entities	300	289		14%	May-2019
Peru					
Loans with financial entities	11,084	11,003	Property	8.28%	May-2025
Total	**$ 13,914**	**$ 13,322**			

The following table provides additional detail of additions, refinancing, repayments, and disposals taking place during the six months ended June 30, 2017:

Additions Summary	Balance Dec 31, 2016	Additions	Refinancing Additions	Refinancing Extinguishment	Repayments	Unamortized premiums, discounts & issuance costs	Balance June 30, 2017
Loans with financial entities	$ 10,623	$ 11,084	$ -	$ -	$ (9,540)	$ (356)	$ 11,811
Loans with non-financial entities	10,745	2,830	112	-	(1,047)	(36)	12,604
Convertible loan notes with non-financial entities	7,236	-	287	2	-	-	7,525
Total	**$ 28,604**	**$ 13,914**	**$ 399**	**$ 2**	**$ (10,587)**	**$ (392)**	**$ 31,940**

Notes

Additions

a) During the six months ended June 30, 2017, the Group, obtained financing from private lenders for $2,030,000. The loans are unsecured, bear interest at 10% for the first 6 months and increase 1.5% per month until month 12, and then 20% until repaid. Interest payments are accrued monthly and will be repaid as a balloon payment together with the outstanding principal balance.

b) During the six months ended June 30, 2017, the Group, obtained financing from a private lender for $500,000. The loan was secured with property, bears interest at 40%. Principal and accrued interest was repaid in June 2017.

c) During the six months ended June 30, 2017, the Group's Peruvian subsidiary, Thunderbird

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Hoteles Las Americas, S.A.C. obtained a senior secured loan for $11,084,000 to refinance a senior secured loan of $8,802,000. The new loan is secured with the property, bears interest at 8.28%, and matures in 8 years. Principal and interest payments are due monthly in 96 equal installments.

d) During the six months ended June 30, 2017, the Group's Nicaraguan subsidiary, Buena Esperanza Ltda. obtained financing from a private lender for $300,000. The loan is unsecured and bears interest at 14%. Principal and interest payments are due monthly in 24 equal installments.

Repayments

During the six months ended June 30, 2017, the Group repaid a total of $10,587,000 of loan principal, consisting of 9,540,000 of loans with financial entities and $1,047,000 of loans with non-financial entities.

10. OBLIGATIONS UNDER 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 June 30, 2017, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due June 30, 2017		Future commitments due December 31, 2016	
	Minimun Lease Payments	**Present value**	**Minimun Lease Payments**	**Present value**
Finance lease commitments	$ 532	$ 458	$ 957	$ 802
Not longer than one year	8	8	10	10
Sub total	540	466	967	812
Present value of minimum lease payments	**$ 540**	**$ 466**	**$ 967**	**$ 812**
Obligations under leases and hire purchase contracts current		$ (458)		$ (802)
Obligations under leases and hire purchase contracts non-current		**$ 8**		**$ 10**

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Assets held under finance leases and hire purchase contracts as of June 30, 2017 and December 31, 2016:

	June 30, 2017		December 31, 2016	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 35	$ 3	$ 33	$ 3
Gaming equipment	3,234	1,931	3,154	2,043
Other	13	12	13	12
Total	**$ 3,282**	**$ 1,946**	**$ 3,200**	**$ 2,058**

11. 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 ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2015	**25,054,371**	**$ 110,456**
Share based payments	1,320,059	107
Balance as at December 31, 2016	**25,509,575**	**$ 110,563**
Share based payments	455,204	
Balance as at June 30, 2017	**25,753,786**	**$ 110,611**

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Options

There are no outstanding options as of June 30, 2017.

Please refer to Note 18 in the Group's consolidated financial statements for the year ended December 31, 2016 for additional discussion of the Group's stock option plans.

12. LOSS PER SHARE

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

	Six months ended June 30,			
		2017		2016
Shares used in computation of basic loss per share (000's)		24,249		24,060
Shares used in computation of diluted loss per share (000's)		24,249		24,060
Loss for the period attributable to the parent	$	(1,665)	$	(1,877)
Basic loss per share		**(0.07)**		**(0.08)**
Diluted loss per share		**(0.07)**		**(0.08)**

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 six months ended June 30, 2017, 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.

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13. RELATED PARTY TRANSACTIONS

	June 30, 2017		December 31, 2016	
	Current	Non-Current	Current	Non-Current
Due from related parties				
Nicaraguan Partners	$ -	$ 42	$ -	$ 42
Costa Rican Joint Venture	1,827	-	1,804	-
	$ 1,827	**$ 42**	**$ 1,804**	**$ 42**
Due to related parties				
Nicaraguan Partners	$ 702	$ -	$ 800	$ -
Transaction with officers	778	-	501	-
	$ 1,480	**$ -**	**$ 1,301**	**$ -**

Due from related parties

Receivables from joint ventures and related party receivables

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

Included in due from related parties is $1,827,000 (2016 – $1,804,000) due from our Costa Rica joint venture 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. Additionally, $42,000 (2016 – $42,000) 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.

Included in related parties are accrued wages owed to the Groups' officers totaling $778,000 (2016 - $501,000). The amounts owed are as follows: Salomon Guggenheim CHF442,000 ($441,000); Peter LeSar $180,000; Albert Atallah $158,000.

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 Nicaraguan partners of $702,000 (2016 – $800,000) for of the accrued, but not yet paid management fees from the Nicaraguan entity.

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Transaction with Officers and Directors included within borrowings

Salomon Guggenheim, who previous to the middle of 2013 only held the roles of Director and advisor to the Group, is a director and not a beneficial owner in a company called India Ltd. The Group has been loaned various amounts by India Ltd. Please see Officer related party in the table below for amount due and interest paid to India Ltd. during 2017 and 2016.

The outstanding loans are as follows:

		June 30, 2017		December 31, 2016	
		Amount due	Interest paid	Amount due	Interest paid
	Country				
Officer related party	Corporate	1,709	-	1,637	-
	Total	**$ 1,709**	**$ -**	**$ 1,637**	**$ -**

14. CONTINGENCIES

Note 22 in the Group's financial statements for the year ended December 31, 2016 provides a discussion of all of the Group's commitments. There are no material changes in this disclosure, other than the following update.

a. Peru tax controversy

Sun Nippon Company S.A.C. - "coin-in case": On or about January 18, 2016, the Peruvian Administrative Tax Court (commonly known as the Tribunal Fiscal in Spanish) issued a negative ruling against the Group's Peruvian subsidiary operation. The ruling is dated December 28, 2016 and covers a tax matter commonly known as the "2006 coin-in case" (hereafter "the December 28, 2016 Coin in Ruling". The basis of the negative ruling keyed in on whether "revenue" should be based on "net win" or on "coin in "as it relates to pre-payment of income tax.

After the issuance of the December 28, 2016 coin in Ruling", Management learned that SUNAT had issued a report dated and executed on December 24, 2015 defining "revenue" for purposes of the relevant tax issues (Hereafter "the SUNAT Report"). This SUNAT report was released to the public on February 18, 2016 and is in reply to a March 18, 2015 letter of the "Sociedad Nacional De Juegos De Azar (SONAJA)" in which SONAJA sought clarification from SUNAT on the definition of "revenue" in the "2006 coin-in case" (hereafter the "SONAJA Petition"). The SONAJA Petition sought an opinion from SUNAT to that the pre-payment of income tax should be based on "net win" and not on "coin-in". The SUNAT Report opines that the pre-payment of income tax should be based on "net win" and not on "coin-in". According to the Group's tax counsel, this SUNAT Report is 100% legally binding on SUNAT, meaning that SUNAT will no longer audit and oppose the calculation of revenue based on "coin-in" as it relates to the pre-payment of income tax. The clear conclusion by outside counsel is that SUNAT recognizes the income tax base of calculation is "net win".

Unfortunately, in spite of the February 18, 2016 SUNAT report, Management must continue its appeal of the Tribunal resolutions in the Sun Nippon 2006 coin-in case. Sun Nippon has filed its appeal on March 23, 2016, in this matter to the judicial court in which the court could review the entire tax case on a "de novo" basis, meaning that Sun Nippon will have the opportunity to present its case in full and most likely prevail on appeal in its position. One significant and material factor in the Tribunal negative ruling is that the tribunal did not take into account the main defenses that Sun Nippon presented but chose to ignore those defenses.

While the Appeal is pending Sun Nippon proceeded to pay the entire tax liability and is now seeking a refund of all taxes paid should Sun Nippon prevail on its case.

On April 28, 2017, the 1s instance Court gave a decision in favor of Sun Nippon Company, S.A.C. Both SUNAT and the Tribunal Fiscal have appealed the decision before the Superior Tribunal, and is pending the court's decision.

As a result of the on-going uncertainty over the potential outcome of this new appeal before the Peruvian judiciary, although there is a decision in favor of Sun Nippon Company, S.A.C., any and all payments made to SUNAT have been fully reserved.

Thunderbird Fiesta Casino – Benavides S.A. and "a certain Peruvian individual" (File with /CPC-INDECOPI): This case has its roots as far back as June, 2012. From that period June 2012 to January of 2017 the matter remained dormant. By way of background a certain Peruvian individual (whose name shall not be disclosed due to privacy reasons, hereinafter referred to as the "Peruvian Individual" Thunderbird Fiesta Casino Benavides, S.A. (hereinafter referred to as "Fiesta") violated certain consumer protection laws. This Peruvian individual filed a claim before the National Institute for the Defense of Free Competition and the Protection of Intellectual Property "INDECOPI". At that time in 2012 Fiesta itself initiated a criminal complaint against the Peruvian individual for alleged indiscretions. Following several years of dormancy from 2012 until January 2017 the administrative procedure was re-initiated when the Peruvian authorities decided that the criminal complaint against the Peruvian individual was to be dismissed. Fiesta intends to defend its position and is informed and believes that if any sanctions are imposed, the same should not be material.

Thunderbird Fiesta Casino Benavides: Non-recognition of expenses: Currently at Tribunal Fiscal, there is a case related to the non-recognition of expenses for the tax year 2008 with a reduction of the tax losses filed that year of: S/: 2,524,182.00 (amount in Nuevos Soles), there is no tax due in relation to this case. The case is pending the court's decision.

b. San Diego Federal District Court Action and Mitchell Arbitration

In June of 2015, Thunderbird Resorts filed a lawsuit in the Federal District Court, San Diego, against defendants Murray Jo Zimmer ("Zimmer"), Angular Investments Corp. ("Angular"), Mitzim Properties, Inc. ("Mitzim Properties") Taloma Zulu, S.A., ("Taloma Zulu") Jack R. Mitchell, ("Mitchell"). The lawsuit alleges breach of fiduciary duty against Zimmer, Angular and Mitchell; breach of contract against defendant Mitchell; aiding and abetting, breach of fiduciary duty against Taloma Zulu and Mitzim Properties; fraud Civil RICO 18 U.S.C. § 1961, conversion constructive trust and an accounting against defendants Zimmer, Angular and Taloma Zulu. The basis of the various claims and allegations in the lawsuit stem from the following: In 2002, Thunderbird partnered with Angular to operate casinos and related businesses in Costa Rica. Grupo Thunderbird de Costa Rica, S.A. ("GTCR") was formed by Thunderbird and Angular, who agreed to split all profits from GTCR on an equal, "50/50" basis. Angular's principal, defendant Zimmer, became Thunderbird's "country manager" for its operations in Costa Rica. Between July 2007 and September 2014, Zimmer caused GTCR to pay over $2 million to defendant Taloma Zulu. Zimmer reported to Thunderbird's management that these amounts were being paid for legal and consulting expenses for GTCR to operate in Costa Rica. Upon further investigation, Thunderbird now believes and alleges that Zimmer and Mitchell caused Thunderbird's 50% share of the amounts paid to Taloma Zulu to be diverted, misappropriated, embezzled, and/or converted for defendants' own improper, personal uses. Thunderbird Resorts is seeking the following relief: awarding Thunderbird the damages it has sustained by reason of Mitchell, Zimmer et al conduct, and interest thereon as provided by law; awarding Thunderbird exemplary and/or punitive damages on account of defendants' willful, wanton, malicious, and/or oppressive conduct; awarding Thunderbird its costs of suit incurred therein. Thunderbird Resorts is also seeking the imposition of a constructive trust in favor of Thunderbird, and against defendants, of the benefits improperly received by defendants and an order commanding defendants to return to Thunderbird the funds they improperly received by way of their wrongful conduct. So far, Thunderbird Resorts was successful in having the court order approximately $420 thousand of the defendants' funds to be sequestered in the Federal District Court bank account pending resolution of the case. In March of 2017, Thunderbird Resorts Inc. obtained a default judgment in the approximate amount of $659 thousand against co-defendants Angular Investments S.A. and Taloma Zulu.

In May 2017 Jack Mitchell filed a motion to have the claims made against him submitted to arbitration in Hong Kong alleging that is the proper forum for Thunderbird Resorts claim. In addition, Angular Investments S.A. filed a motion to set aside the $659 thousand default judgment. The Court also granted Thunderbird leave to file additional pleadings showing default damages above $657,975, and Thunderbird submitted additional pleadings showing damages and interest totaling $825,125. In addition to Angular's motion to set aside the default judgment, Angular also filed a motion to dismiss for lack of jurisdiction which is still under submission. All of these motions and applications are currently under submission with the Federal District Court. A pretrial conference in this matter is scheduled for December 4, 2017 to determine when trial will commence, which could be in December 2017 or within two to three months after that.

Simultaneously with Thunderbird Resorts Inc. filing of the San Diego Federal District Court case, Jack R. Mitchell ("Mitchell"), a former employee of Thunderbird, brought an arbitration claim in Hong Kong under the International Court of Arbitration of the International Chamber of Commerce against Thunderbird. The amount claimed is not less than $518 thousand. By way of background, in September 2012, Thunderbird Resorts entered into a settlement with Mitchell, following his termination from the company. Part of that settlement included a payment to Mitchell of approximately $1.8 million to be paid in installments over the course of several years. On or about May 2015, Thunderbird Resorts claimed that Mitchell was in default of his settlement agreement and stopped payment on the settlement amount. Mitchell instituted arbitration proceedings in Hong Kong pursuant to the terms of the settlement agreement.

On September 27, 2017, the International Court of Arbitration of the International Chamber of Commerce approved its award against Thunderbird Resorts Inc. in the approximate amount of $518 thousand plus attorney's fees and costs of approximately $220,000. The award is not final as the parties are granted 30 days from the date the award is delivered to the parties to file an application for the correction of an error of the kind or for the interpretation of an award. Thunderbird Resorts intends to pursue and all legal challenges to the award including clarification of the award and appeals and challenges to the award.

Thunderbird Resorts made several request to the Arbitrator that the decision in this matter be delayed pending submittal of further evidence from the related matter Thunderbird Resorts Inc. vs. Jo Murray Zimmer, Jack R. Mitchell, Angular Investments, S.A, Taloma Zulu, Mitzim case no. 15CV1304 JAH BGS filed in the United States District Court for the Southern District of California in which Mitchell and his co-defendants are being sued for approximately $1,282,454 plus punitive damages which may rise to the level of three times the actual damages.

Thunderbird Resorts maintained that justice is best served if the arbitration proceeding was "stayed" while the Group sought its case against Mitchell and Zimmer San Diego Federal District Court Case. Thunderbird Resorts is diligently prosecuting its claims in the Mitchell, Zimmer San Diego Federal District Court Case and estimates that its monetary value of its claim against Mitchell is $1,282,454.49. This estimate does not include damages based on other claims outside the scope of the parties' arbitration agreement, including but not limited to other claims set forth in Thunderbird Resorts U.S. District Court action against Mitchell, Murray Jo Zimmer and others.

15. FINANCIAL INSTRUMENTS

Credit risk analysis:

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

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

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

Liquidity risk analysis:

The Group measures its liquidity needs by:

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

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

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

Based on the information available today and the liquidity tools at its disposal, Management anticipates that the Group can meet its liquidity needs over the next 12 months primarily from operational cash flows as set out in Note 2.

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As at June 30, 2017, the table set below shows the Group's liabilities maturities per year:

	Six months ending Dec 31, 2017	2018	2019	2020	2021	Thereafter	Total
Long-term bank loans	$ 3,819	$ 7,689	$ 4,408	$ 3,904	$ 3,725	$ 6,569	$ 30,114
Finance lease obligations	1,295	427	4	3	-	-	1,729
Convertible debt notes	9,037	-	-	-	-	-	9,037
Trade and other payables	6,011	-	-	-	-	-	6,011
Due to related parties	1,482	-	-	-	-	-	1,482
Total	**$ 21,644**	**$ 8,116**	**$ 4,412**	**$ 3,907**	**$ 3,725**	**$ 6,569**	**$ 48,373**

Derivative financial instruments:

During 2011 and 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 9). 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 June 30, 2017.

16. INVESTMENT IN JOINT VENTURES

The Group has a material joint ventures in a Costa Rican company, King Lion Network, S.A. ("KLN").

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership held by the Group 2017	Proportion of ownership held by the Group 2016
King Lion Network, S.A.	Costa Rica	Land Company	50%	50%

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

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A reconciliation of the financial information above to the carrying amount of the investment in the Group's Costa Rica joint venture is set out below:

	June 30, 2017	December 31, 2016
Current assets	$ 8,835	$ 9,130
Total assets	8,835	9,130
Current liabilities	(3,663)	(3,614)
Total liabilities	(3,663)	(3,614)
Total net assets	**5,172**	**5,516**
Proportion of ownership interest held by Group	50%	50%
Carrying amount of investment in joint venture	**2,586**	**2,758**

Financial statements for the Group's Costa Rica joint venture is as follows:

	Six months ended June 30,	
	2017	**2016**
Loss for the period	(168)	(114)
Proportion of ownership interest held by Group	50%	50%
Group's share of loss for the period	**$ (84)**	**$ (57)**

17. SUBSEQUENT EVENTS

a. Continuing expense reduction including temporary reduction of Officers' salaries:

(i) **Corporate expenses**: Continuing Corporate Expenses have been further reduced to less than a $2.0 million annualized run rate as of this Half-year 2017.

(ii) **Reduction of Officers' Salaries and election by Officers to receive shares in lieu of cash:** In January 2016 the Company implemented a compensation plan for its officers in order to reduce the Group's cost structure to a level that is sustainable. The Group was reduced to the following personnel: CEO, CFO and General Counsel all working full time, but with a continued deferral of 50% or more of their compensation until such time as there are sufficient cash reserves to pay and/or until such time as these officers receive shares for their deferred time, which ongoing agreements will be subject to review by the board's Compensation Committee. These Officers continued to dedicate full time employment to the Company but discounted a cash portion of their salaries by approximately $50,000 per month in order to preserve cash.

This "salary deferral" plan has been re-evaluated on a six months basis and in each period, beginning July 1 2016, January 1, 2017 and most recently July 1 2017, the board has assessed and approved the plan based on the needs of the company on a go-forward basis. In consideration of the extension of the discounting on the cash portion of the salaries, Officers have reserved the right to collect unpaid compensation either through stock at market rate or in cash against future liquidity events.

The Company last held its AGM and Special meeting of shareholders on September 22, 2016. The Company's Circular for that AGM/Special Meeting included a recap of the Company's issued and outstanding shares and a reference to the "shares for salary deferral" as follows (emphasis in ***<u>bold underline</u>*** form):

> *"The only shares issued and outstanding in the capital of Thunderbird are the Common Shares which total 25,054,371 as of the Record Date. Of those shares, as of the Record Date, the Directors and Senior Officers, as a group, beneficially own, directly or indirectly, and control 2,721,922 Common Shares which represent approximately 10.9% of the issued Common Shares of Thunderbird. These Directors and Officers also hold stock options exercisable for up to 15,334 additional Common Shares of Thunderbird. Thunderbird purchased 283,972 of its own Shares under its Buy Back Program in 2013.* ***<u>Thereafter, Thunderbird purchased an additional 710,000 of its own shares separate and apart from its Buy Back program. The total shares that are owned by Thunderbird is 993,972.</u>*** *Certain members of Management have entered into salary deferral arrangement for period January 1 2016 to December 31, 2016. Under this arrangement which was approved by the Company's compensation committee and the Board, the Management team has the option to accept additional shares in lieu of the cash that has been deferred. The potential number of shares range from approximately 1.5 million to 2.0 million depending on the average share price throughout 2016 and assuming that share prices remain within the average range in*

> *which they have traded over the ninety day period previous to the publication of this Information Circular.* ***In order to minimize the issuance of new shares in case Management opts to accept shares in lieu of cash, Management would first draw down on those 993,972 shares already purchased by the Company itself."***

Effective October 1, 2017, the Company's compensation committee and its board approved the Officers election to collect unpaid compensation for the period January 1, 2016 to December 31, 2016 in stock at market rate. This total cash deferral for 2016 amounted to $505,000. The Officers will collectively receive a total of approximately 2,533,923 shares. Of this 2,533,923 in shares, 993,972 already purchased by the Company will be transferred by the company pro rata to the officers in keeping with the Company's Circular for the September 22, 2016 AGM. The balance of 1,539,951 will be issued to the officers as new shares.

b. San Diego Federal District Court Action and Mitchell Arbitration

In June of 2015, Thunderbird Resorts filed a lawsuit in the Federal District Court, San Diego, against defendants Murray Jo Zimmer ("Zimmer"), Angular Investments Corp. ("Angular"), Mitzim Properties, Inc. ("Mitzim Properties") Taloma Zulu, S.A., ("Taloma Zulu") Jack R. Mitchell, ("Mitchell"). The lawsuit alleges breach of fiduciary duty against Zimmer, Angular and Mitchell; breach of contract against defendant Mitchell; aiding and abetting, breach of fiduciary duty against Taloma Zulu and Mitzim Properties; fraud Civil RICO 18 U.S.C. § 1961, conversion constructive trust and an accounting against defendants Zimmer, Angular and Taloma Zulu. The basis of the various claims and allegations in the lawsuit stem from the following: In 2002, Thunderbird partnered with Angular to operate casinos and related businesses in Costa Rica. Grupo Thunderbird de Costa Rica, S.A. ("GTCR") was formed by Thunderbird and Angular, who agreed to split all profits from GTCR on an equal, "50/50" basis. Angular's principal, defendant Zimmer, became Thunderbird's "country manager" for its operations in Costa Rica. Between July 2007 and September 2014, Zimmer caused GTCR to pay over $2 million to defendant Taloma Zulu. Zimmer reported to Thunderbird's management that these amounts were being paid for legal and consulting expenses for GTCR to operate in Costa Rica. Upon further investigation, Thunderbird now believes and alleges that Zimmer and Mitchell caused Thunderbird's 50% share of the amounts paid to Taloma Zulu to be diverted, misappropriated, embezzled, and/or converted for defendants' own improper, personal uses. Thunderbird Resorts is seeking the following relief: awarding Thunderbird the damages it has sustained by reason of Mitchell, Zimmer et al conduct, and interest thereon as provided by law; awarding Thunderbird exemplary and/or punitive damages on account of defendants' willful, wanton, malicious, and/or oppressive conduct; awarding Thunderbird its costs of suit incurred therein. Thunderbird Resorts is also seeking the imposition of a constructive trust in favor of Thunderbird, and against defendants, of the benefits improperly received by defendants and an order commanding defendants to return to Thunderbird the funds they improperly received by way of their wrongful conduct. So far, Thunderbird Resorts was successful in having the court order approximately $420 thousand of the defendants' funds to be sequestered in the Federal District Court bank account pending resolution of the case. In March of 2017, Thunderbird Resorts Inc. obtained a default judgment in the approximate amount of $659 thousand against co-defendants Angular Investments S.A. and Taloma Zulu.

In May 2017, Jack Mitchell filed a motion to have the claims made against him submitted to arbitration in Hong Kong alleging that is the proper forum for Thunderbird Resorts claim. In addition, Angular Investments S.A. filed a motion to set aside the $659 thousand default judgment. The Court also granted Thunderbird leave to file additional pleadings showing default damages above $657,975, and Thunderbird submitted additional pleadings showing damages and interest totaling $825,125. In addition to Angular's motion to set aside the default judgment, Angular also filed a motion to dismiss for lack of jurisdiction which is still under submission. All of these motions and applications are currently under submission with the Federal District Court. A pretrial conference in this matter is scheduled for December 4, 2017 to determine when trial will commence, which could be in December 2017 or within two to three months after that.

Simultaneously with Thunderbird Resorts Inc. filing of the San Diego Federal District Court case, Jack R. Mitchell ("Mitchell"), a former employee of Thunderbird, brought an arbitration claim in Hong Kong under the International Court of Arbitration of the International Chamber of Commerce against Thunderbird. The amount claimed is not less than $518 thousand. By way of background, in September 2012, Thunderbird Resorts entered into a settlement with Mitchell, following his termination from the company. Part of that settlement included a payment to Mitchell of approximately $1.8 million to be paid in installments over the course of several years. On or about May 2015, Thunderbird Resorts claimed that Mitchell was in default of his settlement agreement and stopped payment on the settlement amount. Mitchell instituted arbitration proceedings in Hong Kong pursuant to the terms of the settlement agreement.

On September 27, 2017, the International Court of Arbitration of the International Chamber of Commerce approved its award against Thunderbird Resorts Inc. in the approximate amount of $518 thousand plus attorney's fees and costs of approximately $220,000. The award is not final as the parties are granted 30 days from the date the award is delivered to the parties to file an application for the correction of an error of the kind or for the interpretation of an award. Thunderbird Resorts intends to pursue and all legal challenges to the award including clarification of the award and appeals and challenges to the award.

Thunderbird Resorts made several request to the Arbitrator that the decision in this matter be delayed pending submittal of further evidence from the related matter Thunderbird Resorts Inc. vs. Jo Murray Zimmer, Jack R. Mitchell, Angular Investments, S.A, Taloma Zulu, Mitzim case no. 15CV1304 JAH BGS filed in the United States District Court for the Southern District of California in which Mitchell and his co-defendants are being sued for approximately $1,282,454 plus punitive damages which may rise to the level of three times the actual damages.

Thunderbird Resorts maintained that justice is best served if the arbitration proceeding was "stayed" while the Group sought its case against Mitchell and Zimmer San Diego Federal District Court Case. Thunderbird Resorts is diligently prosecuting its claims in the Mitchell, Zimmer San Diego Federal District Court Case and estimates that its monetary value of its claim against Mitchell is $1,282,454.49. This estimate does not include damages based on other claims outside the scope of the parties' arbitration agreement, including but not limited to other claims set forth in Thunderbird Resorts U.S. District Court action against Mitchell, Murray Jo Zimmer and others.

Chapter 5:
Reporting Responsibilities and Risks

Related-Party Transactions

Related-party transactions are disclosed in Note 13 in the interim financial statements.

Auditor’s Involvement

The content of this 2017 Half-year Report and the interim financial statements has not been audited or reviewed by an external auditor.

Management’s Responsibility Statement

The Board of Management is responsible for preparing the 2017 Half-year Report and the interim financial statements for the six-month period ended June 30, 2017 in accordance with applicable law and regulations.

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

- The interim financial statements for the six-month period ended June 30, 2017 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group’s companies; and

- The additional management information disclosed in the 2017 Half-year Report gives a true and fair view of the Group as of June 30, 2017 the state of affairs during the period to which the report relates and, in so far as this is not contrary to the Group's interests, the Group’s expectations of developments in relation to turnover and profitability for the remaining months of the financial year.

September 30, 2017

Zurich, Switzerland

Salomon Guggenheim, President, CEO and Director
Albert Atallah, General Counsel and Corporate Secretary
Peter LeSar, Chief Financial Officer

Risks

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 following:

- risks associated with the development, construction and expansion of projects;
- risks associated with governmental regulation of our businesses;
- competition within our industries;
- risks associated with our local partnerships;
- political and other risks associated with international operations, such as war or civil unrest,
- expropriation and nationalization, and changes in political, economic or legal conditions;
- our ability to retain or replace our key members of management;
- legal claims;
- difficulties in integrating future acquisitions;
- risks relating to acts of God (such as natural disasters), terrorist activity and war, some of which may be uninsured or underinsured;
- fraud by our employees or third parties;
- general economic and business risks, as well as specific business risks, such as the relative
- popularity of the gaming industry in general, and table and slot games in particular, changes in travel patterns, and changes in operating costs, including energy, labor costs (including minimum wage increases and unionization), workers' compensation and health-care related costs and insurance;
- the risk that we may not be able to obtain future capital on acceptable terms, if at all; and
- other risks identified in this 2017 Half-year Report.

These risks and others are more fully described under "Risk Factors" in our 2016 Annual Report.

IMPORTANT INFORMATION

This is Thunderbird Resorts Inc.'s 2017 Half-year Report for the period ended June 30, 2017. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this 2017 Half-year Report is intended to comply with the rules and regulations for the Euronext Amsterdam by Euronext Amsterdam, the regulated market of the Euronext Amsterdam N.V. and with Canadian securities laws.

No person has been authorized to give any information or to make any representation other than those contained in this 2017 Half-year Report and, if given or made, such information or representations must not be relied upon as having been authorized by us. This 2017 Half-year Report does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this 2017 Half-year 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.

Thunderbird Resorts Inc. accepts responsibility for the information contained in this 2017 Half-year 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 2017 Half-year 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 2017 Half-year Report reflects our position at the date of this Half-year Report and under no circumstances should the issue and distribution of this 2017 Half-year 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.

Thunderbird Resorts Inc. has adopted the U.S. Dollar ("USD") as its reporting currency. As required by EU regulation, Thunderbird Resorts Inc.'s interim financial statements have been prepared in accordance with international financial reporting standards ("IFRS") and interim financial statements IAS 34.

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CAPITALIZATION

Common shares issued: 25,753,786
as of September 30, 2017

REGISTERED AND RECORD OFFICE FOR SERVICE IN BRITISH VIRGIN ISLANDS

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Vanterpool Plaza, Second Floor
Road Town, Tortola
British Virgin Islands

SHARES LISTED

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

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www.thunderbirdresorts.com