Thunderbird

RESORTS

2015 ANNUAL REPORT

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

Cautionary Note on "forward-looking statements"

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

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

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Chapter 1:
Letter from the CEO

Dear Shareholders and Investors:

During 2015 we have continued our efforts to:

1. Increase our EBITDA[1]
2. Improve our profit / (loss)
3. Reduce our borrowings
4. Evaluate strategic alternatives

As described below, we have made progress on all of these fronts through December 31, 2015.

1. INCREASE OUR EBITDA

- Adjusted EBITDA (after deducting Corporate-level expenses) grew on a consolidated basis in 2015 by $730 thousand or a 31.1% increase as compared to 2014.
- Property EBITDA in Peru grew by $177 thousand or a 3.7% increase as compared to 2014.
- Property EBITDA in Nicaragua grew by $122 thousand or a 5.9% increase as compared to 2014.

2. IMPROVE OUR PROFIT / (LOSS)

- Our Loss from Continuing Operations was reduced by $2.9 million or by 34.6% as compared to 2014. Specifically, the Loss from Continuing Operations was -$5.5 million vs. a loss of -$8.4 million in 2014.
- Our Profit for the Period grew by $12.0 million or by 111.2% as compared to 2014. Specifically, the Profit for the Period was a gain of $1.2 million in 2015 vs. a loss of -$10.8 million in 2014. The Profit for the Period benefitted from an approximate gain of $6.7 million from our sale of our Costa Rica operating assets during 2015.

3. REDUCE OUR BORROWINGS

- Group gross debt[2] was reduced by $14.0 million or 30% as compared to December 31, 2014. Specifically, gross debt on December 31, 2015, was $32.1 million as compared to $46.2 million on December 31, 2014.
- Group net debt[3] was reduced by $12.0 million or 29.1% as compared to December 31, 2014. Specifically, gross debt on December 31, 2015, was $29.3 million as compared to $41.3 million on December 31, 2014.

4. EVALUATION OF STRATEGIC ALTERNATIVES

The Group announced in its 2014 Annual Report that it was evaluating the following strategic alternatives.

- Liquidate additional non-producing and producing real estate in order to pay down virtually all debt and to retool our asset mix away from real estate.
- Raise new equity to pay down virtually all debt and invest in new high cash flowing gaming operations in our existing markets with the goal of increasing revenues and bottom line results.

Below is our progress report in regards to strategic alternatives:

- On November 19, 2015, the Group entered into an agreement with Binswanger Peru to broker the sale of its Fiesta hotel, office and commercial real estate, and we believe that we will receive offers to purchase and lease back to the Group all or strategic portions of this mixed-use real estate in 2016. Any sale of this valuable real estate in the Miraflores district of Lima, Peru, should result in the Group paying down a material portion or perhaps nearly all of its remaining debt.
- Effective March 21, 2016, the Group sold its office building in Panama City, Panama, for a gross price of $1.45 million and for net proceeds after taxes, debt and brokerage fees of approximately $512 thousand. This transaction has reduced gross debt by approximately $800 thousand.

The Group continues efforts to sell its remaining non-strategic real estate in Costa Rica and Nicaragua. More information on these real estate assets can be found on page 8 of this 2015 Annual Report. Assuming a successful sale of all of the assets described above, the Group will be left with its gaming operating assets in Nicaragua and Peru and possibly its hotel operating assets in Peru.

One final note is that the Group continues to carefully and strategically reduce its Corporate platform. Corporate Expense in 2015 was $4.1 million, but Corporate Expense in Q1 2016 was $767 thousand or approximately $3.1 million on an annualized basis.

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

Sincerely,

Salomon Guggenheim
President & CEO

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

Chapter 2:
2015 Overview and Updates

Our Operations and Real Estate

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

NICARAGUA

$14.7M Revenue
5 Casinos
571 Slots & 182 Table Positions

PERU

$26.7M Revenue
3 Casinos & 2 Slot Parlors
1 Hotel Owned (66 Rooms) &
2 Hotels Managed (163 Rooms)
956 Slots & 323 Table Positions

As of December 31, 2015, Thunderbird owns the following real estate:

Amounts in Thousands of USD

Country	Property	Type of Real Estate	Area in m2	Appraised Value	Appraised Value Proportional to TRI	Appraisal Date	TRI Ownership
Panama	TESA Building	Office building	1,969	$ 2,225	$ 2,225	February 2015	100%
Peru	Fiesta Hotel & Casino	Mixed use building	32,883	$ 53,517	$ 53,517	April 2015	100%
Costa Rica	Escazu Project	Land	26,467	$ 9,879	$ 4,940	March 2013	50%
	Tres Rios Project	Land	81,971	$ 15,573	$ 7,786	July 2014	
Nicaragua	Planes de Altamira 1	Office building	1,164	$ 751	$ 420	June 2014	56%
	Planes de Altamira 2	Office building	800	$ 600	$ 335	February 2016	
	Casino Bolivar	Casino	1,242	$ 1,400	$ 783	February 2016	
	Carretera a Masaya	Land	14,333	$ 5,856	$ 3,274	March 2014	
	Casino Chinandega	Casino	1,671	$ 1,530	$ 855	February 2016	
	Total		**162,500**	**$ 91,331**	**$ 74,135**		

Note: "Appraised Value" excludes FF&E (Furniture, Fixtures and Equipment). Each "Appraised Value" above should only be treated as an indicator. There has proven to be lower liquidity in certain of our markets that could result in downward price adjustments for each real estate at time of sale based on local market conditions that may not be properly captured in appraisals.

Group Overview for 2015

Below is our consolidated profit / (loss) summary for the twelve months ended December 31, 2015, as compared with the same period of 2014. In summary, Group revenue decreased by $2.4 million or 5.6% on a USD basis (see “Forex” note below where it shows revenue on a currency neutral basis has grown), while adjusted EBITDA increased by $732 thousand or 31.2% as a result of aggressive cost efficiency.

(In thousands)	Twelve months ended December 31,			
	2015	**2014**	Variance	% change
Net gaming wins	$ 33,759	$ 34,498	$ (739)	-2.1%
Food and beverage sales	3,111	3,334	(223)	-6.7%
Hospitality and other sales	4,470	5,938	(1,468)	-24.7%
Total revenues	**41,340**	**43,770**	**(2,430)**	**-5.6%**
Promotional allowances	4,823	4,674	149	3.2%
Property, marketing and administration	29,374	32,252	(2,878)	-8.9%
Property EBITDA	**7,143**	**6,844**	**299**	4.4%
Corporate expenses	4,068	4,501	(433)	-9.6%
Adjusted EBITDA	**3,075**	**2,343**	**732**	**31.2%**
Property EBITDA as a percentage of revenues	7.4%	5.4%		
Depreciation and amortization	2,954	3,922	(968)	-24.7%
Interest and financing costs, net	1,154	3,913	(2,759)	-70.5%
Management fee attributable to non-controlling interest	1	(274)	275	-100.4%
Project development	133	-	133	0.0%
Foreign exchange loss	859	437	422	96.6%
Other losses	2,405	1,328	1,077	81.1%
Loss from equity investee	46	1,768	(1,722)	97.4%
Income taxes	1,006	1,166	(160)	-13.7%
Loss for the period from continuing operations	**$ (5,483)**	**$ (9,917)**	**$ 4,434**	**44.7%**
Profit / (loss) for the period from discontinued operations	6,695	(856)	7,551	882.1%
Profit / (loss) for the period	**1,212**	**(10,773)**	**11,985**	**111.3%**

Forex: The strengthening of the US dollar versus our operating currencies continues to have a material impact on our as reported profit / (loss) as compared to the same period in 2014. Under a currency neutral analysis (in which the same exchange rate would be applied to both periods so as to remove Forex swings from the analysis), Group revenue would have grown by $1.5 million (3.7% growth) and adjusted EBITDA would have increased by approximately $1.3 million (77.9% growth).

Consolidated Profit for the period is $1.2 million (an improvement of $12.0 million as compared to 2014), which primarily is the result of the profit generated to the Group by the sale of Costa Rica operations in February 2015.

Interest and Financing costs, net: Interest and financing costs, net has reduced by $1.2 million compared to the same period in 2014, while our average weighted borrowing cost is below 9% as we have continued to pay down our highest interest debt.

Group debt: Below is the Group's Gross debt and Net debt on December 31, 2015.

(In thousands, proportional consolidation)		Dec-15		Sep-15		Jun-15
Borrowings	$	30,701	$	34,187	$	34,947
Obligations under leases and hire purchase contracts		1,432		1,673		564
Gross Debt	**$**	**32,133**	**$**	**35,860**	**$**	**35,511**
Less: cash and cash equivalents (excludes restricted cash)		2,869		4,668		7,755
Net Debt	**$**	**29,264**	**$**	**31,192**	**$**	**27,756**

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 $0.3 million variance with the total principal balance below.

The Group estimates its gross debt schedule effective as of December 31, 2015:

Principal Balance	**2016**	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
Corporate	$ 6,444,245	$ 4,980,186	$ 2,513,506	$ 1,375,026	$ 1,534,143	$ 1,862,952	$ 18,710,058
Peru	2,197,744	1,749,765	1,420,385	6,497,237	-	-	11,865,131
Nicaragua	265,953	269,563	294,887	726,161	175,462	113,188	1,845,214
Total	**$ 8,907,942**	**$ 6,999,514**	**$ 4,228,778**	**$ 8,598,424**	**$ 1,709,605**	**$ 1,976,140**	**$ 32,420,403**

Interest Payment	**2016**	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
Corporate	$ 1,734,597	$ 922,745	$ 619,272	$ 456,979	$ 297,863	$ 121,721	$ 4,153,177
Peru	1,016,292	792,428	595,615	213,110	-	-	2,617,445
Nicaragua	172,373	148,068	120,439	92,985	24,205	6,675	564,745
Total	**$ 2,923,262**	**$ 1,863,241**	**$ 1,335,326**	**$ 763,074**	**$ 322,068**	**$ 128,396**	**$ 7,335,367**

Peru Update

Description of Properties

In Peru, as of December 31, 2015, 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	-	-
El Dorado	Iquitos	2010	NA	Slot Parlor	97	-	-
Luxor	Tacna	2010	NA	Casino	155	51	-
Peru Total					**956**	**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, 3,750 square meters of office space and up to 300 parking spaces. The casino is approximately 5,740 square meters with 423 slot machines and 214 table positions.

Summary of Peru 2015 Consolidated P&L:

Our Peru profit / (loss) summary for the twelve months ended December 31, 2015, as compared with the same period of 2014 is set out below. In summary, Peru revenue has reduced by $3.5 million or 11.6% on a USD basis (see "Forex" note below for information on currency neutral revenue), while property EBITDA has increased by $177 thousand or 3.7% due to aggressive efficiency programs.

(In thousands)

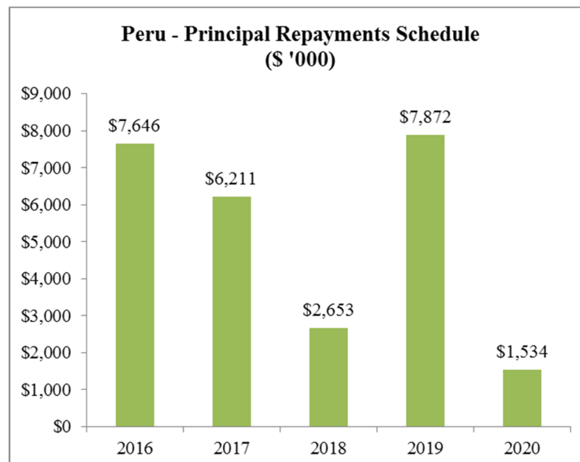
	Twelve months ended December 31,			%
	2015	2014	Variance	change
Net gaming wins	$ 21,355	$ 22,609	$ (1,254)	-5.5%
Food and beverage sales	1,060	1,737	(677)	-39.0%
Hospitality and other sales	4,272	5,841	(1,569)	-26.9%
Total revenues	**26,687**	**30,187**	**(3,500)**	**-11.6%**
Promotional allowances	3,065	2,935	130	4.4%
Property, marketing and administration	18,677	22,484	(3,807)	-16.9%
Property EBITDA	**4,945**	**4,768**	**177**	3.7%
Property EBITDA as a percentage of revenues	18.5%	15.8%		
Depreciation and amortization	2,229	3,274	(1,045)	-31.9%
Interest and financing costs, net	1,274	1,295	(21)	-1.6%
Management fee attributable to non-controlling interest	10	(72)	82	-113.9%
Foreign exchange loss	1,358	872	486	55.7%
Other losses / (gain)	735	(19)	754	3968.4%
Income taxes	648	827	(179)	-21.6%
Loss for the period from continuing operations	**$ (1,309)**	**$ (1,409)**	**$ 100**	**-7.1%**

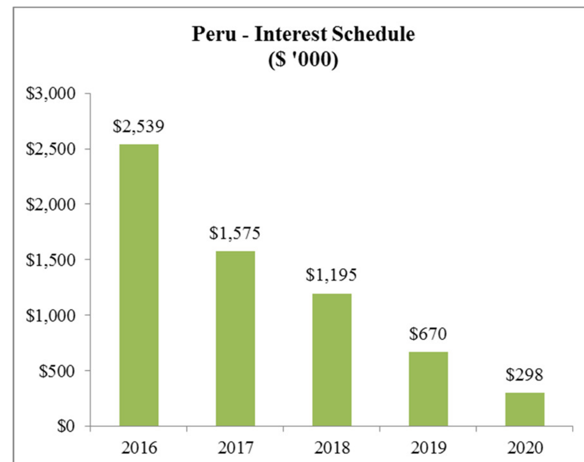
Forex: Under a currency neutral basis (in which the same exchange rate would be applied to both periods), Peru revenue would have reduced by only $220 thousand or 0.8% and property EBITDA would have increased by $695 thousand or 16.4%.

Loss for the period of approximately $1.3 million was mainly driven by non-cash items such as depreciation and Forex and by other losses of $735 thousand.

Key business drivers: a) During Q3 and Q4 2014, the Group opened 24 electronic roulette and 56 new table positions, and 2015 is the first full year of operation of these positions; b) The consolidation of our Peru administrative offices to free up and increase space for third party rentals is now expected to have an impact in late 2016 or Q1 2017; c) Effective April 30, 2015, the Group's contract to manage the El Pueblo Resort expired, thus reducing revenue on an annualized basis by approximately $730 thousand; and d) The Group announced in its 2014 Annual Report that it has reduced its Peru payroll by approximately $1.5 million (annualized) between September 2014 and approximately April 2015. The year-to-date impact of these reductions as of December 31, 2015, has been $1.6 million, which is higher than forecasted.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of December 31, 2015.





Nicaragua Update

Description of Properties

In Nicaragua, the Group operates five standalone casinos. Below is a table that outlines information for each property as of December 31, 2015.

Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Highway to Masaya	Managua	2000	Casino	153	91	—
Pharaoh's Casino – Camino Real	Managua	2005	Casino	112	28	—
Pharaoh's Casino – Avenida Bolivar	Managua	2015	Casino	111	21	—
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	100	21	—
Pharaoh's Casino	Chinandega	2012	Casino	95	21	—
Nicaragua Total				571	182	0

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

Summary of Nicaragua 2015 Consolidated P&L:

Below is our Nicaragua profit / (loss) summary for the twelve months ended December 31, 2015, as compared with the same period of 2014. In summary, Nicaragua revenue has increased by $1.1 million or 8.4% on a USD basis (see "Forex" note below) and property EBITDA has increased by $122 thousand or 5.9% despite a one-time in marketing expenses related to the opening of the new Pharaoh's Bolivar Casino.

(In thousands)

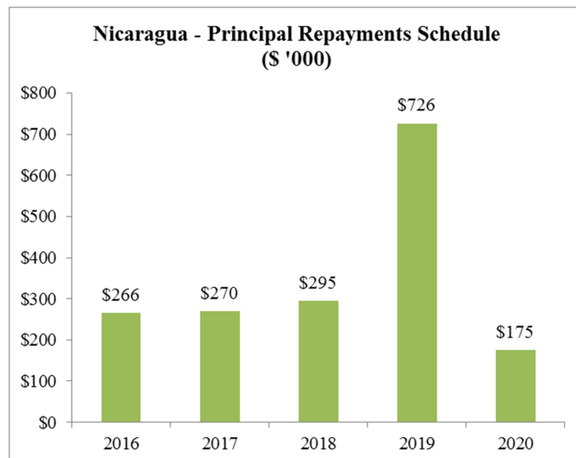
	Twelve months ended December 31,			
	2015	**2014**	Variance	% change
Net gaming wins	$ 12,404	$ 11,889	$ 515	4.3%
Food and beverage sales	2,051	1,597	454	28.4%
Hospitality and other sales	198	27	171	633.3%
Total revenues	**14,653**	**13,513**	**1,140**	**8.4%**
Promotional allowances	1,758	1,739	19	1.1%
Property, marketing and administration	10,697	9,698	999	10.3%
Property EBITDA	**2,198**	**2,076**	**122**	5.9%
Property EBITDA as a percentage of revenues	15.0%	15.4%		
Depreciation and amortization	689	594	95	16.0%
Interest and financing costs, net	157	152	5	3.3%
Management fee attributable to non-controlling interest	50	19	31	163.2%
Project development	133	-	133	0.0%
Foreign exchange loss	184	183	1	0.5%
Other losses	10	93	(83)	-89.2%
Income taxes	328	323	5	1.5%
Profit for the period from continuing operations	**$ 647**	**$ 712**	**$ (65)**	**-9.1%**

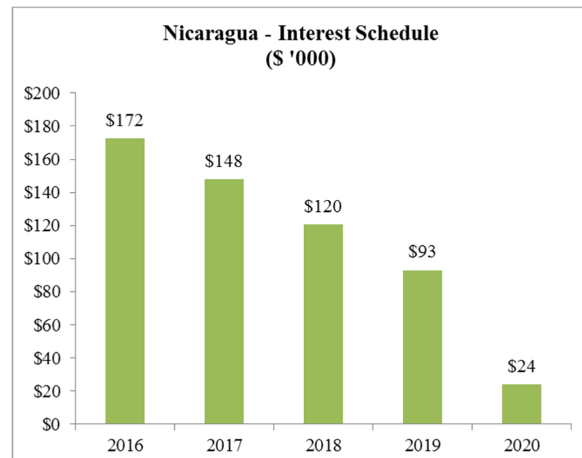
Forex: On a currency neutral basis (in which the same exchange rate would be applied to both periods), Nicaragua revenue would have grown by $1.8 million or 13.9% and property EBITDA would have increased by $220 thousand or 11.1%.

Profit for the period in Nicaragua is $647 thousand, which is a reduction of only $65 thousand as compared to 2014. This profit for the period was mainly impacted by project development expenses related to the opening of the new Pharaohs Bolivar casino.

Key business driver – new Zona Pharaoh's Avenida Bolivar Casino: On April 22, 2015, the Group opened a 1,200 square meters entertainment venue with 111 slot machines, 21 gaming table positions and 110 F&B positions. This property is located in a premium area in the heart of Managua in which the government is investing heavily to promote tourism. The Group has moved its Pharaoh's Holiday Inn property to this new location which is owned by the Company and which has far superior market visibility, parking and space distribution for our business. The facility is also larger with 29 additional gaming positions as compared to the old casino it replaced. Based on the results of the second half of the year 2015 (six months of operation), the annualized revenue and EBITDA of the Casino Bolivar would be $2.3 million and $219 thousand, respectively.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of December 31, 2015.





Other Group Updates

In Q1 2015, the Group announced material events and entered into material contracts as follows:

- Costa Rica Sale: As previously reported, the Group sold its entire economic and management rights in its seven casinos in Costa Rica to CIRSA International Gaming Corporation, S.A. ("CIRSA") as of February 27, 2015. The enterprise valuation for the operations sold was $35.8 million and, after adjusting for cash, debt assumption / pay down, and other working capital adjustments, the net cash received for the Group's approximate 50% share was approximately $8.1 million. Additionally, Thunderbird sold its share of the hotel and underlying real estate at Perez – Zeledon, owned by the Costa Rica operations. As part of the sale, Thunderbird entered into a 36-month non-compete agreement in Costa Rica. In the event there is any tax refund granted to its former Costa Rica operations for taxes already paid and under appeal, Thunderbird will be entitled to its share of such taxes already paid. Currently, approximately $3.3 million of taxes paid by Thunderbird Gran Entretenimiento de Costa Rica, S.A. ("TGE") are under appeal. There is no assurance that a refund (if any) will be granted. Finally, Thunderbird's share of a holdback (if any) in case of unknown pre-closing liabilities is $1,062,500. There is no assurance that a holdback (if any) will be released to Thunderbird. Thunderbird retains its 50% share of two parcels of real estate in San Jose, Costa Rica (approximately 8.2 hectares – Tres Rios and 2.7 hectares – Escazu). The Group continues its efforts to sell these now debt-free properties. A fuller description of these two properties is contained in previous press releases as well as the interim management statements and this annual report (see page 8).

- Loan Extension: The Group entered into agreements for new ($350 thousand) and refinanced ($950 thousand) loans at rates of approximately 8% to 9% and terms of approximately 12 to 36 months.

In Q2 2015, the Group announced material events and entered into material contracts as follows:

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

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

    - The Group settled a possible $6 million or greater exposure arising from a guarantee it provided in 2009 to a mezzanine lender (Maravege Holding Limited) to the Daman, India project. The total consideration for settlement was $2.425 million consisting of a cash payment of $1.325 million to be paid over 23 months and an offsetting credit for the $1.1 million to be paid by Maravege for the remaining 5.5% of shares the Group has in DHPL. The share transfer is subject to a certain first right process with an existing DHPL shareholder as described below.
    - The Group completed the process with KP Group, another shareholder of DHPL, giving them an opportunity to purchase the subject shares for the same $1.1 million. KP Group failed to match the $1.1 million Maravege offer and did not purchase and pay for the shares. The Group then transferred its shares to Maravege as part of the settlement. The Group obtained full release from DHPL and from its controlling shareholder, Delta Corp Limited ("Delta") for any potential liabilities and claims.
    - The Group received from Delta and DHPL proof that all senior lenders, whose loans totaled approximately $25 million and had been guaranteed by the Group, have been paid in full by DHPL/Delta.
    - The Group obtained a full release from Madison India Real Estate Fund Limited ("MIREF"), whose mezzanine loan to DHPL of approximately $7.2 million had been guaranteed by Thunderbird.

In Q3 2015, the Group announced material events and entered into material contracts as follows:

- Over the course of several weeks: Beginning September 9, 2015, the Company announced that various directors and officers purchased 846,184 of its issued and outstanding common shares through the market as well as from a shareholder in a private transaction. In addition, Thunderbird itself purchased 660,000 shares through the facilities of the Euronext Amsterdam in accordance with the applicable rules of the exchange concerning private transactions. The shares were purchased at an average share price of $0.50 per share.

- In September 2015, the Company announced the reduction of debt balance owed to a single lender from approximately $3.4 million to $600 thousand ($500 thousand net present value), for a gross debt reduction of $2.8 million and one-time gain to the Group of $2.9 million. Gross debt balances forecast for the end of October 2015, are preliminarily estimated at $33 million.

In Q4 2015, the Group announced material events and entered into material contracts as follows:

- Material Reduction of Corporate Expense: Management began implementation of a plan to materially reduce Corporate expense from $4.4 million in 2014 to a run rate of approximately $2.9 million by Q1 2016 and a run rate of $2.5 million by Q4 2016. Subsequent to Half-year 2015, the Group restructured and bought out certain officer contracts and also notified certain employees that their positions would be eliminated between the periods of Q4 2015 and Q1 2016, which collectively should reduce Corporate expense by approximately $645 thousand annually. In relation to the restructuring of officer's contracts, the Group bought out the employment contracts with three of its officers who had severance rights equal to 2.99 times their annual base salaries for an approximate total possible severance cost of $2.4 million. Under the restructuring, during August 2015, Albert W. Atallah, General Counsel, Peter LeSar, CFO, and Tino Monaldo, Vice President of Corporate Development, agreed to terminate each of their respective employment contracts for a discounted severance cash cost of approximately $1.1 million ($600,000 for Tino Monaldo, $270,000 for Albert W. Atallah and $250,000 for Peter LeSar), plus 850 thousand shares of Thunderbird Resorts, which have an approximate market value of $430 thousand (300,000 shares for Tino Monaldo, 300,000 shares for Albert W. Atallah and 250,000 shares for Peter LeSar). In total, the Group saved approximately $900 thousand as compared to the contractual requirements for liquidation. Two of these officers (Albert W. Atallah and Peter LeSar) entered into new "at-will" contracts that are terminable at any time with or without cause with various notice requirements. The approximate savings of $500 thousand on a run rate basis starting in November 2015 is the result of Tino Monaldo, Vice President of Corporate Development, reaching an agreement with the Group to take early retirement effective as of October 31, 2015. He agreed to provide transitions services beyond October 31, 2015, if requested. The $500 thousand of savings is the approximate sum of the fully-loaded labor / benefit costs, office costs and travel costs that will no longer be required. Mr. Monaldo has been with the Company since 2007 and has provided invaluable services in leading the Group's efforts to successfully consummate it 144A equity transaction in 2007, list on the Euronext in 2008, and restructure the Group through the sale of assets in Panama, the Philippines, Costa Rica, Guatemala and Peru.

As Subsequent Events to the year ended December 31, 2015, the Group announced material events and entered into material contracts as follows:

- Temporary reduction of Officers' salaries: Effective January 1, 2016, Officers collectively discounted the cash portion of their salaries by approximately $50,000 per month in order to reserve cash. Officers agreed to do so until June 2016, at which time there would be an assessment of the needs of the Company on a go-forward basis. Officers have reserved the right to collect unpaid compensation either through stock at no less than $0.50 per share or market rate if market rate is higher, or in cash against future liquidity events.

- Resignation of Director: Reto Stadelmann resigned his position as a board member effective February 15, 2016.

- 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, 2016 through June 30, 2016. The total principal balance of these deferred loans as of January 1, 2016 was $8.4 million. Any and all interest that accrues during this six-month period will be added to the principal balance effective June 30, 2016.

- Settlement on loan obligation: As previously reported, the Group sold its interests in its Guatemala gaming operations to a local "Guatemalan Group" and later assigned the business to Fundacion Travelone Kids ("FTK") effective April 22, 2014. The sale of our interest of this negatively performing operation was financed by the Group with a $2.0 million installment note. In 2014, the Group wrote down the note due to non-payment caused by continued poor financial results. Regardless, the Group continued efforts to collect. Effective April 1, 2016, a settlement was reached with FTK wherein FTK agreed to the following:
  - To pay Thunderbird Resorts Inc. $200 thousand in 24 equal monthly installments.
  - If FTK defaults in the payments, then the original $2 million Promissory Note dated April 22, 2014, and related documents would remain in full force and effect. In that case, Thunderbird Resorts Inc. could avail itself to any and all remedies provided therein.
  - In the alternative and to the extent that stipulated /consent judgments are enforceable under Guatemala laws, Thunderbird Resorts Inc. is authorized to enter judgment in its favor for $2 million plus all accrued unpaid interest due as demanded in the complaint, less any sum paid on account, together with interest, costs, disbursements and attorneys' fees.

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

Other Key Items

MARKETING

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

EMPLOYEES

As of December 31, 2015, we employed 1,415 in the Group's continuing operations, comprised of 812 in Peru, 579 in Nicaragua, and 24 elsewhere. As of March 31, 2016, the total number of employees is 1,406 of which 806 were in Peru, 578 in Nicaragua and 22 were elsewhere.

Labor laws in Latin America are generally more protective of employees than employers. Latin America has laws protecting employees from having their employment terminated without proper cause or without paying such employees severance compensation in established statutory amounts and, in some Latin American countries the law establishes a minimum number of vacation days. Each Thunderbird subsidiary

has its own country-level training and development programs according to the Group's corporate guidelines. We offer opportunities for employees to be personally challenged with educational assistance now available at some of the Group's locations. Most of the Group's subsidiaries offer life and health insurance with a preferred provider network and co-payment methods to the Group's upper/middle management as well as for the Group's staff and operational employees.

INSURANCE

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

LITIGATION AND CONTROVERSIES

The Group has disclosed a number of matters including ongoing litigation in Notes 17 and 22 of the financial statements. In addition to the litigation described in these Notes, we are subject to legal proceedings arising in the ordinary course of business or related to the Group's discontinued business operations.

Other than as described in this 2015 Annual Report in Notes 17 and 22 of the 2015 Consolidated Financial Statement, there are not and have not been any governmental, legal or arbitration proceedings that may have or have had significant effects on the Group's financial position or profitability.

Chapter 3:
Regulatory Environment

GOVERNMENT REGULATION

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

PERU

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

In 2013, the DGJCMT began working together with the Financial Intelligence Unit ("UIF") to approve the regulation of the compliance and reporting law. The new regulation will improve the UIF and DGJCMT's

ability to investigate and fine non-compliant operators and combat any possible money laundering taking place in the gaming industry. We believe the UIF's initiative is another step in the right direction to continue to improve on Peru's status as a leader in the region in gaming law and economic stability for serious operators. The terms of our Peru casino gaming licenses are as follows:

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

See Note 22 of the Group's Financial Statements entitled "Contingencies" which includes a contingency for that certain matter described as the Peru Tax Controversy.

NICARAGUA

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

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

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

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

Article 5 of the Law 884 mandates the creation of a Board of Control and Regulation of Casinos and Slot Parlors, consisting of the Minister of Finance and Public Credit (President of this Board), the General Director of Income or his deputy, the General Director of the National Police or his (her) deputy, the General

Director of the Financial Analysis Unit or his deputy and the Director from the Office for the Casinos and Slot Parlors, with voice but no vote in the meetings of this Board.

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

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

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

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

PROVISIONS AND OTHER CONTINGENCIES

See Notes 17 and 22 of the Group's Financial Statements that describe certain matters such as the India settlement provision, the Peru tax controversy, the Costa Rica tax controversy, the Daman Hospitality loan guarantee, the Canadian tax controversy, and the Guatemala controversy. Please note that effective February 25, 2015, and in conjunction with the sale of our Costa Rican operations, the Group's Costa Rican subsidiaries paid in protest approximately $3.3 million (50% of which relates to the Group's 50% stake in those subsidiaries at time of sale) to the Costa Rican tax authorities. The Group continues to dispute the validity of the Costa Rican contingent taxes as described in Note 22, as per our agreements with the buyers of our interests in our Costa Rican operations, any recovery is the benefit of the former shareholders, meaning 50% of any recovery will be to the benefit of the Group.

Chapter 4:
Management Compliance Statement

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

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

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

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

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

RISK MANAGEMENT

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

MANAGEMENT STATEMENT ON "GOING CONCERN"

Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months from the filing of this 2015 Annual Report. In arriving at this judgment, Management has prepared the cash flow projections of the Group, which incorporates a 5-year rolling forecast and detailed cash flow modeling through the current financial year. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no new construction projects during the forecast period. 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 the filing date of this 2015 Annual 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 by third parties in the acquisition of certain operating assets.

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

- Debt Repayment 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. The Group has invested significant time and effort to refinance debt under longer-term amortizations, but the banking industry in Latin America is not easily amenable to financing our gaming operations or real estate that depend on gaming income. The Group may need to sell the majority of its real estate assets in order to pay down virtually all Group debt and revert the Group to positive cash flow. Progress in this regard includes the announced sale of our Panama office building (see page 6).
- Corporate Expense and Cash Flow: Corporate expense has decreased materially in recent years, and is expected to continue to decrease. Combined with debt reduction, achieving the Group's announced Corporate expense targets (see page 6) is critical to achieving positive cash flow. Progress in this regard includes preliminary, unaudited Corporate expense in Q1 2016 of $767 thousand, or an annualized run rate of approximately $3.1 million, which is a material reduction from the $4.1 million reported for 2015.

- Liquidity and Working Capital: The Group is currently operating with low levels of reserves and working capital. Selling all or virtually all Group real estate and reverting cash flow will be critical to creating a healthy level of working capital reserves.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the 12 months following the filing date of this report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY STATEMENT

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

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

- The consolidated financial statements for the year ended December 31, 2015, give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group's consolidated companies;

- The additional management information disclosed in the Annual Report gives a true and fair view of the Group as at December 31, 2015, and the state of affairs during the financial year to which the report relates; and

- The Annual Report describes the principal risks facing the Group. These are described in detail in Chapter 8, "Risk Factors."

April 26, 2016
Salomon Guggenheim, President, CEO and Director
Albert Atallah, Corporate Secretary and General Counsel
Peter LeSar, Chief Financial Officer
Douglas Vicari, Director
Georg Gruenberg, Director

Chapter 5:
Report of the Board of Directors

Senior Management, Directors and Director Nominees

The following table sets forth certain information about the persons who serve on the Group's Board of Directors as of December 31, 2015. Members of the Group's Board of Directors serve for a one-year term, which expires at each annual meeting. Unless otherwise indicated, the business address of each person listed below is Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514 Zona 7, Panama City, Panama.

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

Name	**Age**	**Position**	**Date of Birth**
Salomon Guggenheim	55	President, CEO and Director	4-Mar-60
Albert Atallah	59	General Counsel, Corporate Secretary	9-Apr-56
Madeleine Linter	60	Director	16-Aug-55
Douglas Vicari	56	Director	9-Aug-59
Reto Stadelmann	51	Director	12-Sep-64
Georg Gruenberg	77	Director	2-Mar-38

Note: Madeleine Linter was a director through August 10, 2015. Albert Atallah was a director through February 15, 2016. Reto Stadelmann was a director through February 15, 2016.

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

Name	**Age**	**Position**	**Date of Birth**
Peter LeSar	47	Chief Financial Officer	14-Jun-68
Tino Monaldo	57	Vice President—Corporate Development	12-Oct-58

Note: Tino Monaldo was Vice President—Corporate Development through October 31, 2015.

SENIOR MANAGEMENT

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

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

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

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

INDEPENDENT BOARD OF DIRECTORS

Reto Stadelmann. Mr. Stadelmann joined us as a Director in June 2012. He is currently self-employed with FX Trading in Switzerland. In 1985 and 1986 Mr. Stadelmann studied law at the University of Zurich in Switzerland. In 1986 to 1987 he was involved in the International Educational Programme for the Union Bank of Switzerland in Zurich. In 1988 he was an FX-Forward Trader responsible for CHF currency for the Union Bank of Switzerland in Zurich. From 1989 to 1991 he was the Head of FX-Forward Products at the Union Bank of Switzerland in Tokyo. In 1984 to 1995, Mr. Stadelmann was the Treasurer at Schweizerische Bankgelsellschaft in Frankfurt, Germany. From 1995 to 1997 he was the European Head of FX-Forward Products at the Union Bank of Switzerland in Zurich. Then from 1997 to 1998, Mr. Stadelmann was the Global Head FX-Forward Products with the Union Bank of Switzerland in Zurich. From 1998 to 1999 he was the Head of Short Term Interest Rate Products with Asia Pacific UBS AG in Singapore. In 1999 he then became the Global Head of Cash and Collateral Trading Cash at UBS AG in Zurich. From 2000 to 2003 he was the Global Head of Cash and Collateral Trading at UBS AG in Zurich. From 2003 to 2009 he was the Global Co-Head of Foreign Exchange and Money Market at UBS AG. From 2009 to 2010 he was the Global Co-Head of Macro at UBS AG and was also a member of the UBS Investment Bank Board. He resigned from the board on February 15, 2016.

Douglas W. Vicari. Mr. Vicari joined us as a Director in 2007. He is the Executive Vice President, Chief Financial Officer, Treasurer and a Trustee with Chesapeake Lodging Trust, positions he has held since its formation. Prior to joining Chesapeake, Mr. Vicari served as a principal with Paramount Hotel Group, a hotel owner, developer and operator, from January 2009 to June 2009. Previously, Mr. Vicari served as Executive Vice President and Chief Financial Officer of Highland Hospitality Corporation, or Highland, from September 2003 until its sale in July 2007. Prior to joining Highland, Mr. Vicari served as Senior Vice President and Chief Financial Officer of Prime Hospitality Corporation, or Prime, a formerly NYSE-listed

company acquired by an affiliate of The Blackstone Group in 2004, from August 1998 to July 2003, and also served on the board of directors of Prime from May 1999 to July 2003. Prior to his appointment as Chief Financial Officer, he served as Vice President and Treasurer of Prime from January 1991 to July 1998, and was an instrumental member of the management team that led the company out of bankruptcy in July 1992. From 1986 to 1991, Mr. Vicari was Director of Budgeting and Financial Planning for Prime, and was responsible for all budgeting, planning and forecasting. Prior to his tenure at Prime, Mr. Vicari held numerous management positions at Combustion Engineering (now ABB Brown Boveri) from 1981 to 1986. Mr. Vicari earned a B.S. in Accounting from the College of New Jersey and received his M.B.A. in Finance from Fairleigh Dickinson University.

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

FURTHER INFORMATION ON THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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

MANAGEMENT ON THE BOARD OF DIRECTORS

For information regarding Salomon Guggenheim see above.

Board of Directors - Governance

GENERAL

The Group's Board of Directors consists of 2 Directors as of the date of this Annual Report, of whom 2 (Messrs. Gruenberg and Vicari) are independent. Independence determinations were made by the Group's Board of Directors using the current guidelines of the Euronext for companies listed on that exchange. Members of the Group's Board of Directors serve for a one-year term, which expires at each annual meeting.

COMMITTEES OF THE BOARD

The Group's Board of Directors has established an Audit Committee, a Nominating and Governance Committee, a Compensation Committee and an Investment Committee. Each such committee has 2 independent Directors except the Investment Committee that is composed of 3 members of senior management and 1 independent Director.

AUDIT COMMITTEE

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

COMPENSATION COMMITTEE

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

NOMINATING AND GOVERNANCE COMMITTEE

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

INVESTMENT COMMITTEE

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

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

VACANCIES ON OUR BOARD OF DIRECTORS

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

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

Compensation to Senior Management and Directors

SENIOR MANAGEMENT COMPENSATION

Senior management is defined as officers and directors of the parent company. The following table sets forth the compensation of each of the Group's senior management for 2015. For a discussion of the compensation of certain of senior management going forward, please see "Employment Agreements."

	Director/Employee	Salary	Aggregate other compensation	Total compensation
Salomon Guggenheim [1]	Director-Employee	$ 422,892	$ 30,446	$ 453,338
Tino Monaldo [2]	Employee	1,006,250	56,500	1,062,750
Albert Atallah [3]	Director-Employee	645,000	45,183	690,183
Peter Lesar [4]	Employee	615,000	26,243	641,243
Madeleine Linter [5]	Director	29,315	-	29,315
Douglas Vicari	Director	48,000	-	48,000
Reto Stadelmann [6]	Director	48,000	-	48,000
Georg Gruenberg	Director	48,000	-	48,000
Total		**$ 2,862,457**	**$ 158,372**	**$ 3,020,829**

(1) Aggregate other compensation includes health insurance ($446) and housing allowance of ($30,000).

(2) Tino Monaldo was Vice President—Corporate Development through October 31, 2015. Aggregate other compensation consist of professional fees paid to Mr. Monaldo ($49,163) and other benefit ($7,338). Mr. Monaldo is responsible to pay for his health, life, disability and dental insurance and other professional fees costs. Tino Monaldo received $600,000 as a one-time payment in consideration of terminating his three-year employment contract.
(3) Albert Atallah was a director through February 15, 2016, he will remain as General Counsel. Aggregate other compensation includes life, health, dental and disability insurance ($40,228) and other benefits ($4,955). Albert W. Atallah received a one-time payment of $270,000 in consideration for terminating his three-year employment contract
(4) Aggregate other compensation includes health insurance ($2,621), housing allowance of ($18,000), and other benefits ($5,622).
(5) Madeleine Linter was a director through August 10, 2015.
(6) Reto Stadelmann was a director through February 15, 2016.
Peter Lesar received $250,000 in consideration for the termination of his three-year employment contract.

BOARD OF DIRECTOR COMPENSATION

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

2007 EQUITY INCENTIVE PLAN

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

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

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

Notwithstanding the shares issued to directors as payment for Board of Director Compensation (see section above), there has been no equity issued to employees, consultants and/or directors in 2015 under the 2007 Equity Incentive Plan.

OPTIONS

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

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

PERFORMANCE COMPENSATION AWARDS

The Equity Plan provides the Administrator with the authority, at the time of grant of any Award (other than options and stock appreciation rights granted with an exercise price or grant price equal to or greater than the fair market value per share of stock on the date of the grant), to designate such Award as a performance compensation award in which case, the vesting of such award shall be based on the satisfaction of certain pre-established performance criteria.

STOCK APPRECIATION RIGHTS

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

CHANGE IN CONTROL

The Group has entered into various loan agreements in which a change in control (as defined in certain Loan Agreements) will result in such loan(s) becoming due and payable immediately upon the occurrence of a change of control. "Change of control" in these various loan agreements in general includes one or more

of the following: a) Acquisition of more than 20% of shares by a shareholder or a shareholder group; b) An involuntary change in more than 1/6th of the directors; c) An involuntary termination of 2 of 3 persons currently holding positions of General Counsel, Chief Financial Officer and VP Corporate Development (excluding resignations, retirements or terminations for cause); or d) Involuntary removal of more than one incumbent board of directors under certain circumstances. Such loan principal balances as of December 31, 2015, are approximately $9.3 million, of which $1.3 million are new and refinanced loans granted in Q1 2015 and that are specifically subject to prepayment on the condition that Salomon Guggenheim is no longer President, CEO or Director of the Group.

AMENDMENT AND TERMINATION

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

PREVIOUS EQUITY INCENTIVE PLANS

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

Pursuant to stock options granted under the Group's 2005 Stock Option Plan, there are approximately 26,684 non-expired stock options convertible to common shares for issuance upon exercise. All of such options were granted with an exercise price equal to or greater than the market value of a common share at the time of grant. The Group's Board of Directors resolved that no further securities will be granted under the 2005 Stock Option Plan (regardless of whether such outstanding awards are forfeited or otherwise expire). During 2015 and through April 26, 2016, nil stock options were exercised.

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

EMPLOYMENT AGREEMENTS

This section describes employment agreements that were in effect until the August 2015 regardless of whether or not the employee is deemed to be Senior Management as defined in section Senior Management Compensation.

In November of 2007, the Group entered into certain employment agreements with the Group's senior Management, effective December 1, 2007. These employment agreements were terminated as of August 2015. Subsequent to Half-year 2015, the Group restructured and bought out these contracts, and has also

notified certain employees that their positions would be eliminated between the periods of Q4 2015 and Q1 2016, which collectively should reduce Corporate expense by approximately $645 thousand annually. In relation to the restructuring of officer's contracts the Group bought out the employment contracts with three of its officers who had severance rights equal to 2.99X their annual base salaries for an approximate total possible severance cost of $2.4 million. Under the restructuring, during August 2015, Albert W. Atallah, General Counsel, Peter Lesar, CFO, and Tino Monaldo, Vice President of Corporate Development, agreed to terminate each of their respective employment contracts for a discounted severance cash cost of approximately $1.1 million ($600,000 for Tino Monaldo, $270,000 for Albert W. Atallah and $250,000 for Peter Lesar), plus 850 thousand shares of Thunderbird Resorts, which have an approximate market value of $430 thousand (300,000 shares for Tino Monaldo, 300,000 shares for Albert W. Atallah and 250,000 shares for Peter LeSar). In total, the Group saved approximately $900 thousand as compared to the contractual requirements for liquidation. Two of these officers (Albert W. Atallah and Peter LeSar) entered into new "at will" contracts that are terminable at any time with or without cause with various notice requirements. The approximate savings of $500 thousand on a run rate basis starting in November 2015 is the result of Tino Monaldo, Vice President of Corporate Development, reaching an agreement with the Group to take early retirement effective as of October 31, 2015. He has agreed to provide transition services beyond October 31, 2015, if requested. The $500 thousand of savings is the approximate sum of the fully loaded labor costs, benefits, office costs and travel costs that will no longer be required.

Messrs. Atallah and LeSar entered into new employment agreements as described herein.

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

2015 PERFORMANCE BONUSES

No performance bonuses were paid to officers during 2015.

Chapter 6:
Investor Relations, Shares & Dividends

The following table sets forth information regarding the beneficial ownership of the Group's common shares as of December 31, 2015 by:

- Each person or entity that we know is more than a 5% beneficial owner;
- Each Director or executive officer who beneficially owns more than 1% equity interest; and
- All of the Group's Directors and executive officers as a group (including those that are no longer executive officers as of December 31, 2015).

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

	Director/Employee	Beneficial Ownership Number (1)	Percent (8)
Salomon Guggenheim (2)	Director-Employee	1,171,074	4.75%
Albert Atallah (3)	Director-Employee	494,997	2.01%
Tino Monaldo (4)	Employee	453,017	1.84%
Peter LeSar (5)	Employee	420,716	1.71%
Reto Stadelmann (6)	Director	754,693	3.06%
Madeleine Linter (7)	Director	259,256	1.05%
Douglas Vicari	Director	384,937	1.56%
George Gruenberg	Director	276,882	1.12%
Total		**4,215,572**	**17.10%**

(1) Includes restricted common shares granted under our 2007 equity incentive plan. See Chapter 7, "2007 Equity Incentive Plan".
(2) Includes 1,163,406 common shares and 7,668 common shares issuable upon exercise of options.
(3) Albert Atallah was a director through February 15, 2016, he will remain as general Counsel. Includes 477,981 common shares and 17,016 common shares issuable upon exercise of options.
(4) As of the last day of his tenure with the Group in October 31, 2015. Tino Monaldo owned 453,717 common shares.
(5) Includes 418,716 common shares and 2,000 common shares issuable upon exercise of options.
(6) Reto Stadelmann is no longer a director as of February 15, 2016.
(7) As of the last day of her tenure with the Group in August 10, 2015. Madeleine Linter owned 259,256 common shares.
(8) Percentage based on 24,642,942 issued and outstanding shares as of 12/31/15 and 26,684 common shares issuable upon exercise of options.

Conflicts of Interest

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

Related Party Transactions

Below are the related party transactions involving Officers and Directors.

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

Reto Stadelmann (Director). Mr. Stadelmann joined the Group as a Director in June 2012. Mr. Stadelmann loaned the Company $1.4 million during 2013, including the principal and interest charges of 8% and 12%. Prior to Mr. Stadelmann's appointment as a Director, he or companies in which he has a controlling interest, have made loans to the Group and as of December 31, 2015 there are no principal outstanding balances. As of February 15, 2016, Reto Stadelmann is no longer a director of the Company.

Tino Monaldo (Vice President, Corporate Development). We paid Mr. Monaldo total consulting fees of $49,163 in 2015 and $52,020 in 2014. He paid his own health, life, and dental insurance, and other professional fees and expenses. As of October 31, 2015, Tino Monaldo is no longer an employee of the Company.

Other Related Party Transactions. For information regarding related party transactions with joint ventures and with partners in the Group's operating entities, see Note 20 to the Group's consolidated financial statements for the year ended December 31, 2015, incorporated herein by reference.

Description of Securities

GENERAL

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

the Group changed its name to "International Thunderbird Gaming Corporation." On February 5, 1999, the Group converted, by continuing its charter documents, from a British Columbia, Canadian corporation to a Yukon, Canadian corporation. On July 12, 2005, the Group changed its name to "Thunderbird Resorts Inc." On October 6, 2006 the Company moved its domicile and reincorporated (by continuing its charter documents) in the British Virgin Islands.

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

COMMON SHARES AND OPTIONS

As of December 31, 2015, we had 24,642,942 common shares outstanding, ISIN VGG885761061; each common share is fully paid. The number of outstanding common shares above excludes: a) 26,684 common shares available for future issuances under our previous equity incentive plans (with respect to which the Group's Board of Directors has resolved not to issue any more securities); and b) common shares available for future issuances under the Group's 2007 equity incentive plan equal to 5% of issued and outstanding shares. The Group's common shares do not have conversion feature. However, a holder of an option or warrant who wants to exercise such option or warrant will notify the Group during the exercise period, pay the strike price, whereupon they will receive the applicable number of shares. As of December 31, 2015, the Group owns 993,972 shares as part of its Buy Back Program, which program expired on November 22, 2014.

As of April 26, 2016, we have 25,054,371 common shares outstanding. Set forth below is information (illustrating grant date, exercise price and expiration dates) for the outstanding Group stock options as of December 31, 2015:

Grant Date	Unexercised	Exercisable
8/17/2005	15,334	15,334
1/17/2007	-	-
7/25/2007	11,350	11,350
Total	**26,684**	**26,684**
Exercise Price	**Unexercised**	**Exercisable**
$1.92	-	-
$2.10	15,334	15,334
$3.30	-	-
$4.98	11,350	11,350
Total	**26,684**	**26,684**
Expiration Date	**Unexercised**	**Exercisable**
7/25/2016	11,350	11,350
8/17/2016	15,334	15,334
Total	**26,684**	**26,684**

Organizational Documents

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

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

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

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

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

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

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

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

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

BRITISH VIRGIN ISLANDS LAW

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

CANADIAN LAW

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

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

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

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

YEARLY AND HALF-YEARLY INFORMATION

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

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

INTERIM MANAGEMENT STATEMENTS

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

DUTCH TAKEOVER ACT

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

MARKET ABUSE REGIME

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

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

DISCLOSURE OF HOLDINGS

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

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

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

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

TRANSFER AGENT AND REGISTRAR

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

PAYING AGENT

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

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

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

AVAILABILITY OF DOCUMENTS

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

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

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

(b) All reports, letters, other documents, historical financial information (such as the Group's 2015, 2014, 2013 and 2012 consolidated financial statements), valuations and statements prepared by any expert at the Group's request, any part of which is included or referred to in this Annual Report.

Chapter 7:
2015 Consolidated Financial Statements & Report of the Independent Auditors

Report of the Independent Auditors

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

Independent Auditor's Report on the financial statements

We have audited the accompanying financial statements for the year ended December 31, 2015 of Thunderbird Resorts, Inc, British Virgin Island ("the Group"), which comprise the statement of financial position as at December 31, 2015 the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Thunderbird Resorts, Inc as at December 31, 2015 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matters

We draw your attention to Note 2 – Going Concern Statement and Note 22 – Contingencies to the financial statements which describes the uncertainties relating to going concern assumption and regulatory and tax legislation in the jurisdictions in which the Group operates. The ultimate outcome of the matters disclosed in Note 22 cannot presently be determined, and no provision for any liability has been made in the financial statements, except for those for which a settlement has been reached.

We have not modified our report in this respect.

Curacao, April 26, 2016

Baker Tilly Curacao

V.T.M. Bergisch RA

Financial Statements

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014
Assets		
Non-current assets		
Property, plant and equipment (Note 10)	$ 24,019	$ 28,720
Investment accounted for using the equity method (Note 27)	5,908	6,403
Intangible assets (Note 9)	5,985	7,783
Deferred tax asset (Note 8)	423	566
Trade and other receivables (Note 12)	1,629	1,543
Due from related parties (Note 20)	42	5,651
Total non-current assets	38,006	50,666
Current assets		
Trade and other receivables (Note 12)	1,126	2,766
Due from related parties (Note 20)	2,070	1,019
Inventories (Note 13)	480	738
Restricted cash (Note 14)	1,534	1,802
Cash and cash equivalents (Note 14)	2,869	4,749
Total current assets	8,079	11,074
Total assets	**$ 46,085**	**$ 61,740**

- continued -

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014
Equity and liabilities		
Capital and reserves		
Share capital (Note 18)	110,456	110,144
Share option reserve	89	289
Retained earnings	(104,633)	(106,552)
Translation reserve	(5,209)	(1,725)
Equity attributable to equity holders of the parent	703	2,156
Non-controlling interest	1,911	6,404
Total equity	2,614	8,560
Non-current liabilities		
Borrowings (Note 16)	22,966	28,532
Obligations under leases and hire purchase contracts (Note 21)	441	317
Deferred tax liabilities (Note 8)	22	77
Provisions (Note 17)	616	1,475
Trade and other payables (Note 15)	1,133	1,318
Total non-current liabilities	25,178	31,719
Current liabilities		
Trade and other payables (Note 15)	5,943	6,203
Due to related parties (Note 20)	983	2,368
Borrowings (Note 16)	7,735	9,763
Obligations under leases and hire purchase contracts (Note 21)	991	463
Other financial liabilities (Note 24)	379	615
Current tax liabilities	361	821
Provisions (Note 17)	1,901	1,228
Total current liabilities	18,293	21,461
Total liabilities	43,471	53,180
Total equity and liabilities	**$ 46,085**	**$ 61,740**

The consolidated financial statements were approved by the Board of Directors on April 26, 2016.

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014 (Restated)
Net gaming wins	$ 33,759	$ 34,498
Food, beverage and hospitality sales	7,581	9,272
Total revenue	41,340	43,770
Cost of goods sold	(16,224)	(16,637)
Gross profit	25,116	27,133
Other operating costs		
Operating, general and administrative	(22,042)	(24,516)
Project development	(133)	-
Depreciation and amortization	(2,954)	(3,922)
Other gains and (losses) (Note 5)	(2,405)	(1,328)
Operating loss	(2,418)	(2,633)
Share of loss from equity accounted investments	(46)	(1,768)
Financing		
Foreign exchange loss	(859)	(437)
Financing costs (Note 7)	(4,196)	(4,528)
Financing income (Note 7)	3,065	652
Other interest (Note 7)	(23)	(37)
Finance costs, net	(2,013)	(4,350)
Loss before tax	(4,477)	(8,751)
Income taxes expense (Note 8)		
Current	(1,018)	(1,387)
Deferred	12	221
Income taxes expense	(1,006)	(1,166)
Loss for the year from continuing operations	**$ (5,483)**	**$ (9,917)**
Gain / (loss) for the year from discontinued operations (Note 11)	6,695	(856)
Profit / (loss) for the year	**$ 1,212**	**$ (10,773)**

- continued -

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014 (Restated)
Other comprehensive income (amounts, which will be recycled)		
Exchange differences arising on the translation of foreign operations	$ (3,484)	$ (2,459)
Other comprehensive income for the year	(3,484)	(2,459)
Total comprehensive income for the year	**$ (2,272)**	**$ (13,232)**
Gain / (loss) for the year attributable to:		
Owners of the parent	1,072	(11,084)
Non-controlling interest	140	311
	$ 1,212	$ (10,773)
Total comprehensive income attributable to:		
Owners of the parent	(2,412)	(13,543)
Non-controlling interest	140	311
	$ (2,272)	$ (13,232)
Basic loss per share (in $) : (Note 18)		
Loss from continuing operations	(0.23)	(0.45)
Gain / (loss) from discontinued operations	0.28	(0.04)
Total	0.05	(0.49)
Diluted loss per share (in $) : (Note 18)		
Loss from continuing operations	(0.23)	(0.45)
Gain / (loss) from discontinued operations	0.28	(0.04)
Total	0.05	(0.49)

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

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

	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, 2015	$ 110,144	$ 289	$ (1,725)	$ (106,552)	$ 2,156	$ 6,404	$ 8,560
Transactions with owners:							
Issue of new shares	632	-	-	-	632	-	632
Shares buy-back	(320)	-	-	-	(320)	-	(320)
Options cancellation and expiration		(200)	-	200	-	-	-
Costa Rica disposal	-	-	-	-	-	(4,633)	(4,633)
	$ 312	$ (200)	$ -	$ 200	$ 312	$ (4,633)	$ (4,321)
Profit for the year	-	-	-	1,072	1,072	140	1,212
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(3,484)	647	(2,837)	-	(2,837)
Total comprehensive income for the year	-	-	(3,484)	1,719	(1,765)	140	(1,625)
Balance at December 31, 2015	$ 110,456	$ 89	$ (5,209)	$ (104,633)	$ 703	$ 1,911	$ 2,614

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014 (Restated)
Cash flow from operating activities		
Loss for the year	$ (5,483)	$ (9,917)
Adjustments for:		
Depreciation and amortization	2,954	4,306
Loss on disposal of property, plant and equipment	-	(107)
Unrealized foreign exchange	870	510
Increase / (decrease) in provision	115	(1,367)
Bad debt expense	19	128
Other losses / (gains)	1,306	1,286
Share based payments	632	219
Finance income	(3,065)	(652)
Finance cost	4,196	4,528
Other interests	23	37
Disposal of Equity accounted investments	2,415	-
Results from equity accounted investments	46	1,768
Tax expenses	1,006	1,171
Net change in non-cash working capital items		
Decrease in trade, prepaid and other receivables	(682)	6,729
Decrease in inventory	178	87
Decrease in trade payables and accrued liabilities	(739)	(465)
Cash from operations	3,795	8,282
Total tax paid	(1,048)	(1,059)
Net cash generated by continuing operations	2,747	7,223
Net cash generated by discontinued operations	76	12
Net cash from operating activities	**$ 2,823**	**$ 7,235**

- continued -

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the year ended December 31, 2015

	2015	2014 (Restated)
Cash flow from investing activities		
Expenditure on property, plant and equipment	(3,752)	(2,943)
Proceeds on sale of property, plant and equipment	36	1,622
Proceeds on sale of Costa Rica operation, net of cash disposed	7,618	-
Cost of sale of Costa Rica operation	(160)	-
Cost of sale of Philippines operation	-	(259)
Interest received	156	652
Net cash from (used) investing activities	**$ 3,898**	**$ (928)**
Cash flow from financing activities		
Shares buy-back	(320)	-
Proceeds from issuance of new shares	36	-
Proceeds from issue of new loans	870	534
Repayment of loans and leases payable	(5,418)	(3,535)
Interest paid	(3,405)	(3,819)
Net cash used in financing activities	**$ (8,237)**	**$ (6,820)**
Net change in cash and cash equivalents during the year	(1,516)	(513)
Cash and cash equivalents, beginning of the year	6,551	7,215
Effect of foreign exchange adjustment	(632)	(151)
Included in disposal group (Note 11)	-	(383)
Cash and cash equivalents, end of the year	**$ 4,403**	**$ 6,168**

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

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of operations

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

These activities are grouped into the following service lines:

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

General information and statement of compliance with IFRS

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

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

The Group’s 2015 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 (page 61).

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 from the filing of this 2015 Annual Report. In arriving at this judgment, Management has prepared the cash flow projections of the Group, which incorporates a 5-year rolling forecast and detailed cash flow modeling through the current financial year. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no new construction projects during the forecast period. 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 the filing date of this 2015 Annual Report; (ix) ability to re-amortize and unsecured lenders; (x) level of probability of refinancing of secured debt; and (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.

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

- Debt Repayment 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. The Group has invested significant time and effort to refinance debt under longer-term amortizations, but the banking industry in Latin America is not easily amenable to financing our gaming operations or real estate that depend on gaming income. The Group may need to sell the majority of its real estate assets in order to pay down virtually all Group debt and revert the Group to positive cash flow. Progress in this regard includes the announced sale of our Panama office building (see page 6).
- Corporate Expense and Cash Flow: Corporate expense has decreased materially in recent years, and is expected to continue to decrease. Combined with debt reduction, achieving the Group's announced Corporate expense targets (see page 6) is critical to achieving positive cash flow. Progress in this regard includes preliminary, unaudited Corporate expense in Q1 2016 of $767 thousand, or an annualized run rate of approximately $3.1 million, which is a material reduction from the $4.1 million reported for 2015.

- Liquidity and Working Capital: The Group is currently operating with low levels of reserves and working capital. Selling all or virtually all Group real estate and reverting cash flow will be critical to creating a healthy level of working capital reserves.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the 12 months following the filing date of this report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies

These consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended December 31, 2014, except for the adoption of the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to, and effective for the Group's consolidated financial statements for the annual period beginning January 1, 2015:

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

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

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

The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the Group's 2015 consolidated financial statements:

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

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

3.3 Summary of accounting policies

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

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

Critical accounting estimates and judgments

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

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

Accounting policy		Note
3.3 c	Recognition of deferred tax asset	8
3.3 h	Judgments on probability of payment as a result of disputes	17
3.3 i	Assessment of significance of debt modifications	16
3.3 e	Determination of control over economic activities	27
	Recoverability of amounts due from related parties	20

Accounting policy		Note
3.3 a	Depreciable lives of assets and realisable residual value	10
3.3 b	Future operating results growth rates, and discount factor applied	9

a. Property, plant and equipment

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

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

Properties	20 – 30 years
Furniture and equipment	3 – 10 years
Gaming machines	5 – 10 years
Leasehold improvements	over the lease term

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

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

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2015, Management assesses that the useful lives represent the expected utility of the assets of the Group. The carrying amounts are analyzed in Notes 9 and 10. Actual results, however, may vary due to obsolescence.

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

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

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

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

An impairment loss is recognized for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, Management

estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect Management's assessment of respective risk profiles, such as market and asset-specific risks factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

c. Taxation including deferred tax

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

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

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

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

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

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

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

d. Reporting and foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Foreign operations

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

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

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

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

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

e. Consolidation

The Group's consolidated financial statements consolidate the financial statements of Thunderbird Resorts Inc. and the entities it controls drawn up to December 31, 2015 and its comparative periods.

(a) Subsidiaries

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

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

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

(b) Business combinations

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

(c) Investment in Joint ventures and associates

The Group has contractual arrangements with other parties which represent joint ventures. In this case, the arrangements take the form of agreements to share control

over economic activities in the Costa Rican operations. Strategic financial and operating decisions relating to these operations require the unanimous consent of both parties.

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

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

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

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

f. Intangible assets

(a) Goodwill

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

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

(b) Casino and other gaming licenses

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

(c) Software and software licenses

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

Software	2 – 5 years

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

g. Leases

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

(a) Finance leases

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

(b) Operating leases

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

h. Provisions

Employee benefits

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

(b) Other

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

(c) Litigation provisions

The Group provides against various litigation proceedings once judgments are rendered against it, as in Management's view this provides the best indication that payment has become probable. The award amount is used as the Directors' best estimate of the potential liability, even if the Group is appealing the judgment.

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

i. Financial instruments

Financial assets

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

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

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

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

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de-recognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for de-recognition if the Group transfers substantially all the risks and rewards of ownership

of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

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

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

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

j. Inventories

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

k. Cash and cash equivalents

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

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

l. Borrowings and borrowing costs

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

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

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

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

m. Share capital

Common shares are classified as equity.

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

n. Share-based payments

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

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

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions

apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up are recognized as share capital.

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

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

o. Compound financial instruments

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

p. Net gaming wins and revenue recognition

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

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

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

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

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

q. Earnings per share

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

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

r. Project development costs

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

s. Profit or loss from discontinued operations

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

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

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

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

t. Fair value measurement

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

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

4. SEGMENTAL INFORMATION

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

The activities undertaken by each operating segment include the operation of casinos and related food, beverage and hospitality activities. Some of our operating segments also operate hotels, notably Peru and Costa Rica. The Group sold its Gaming and Hotel operations in Costa Rica on February 25, 2015, this segment has been accounted for as a discontinued operation in accordance with IFRS 5 "Non-current assets held for sale and discontinued operation".

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

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

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

Operating segments

	Costa Rica		Nicaragua		Peru	
	2015	2014	2015	2014	2015	2014
Continuing operations						
Total revenue	-	-	14,653	13,513	26,687	30,187
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	-	-	2,198	2,076	4,945	4,768
Project development	-	-	(133)	-	-	-
Depreciation and amortization	-	-	(689)	(594)	(2,229)	(3,274)
Other gains and (losses)	-	-	(10)	(93)	(735)	19
Segments result	-	-	1,366	1,389	1,981	1,513
Foreign exchange gain / (loss)	-	-	(184)	(183)	(1,358)	(872)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-
Finance costs	-	-	(167)	(160)	(1,311)	(1,263)
Finance income	-	-	10	8	60	5
Other interest	-	-	-	-	(23)	(37)
Management fees - intercompany charges	1,907	(479)	(50)	(19)	(10)	72
Profit / (loss) before taxation	1,907	(479)	975	1,035	(661)	(582)
Taxation	-	-	(328)	(323)	(648)	(827)
Profit / (loss) for the year-continuing operations	1,907	(479)	647	712	(1,309)	(1,409)
Profit / (loss) for the year-discontinued operations	(2,550)	(2,399)	-	-	-	-
Profit / (loss) for the year	(643)	(2,878)	647	712	(1,309)	(1,409)
Currency translation reserve	-	-	-	-	-	-
Total comprehensive income for the year	(643)	(2,878)	647	712	(1,309)	(1,409)
Non-controlling interest	(145)	(4)	285	314	-	-
Total comprehensive income attributable to owners of the parent	(498)	(2,874)	362	398	(1,309)	(1,409)
Assets and liabilities						
Segment intangible assets:						
Intangible assets with indefinite useful lives	-	2,006	1,387	1,387	4,277	4,277
Intangible assets with finite useful lives	-	147	9	21	312	439
Segment assets:						
Property, plant and equipment	-	8,464	6,499	5,973	16,997	19,407
Other segment assets (including cash)	-	12,134	(1,096)	(1,476)	14,814	15,435
Total segment assets	-	22,751	6,799	5,905	36,400	39,558
Assets classified as held for sale	8,009	8,082	-	-	-	-
Total assets	8,009	30,833	6,799	5,905	36,400	39,558
Total segment liabilities	-	8,792	3,419	3,016	18,650	19,358
Liabilities associated with assets held for sale	1,001	1,997	-	-	-	-
Total liabilities	1,001	10,789	3,419	3,016	18,650	19,358
Net assets / (liabilities)	7,008	20,044	3,380	2,889	17,750	20,200
Non-controlling interest	-	4,961	1,911	1,626	-	-
Other segment items						
Capital expenditure	-	1,777	1,536	924	2,134	1,675
Depreciation and amortization	-	-	689	594	2,229	3,274
Impairment losses for non-operating assets	-	1,203	-	-	-	-

- continued -

	Total Operation		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Continuing operations								
Total revenue	41,340	43,700	-	70	-	-	41,340	43,770
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	7,143	6,844	(4,068)	(4,501)	-	-	3,075	2,343
Project development	(133)	-	-	-	-	-	(133)	-
Depreciation and amortization	(2,918)	(3,868)	(36)	(54)	-	-	(2,954)	(3,922)
Other gains and (losses)	(745)	(74)	(1,660)	(1,254)	-	-	(2,405)	(1,328)
Segments result	3,347	2,902	(5,764)	(5,809)	-	-	(2,417)	(2,907)
Foreign exchange gain / (loss)	(1,542)	(1,055)	683	618	-	-	(859)	(437)
Share of profit / (loss) from equity accounted investments	-	-	-	-	(46)	(1,768)	(46)	(1,768)
Finance costs	(1,478)	(1,423)	(2,718)	(3,105)	-	-	(4,196)	(4,528)
Finance income	70	13	2,995	639	-	-	3,065	652
Other interest	(23)	(37)	-	-	-	-	(23)	(37)
Management fees - intercompany charges	1,847	(426)	(1,848)	469	-	231	(1)	274
Profit / (loss) before taxation	2,221	(26)	(6,652)	(7,188)	(46)	(1,537)	(4,477)	(8,751)
Taxation	(976)	(1,150)	(30)	(16)	-	-	(1,006)	(1,166)
Profit / (loss) for the year-continuing operations	1,245	(1,176)	(6,682)	(7,204)	(46)	(1,537)	(5,483)	(9,917)
Profit / (loss) for the year-discontinued operations	(2,550)	(2,399)	9,245	-	-	1,543	6,695	(856)
Profit / (loss) for the year	(1,305)	(3,575)	2,563	(7,204)	(46)	6	1,212	(10,773)
Currency translation reserve	-	-	(3,484)	(2,459)	-	-	(3,484)	(2,459)
Total comprehensive income for the year	(1,305)	(3,575)	(921)	(9,663)	(46)	6	(2,272)	(13,232)
Non-controlling interest	140	310	-	-	-	1	140	311
Total comprehensive income attributable to owners of the parent	(1,445)	(3,885)	(921)	(9,663)	(46)	5	(2,412)	(13,543)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	5,664	7,670	-	-	-	(364)	5,664	7,306
Intangible assets with finite useful lives	321	607	-	17	-	(147)	321	477
Segment assets:								
Property, plant and equipment	23,496	33,844	523	474	-	(5,598)	24,019	28,720
Other segment assets (including cash)	13,718	26,093	(273)	2,686	2,636	(3,542)	16,081	25,237
Total segment assets	43,199	68,214	250	3,177	2,636	(9,651)	46,085	61,740
Assets classified as held for sale	8,009	8,082	-	-	(8,009)	(8,082)	-	-
Total assets	51,208	76,296	250	3,177	(5,373)	(17,733)	46,085	61,740
Total segment liabilities	22,069	31,166	21,402	28,897	-	(6,883)	43,471	53,180
Liabilities associated with assets held for sale	1,001	1,997	-	-	(1,001)	(1,997)	-	-
Total liabilities	23,070	33,163	21,402	28,897	(1,001)	(8,880)	43,471	53,180
Net assets / (liabilities)	28,138	43,133	(21,152)	(25,720)	(4,372)	(8,853)	2,614	8,560
Non-controlling interest	1,911	6,587	-	-	-	(183)	1,911	6,404
Other segment items								
Capital expenditure	3,670	4,376	3	7	-	(1,738)	3,673	2,645
Depreciation and amortization	2,918	3,868	36	54	-	-	2,954	3,922
Impairment losses for non-operating assets	-	1,203	-	-	-	(1,203)	-	-

(1) Includes non-operating entities

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

Other supplementary information:

	Gaming		Hotel		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Continuing operations										
Total revenue	36,842	37,593	4,498	6,107	-	70	-	-	41,340	43,770
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	5,662	5,855	1,481	989	(4,068)	(4,501)	-	-	3,075	2,343
Project development	(133)	-	-	-	-	-	-	-	(133)	-
Depreciation and amortization	(1,624)	(2,404)	(1,294)	(1,464)	(36)	(54)	-	-	(2,954)	(3,922)
Other gains and (losses)	(785)	(160)	40	86	(1,660)	(1,254)	-	-	(2,405)	(1,328)
Segments result	3,120	3,291	227	(389)	(5,764)	(5,809)	-	-	(2,417)	(2,907)
Foreign exchange gain / (loss)	(1,051)	(762)	(491)	(293)	683	618	-	-	(859)	(437)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	(46)	(1,768)	(46)	(1,768)
Finance costs	(985)	(943)	(493)	(480)	(2,718)	(3,105)	-	-	(4,196)	(4,528)
Finance income	13	11	57	2	2,995	639	-	-	3,065	652
Other interest	-	-	(23)	(37)	-	-	-	-	(23)	(37)
Management fees - intercompany charges	1,847	(554)	-	128	(1,848)	469	-	231	(1)	274
Profit / (loss) before taxation	2,944	1,043	(723)	(1,069)	(6,652)	(7,188)	(46)	(1,537)	(4,477)	(8,751)
Taxation	(976)	(412)	-	(738)	(30)	(16)	-	-	(1,006)	(1,166)
Profit / (loss) for the year-continuing operations	1,968	631	(723)	(1,807)	(6,682)	(7,204)	(46)	(1,537)	(5,483)	(9,917)
Profit / (loss) for the year-discontinued operations	(2,550)	(2,366)	-	(33)	9,245	-	-	1,543	6,695	(856)
Profit / (loss) for the year	(582)	(1,735)	(723)	(1,840)	2,563	(7,204)	(46)	6	1,212	(10,773)
Currency translation reserve	-	-	-	-	(3,484)	(2,459)	-	-	(3,484)	(2,459)
Total comprehensive income for the year	(582)	(1,735)	(723)	(1,840)	(921)	(9,663)	(46)	6	(2,272)	(13,232)
Non-controlling interest	140	310	-	-	-	-	-	1	140	311
Total comprehensive income attributable to owners of the parent	(722)	(2,045)	(723)	(1,840)	(921)	(9,663)	(46)	5	(2,412)	(13,543)
Assets and liabilities										
Segment intangible assets:										
Intangible assets with indefinite useful lives	5,664	7,656	-	14	-	-	-	(364)	5,664	7,306
Intangible assets with finite useful lives	117	278	204	329	-	17	-	(147)	321	477
Segment assets:										
Property, plant and equipment	11,789	18,293	11,707	15,551	523	474	-	(5,598)	24,019	28,720
Other segment assets (including cash)	10,853	23,511	2,865	2,582	(273)	2,686	2,636	(3,542)	16,081	25,237
Total segment assets	28,423	49,738	14,776	18,476	250	3,177	2,636	(9,651)	46,085	61,740
Assets classified as held for sale	8,009	8,082	-	-	-	-	(8,009)	(8,082)	-	-
Total assets	36,432	57,820	14,776	18,476	250	3,177	(5,373)	(17,733)	46,085	61,740
Total segment liabilities	16,284	24,184	5,785	6,982	21,402	28,897	-	(6,883)	43,471	53,180
Liabilities associated with assets held for sale	1,001	1,997	-	-	-	-	(1,001)	(1,997)	-	-
Total liabilities	17,285	26,181	5,785	6,982	21,402	28,897	(1,001)	(8,880)	43,471	53,180
Net assets / (liabilities)	19,147	31,639	8,991	11,494	(21,152)	(25,720)	(4,372)	(8,853)	2,614	8,560
Non-controlling interest	1,911	6,587	-	-	-	-	-	(183)	1,911	6,404
Other segment items										
Capital expenditure	3,659	4,272	11	104	3	7	-	(1,738)	3,673	2,645
Depreciation and amortization	1,624	2,371	1,294	1,497	36	54	-	-	2,954	3,922
Impairment losses for non-operating assets	-	1,203	-	-	-	-	-	(1,203)	-	-

(1) Includes non-operating entities

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

5. OTHER GAINS AND (LOSSES)

	2015	2014 (Restated)
Peru coin-in assessment [(a)]	(1,087)	-
Restructuring costs [(b)]	(1,579)	-
Release of Peru gaming tax provision [(c)]	266	-
Other	(5)	(97)
Loss on disposal of Philippine operations	-	(1,534)
Sale of corporate property	-	303
Total	**$ (2,405)**	**$ (1,328)**

a. Peru coin-in assessment

The Peru tax authorities (SUNAT) have challenged Sun Nippon (and other companies in the business of owning and operating slot machines) to include in taxable income the cash that customers pay into machines ("coin in"). This position is not supported by any tax authority throughout the entire world of gaming. On February 18, 2016, SUNAT released a letter opining that the pre-payment of income tax should be based on net win and not on coin-in, accepting that its initial position was incorrect. This opinion is 100% legally binding on SUNAT, meaning that it will be no longer audit for coin-in as it relates to the pre-payment of income tax. Unfortunately, in spite of the February 18, 2016 SUNAT report, Management still need to appeal this matter to the Judicial Court in which the court could review the entire tax case on a "de nova" basis, meaning Sun Nippon is not stuck with the record presented in the Administrative Tax Court. On the substance of this decision, Sun Nippon is now facing a potential liability from fines and interests of $1,087,000 stemming from the 2006 tax year, which arise from Sun Nippon having pre-paid its income tax on the basis of revenue defined as net win (total bets less prizes paid out) rather than on the basis of coin in (total bets before discounting prizes). Although this "tax-penalties and interest" is going to be appealed and challenged by Sun Nippon, due to the rules and regulations imposed by the Peruvian tax authority (SUNAT), the government has the right to pursue collection against Sun Nippon at any time and, in fact, issued a collection notice on February 22, 2016. According to the situation described and based on IAS 10 – Events after the Reporting Period, Management has recorded an expense in Sun Nippon and has agreed to a payment schedule with SUNAT.

b. Restructuring costs

During the year in an effort to restructure Corporate overhead, the Group bought out the employment contracts with three of its officers who had severance rights equal to 2.99X their annual base salaries for an approximate total possible severance cost of $2.4 million. The restructuring costs are made up of $1,120,000 paid in cash and $459,000 paid in Group shares.

For more details regarding the restructuring, please refer to Note 6 Compensation of Key Personnel.

c. Release of Peru gaming tax provision

During the year the Group's Peruvian subsidiary Sun Nippon released $266,000 in gaming tax provisions.

6. COMPENSATION OF KEY PERSONNEL

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

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

	2015	2014
Salaries, bonuses, and severance	$ 2,313	$ 1,291
Share-based payments	598	205
Short-term benefits	109	109
Total	**$ 3,020**	**$ 1,605**

In 2015, Management began to implement a restructuring plan to materially reduce Corporate expense from $4.4 million in 2014 to a targeted run rate of approximately $3.0 million by Q4 2016 and a run rate of $2.5 million by Q4 2016. As part of this restructuring, the Group bought out certain officer contracts and eliminated the positions of certain employees between the periods of Q4 2015 and Q1 2016, which collectively sought to reduce Corporate expense by approximately $645 thousand annually. In relation to the restructuring of officer's contracts, the Group bought out the employment contracts with three of its officers who had severance rights equal to 2.99X their annual base salaries for an approximate total possible severance cost of $2.4 million.

Under the restructuring, during August 2015, Albert W. Atallah, General Counsel, Peter LeSar, CFO, and Tino Monaldo, Vice President of Corporate Development, agreed to terminate each of their respective employment contracts for a discounted severance cash cost of approximately $1.1 million ($600,000 for Tino Monaldo, $270,000 for Albert W. Atallah and $250,000 for Peter LeSar), plus 850 thousand shares of Thunderbird Resorts, which have an approximate market value of $430 thousand (300,000 shares for Tino Monaldo, 300,000 shares for Albert W. Atallah and 250,000 shares for Peter LeSar). In total, the Group saved approximately $900 thousand as compared to the contractual requirements for liquidation. Two of these officers (Albert W. Atallah and Peter LeSar) entered into new "at will" contracts that are terminable at any time with or without cause with various notice requirements. A portion of the $645 thousand of savings by November 2015 was the result of Tino Monaldo, Vice President of Corporate Development, reaching an agreement with the Group to take early retirement effective as of October 31, 2015.

Of the $2,313,000 salaries, bonuses, and severance per the table above $1,579,000 has been recorded and disclosed in other gains and losses (Note 5).

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

7. FINANCING COSTS AND INCOME

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

	2015	2014 (Restated)
Finance cost		
Bank loans	$ 1,233	$ 1,279
Other loans	1,895	2,083
Related party loans	156	332
Finance charges payable under finance leases and hire purchase contracts	50	65
Amortization of borrowing costs	862	769
Total finance costs (on a historical cost basis)	**$ 4,196**	**4,528**
Finance income		
Bank interest receivable	89	35
Release of liabilitydue to loan extinguishment	2,909	-
Third party interest receivable	67	617
Total finance income (on a historical cost basis)	**$ 3,065**	**$ 652**
Other interest		
Other interest	23	37
Total other interest	**$ 23**	**$ 37**

In September 2015, the Company announced the reduction of debt balance owed to a single lender from approximately $3.4 million to $600 thousand ($500 net present value), resulting in a $2.9 million gain upon the release of liabilities on loan extinguishment.

8. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in profit or loss

	2015	2014
Current Income Tax		
Foreign tax	$ 1,018	$ 1,387
Total current income tax	1,018	1,387
Deferred Tax		
Origination and reversal of temporary differences	(12)	(221)
Total deferred tax	(12)	(221)
Tax charged in the statement of comprehensive income	**$ 1,006**	**$ 1,166**
Taxes allocated to:		
Loss for the year	1,006	1,166
Totals	**$ 1,006**	**$ 1,166**

b) Reconciliation of the total tax charge

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

	2015	2014 (Restated)
Accounting loss before income tax	$ (4,477)	$ (8,751)
Effect of different tax rates on overseas earnings	1,006	1,166
Total tax expense reported in the statement of income	$ 1,006	$ 1,166
Deferred income tax assets		
Non-capital loss carryforwards	95	286
Temporary differences on net assets	328	235
Included in disposal Group	-	45
Total deferred tax	$ 423	$ 566
Deferred income tax liabilities		
Other assets - net book value in excess of unamortized tax	-	64
Withholding tax on repatriation of retained earnings from foreign subsidiaries	-	-
Other	22	13
Total deferred tax liabilities	**$ 22**	**$ 77**

At December 31, 2015, the Group has unrecognized United States income tax net operating losses of $31,562,000 (2014 - $30,246,000). These operating losses expire at various dates for up to 20 years. The potential income tax benefits related to United States loss carry forwards have not been reflected in the accounts as the Group does not anticipate future United States net income. At December 31, 2015, the Group has unrecognized Peru income tax net operating losses of $1,442,000. The $404,000 tax benefit associated with the Peru loss carry forwards has not been recognized as it is probable that the subsidiaries that hold the losses will not have sufficient net income to make use of the tax benefits before they expire in one to four years.

The Group has recorded a deferred tax asset in the amount of $423,000 (2014 - $566,000), $95,000 relate to Non-capital loss carry forwards and $328,000 for temporary differences related to provisions and book reserves in certain Peru subsidiaries.

	Statement of Financial Position 2015			Statement of Financial Position 2014 (Restated)		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Total
Balance at beginning of year	$ 566	$ (77)	$ 489	$ 352	$ (54)	$ 298
Included in disposal group	(45)	-	(45)	-	-	-
Movement in profit or loss	(37)	51	14	248	(27)	221
Foreign exchange and other	(61)	4	(57)	(34)	4	(30)
Balance at end of year	**$ 423**	**$ (22)**	**$ 401**	**$ 566**	**$ (77)**	**$ 489**

9. INTANGIBLE ASSETS

	2015				2014			
	Brand name	**Goodwill**	**Others (Software and license)**	**Total**	**Brand name**	**Goodwill**	**Others (Software and license)**	**Total**
Cost								
Balance at beginning of year	$ 100	$ 7,306	$ 3,051	$ 10,457	$ 100	$ 7,306	$ 3,025	$ 10,431
Additions	-	-	12	12	-	-	26	26
Sale of subsidiary	-	(1,642)	-	(1,642)	-	-	-	-
Balance at end of year	100	5,664	3,063	8,827	100	7,306	3,051	10,457
Accumulated amortization and impairment								
Balance at beginning of year	-	-	2,674	2,674	-	-	2,492	2,492
Change for the year	-	-	168	168	-	-	182	182
Balance at end of year	-	-	2,842	2,842	-	-	2,674	2,674
Carrying amount								
At beginning of year	100	7,306	377	7,783	100	7,306	533	7,939
At end of year	**$ 100**	**$ 5,664**	**$ 221**	**$ 5,985**	**$ 100**	**$ 7,306**	**$ 377**	**$ 7,783**

The Peru brand name license has an unamortized balance of $100,000 as of December 31, 2015 (2014 - $100,000).

Impairment review

For the purposes of assessing potential impairment, the Group's assets are grouped and reviewed for impairment at the lowest cash generating unit (CGU) level, where cash flows are independent of one another. In 2015, the Group has identified two geographical regions as its operating segments: Peru and Nicaragua. In the case of Peru, due to high interdependence among cash inflows of individual operations within the country, this CGU level is deemed to be at a country level. In the case of Nicaragua, CGU is deemed to be by operating location.

For the purpose of annual impairment testing, goodwill in Nicaragua was allocated to each individual CGU proportional to its percentage of country-wide revenue.

	2015		
	Goodwill	Other assets considered for impairment	Total assets considered for impairment
Peru	$ 4,277	$ 31,617	$ 35,894
Nicaragua	1,387	4,416	5,803
Total	$ 5,664	$ 36,033	$ 41,697

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

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

Management's key assumptions to forecast cash flow include:

1. Revenue and revenue growth / reduction: Revenue and revenue growth / reduction were both considered as key assumptions. Specifically, revenue for future years was forecasted by: a) Taking into account as a base line the revenue generated in each CGU in 2015; b) Increasing that base line revenue equal to an organic growth that is equal to the long-term GDP growth forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of revenue or a net reduction of revenue resulting from the net impact of the identified non-speculative events.
2. Cost of goods sold and growth / reduction of costs of goods sold: Cost of goods sold and growth / reduction in cost of goods sold were both considered as key assumptions. Specifically, costs of goods sold for future years was forecasted by: a) Taking into account as a base line the cost of goods sold in each CGU in 2015; b) Increasing that base line cost of goods sold by the long-term rate of inflation rate forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of cost of goods sold or a net reduction of cost of goods sold resulting from the net impact of the identified non-speculative events.

3. Operating costs and growth / reduction of operating costs: Operating costs and growth / reduction in operating costs were both considered as key assumptions. Specifically, operating costs for future years were forecasted by: a) Taking into account as a base line the operating cost of in each CGU in 2015; b) Increasing those base line operating costs by the long-term rate of inflation rate forecasted by independent analysts for each of Peru and Nicaragua; and c) Adjusting for management actions that have recently been made or are significantly advanced and considered non-speculative, which could generate a net growth of operating costs or a net reduction of operating costs sold resulting from the net impact of the identified non-speculative events.
4. Depreciation and amortization: Depreciation and amortization are forecasted based on the known future schedule of depreciation and amortization as of December 31, 2015 for each CGU, and then adjusted based on the future depreciation of assets to be purchased in the future using maintenance capex. For the purpose of annual impairment testing, depreciation and amortization in Nicaragua were allocated to each individual CGU proportional to its percentage of country-wide revenue.
5. Financing costs, net: Financing costs, net are forecasted based on the schedule of all known debt as of December 31, 2015 for each CGU. For the purpose of annual impairment testing, financing costs, net in Nicaragua were allocated to each individual CGU proportional to its percentage of country-wide revenue.
6. Direct and indirect taxes: Direct and indirect taxes were forecasted based on the tax regime in place as of December 31, 2015.
7. Maintenance Capex: Maintenance capex was forecasted for future years based on the percentage of revenue allocated to maintenance capex in 2015 for each CGU.

Discount rates

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

	2015 Discount rates
Peru	11.9%
Nicaragua	14.1%

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

1. Revenue and revenue growth / reduction: Gaming revenue can be impacted by a) Changes in drop levels, which may be affected by the number of customers, seasonality, effective marketing efforts, a change in technology, competition or regulatory changes; and b) Changes

in Hold %, representing the probability of individual games, which change can happen through chance, changes in gaming regulation and changes in gaming technology. Hotel revenue can be impacted by competition and seasonality. Growth rates, which are based on estimated GDP growth may be affected by economic changes.

2. Cost of goods sold and growth / reduction of costs of goods sold: Costs of goods sold can be impacted by changes in the market price of different goods and services, our competitiveness and requirements to increase promotional allowances, and by payroll adjustments because of changes in labor market conditions and/or management efficiencies. Cost of goods growth rates, which are based on estimated inflation rates, may be affected by changes in market and/or economic conditions.
3. Operating costs and growth / reduction of operating costs: Operating costs can be impacted by changes in the market price of different goods and services, our competitiveness and requirements to increase marketing expense, and by payroll adjustments because of changes in labor market conditions and/or management efficiencies. Operating cost growth rates, which are based on estimated inflation rates, may be affected by changes in market and/or economic conditions.
4. Depreciation and amortization: Depreciation and amortization may be affected by the addition or sale of depreciable property, plant and equipment, including capital expenditures for maintenance purposes.
5. Financing costs, net: Financial Costs, net may be affected by the addition or pre-payment of debt from the current debt schedule and by changes in the financial interest charged by banks.
6. Direct and indirect taxes: Direct and indirect taxes may be affected by changes in tax legislation, regulation and judicial rulings.
7. Maintenance Capex: Maintenance capex may be affected by the non-planned deterioration of assets, whose replacement will deviate from the investment time and investment amount considered in our estimations.

10. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2015	$ 26,910	$ 7,009	$ 23,473	$ 12,209	$ 588	$ 70,189
Foreign exchange adjustments	(2,949)	(115)	(2,659)	(851)	(17)	(6,591)
Additions	41	6	1,117	148	2,361	3,673
Disposals	-	-	(1,265)	(931)	-	(2,196)
Disposals - discontinued operations	-	(4,870)	(930)	(1,666)	-	(7,466)
Transfers	957	35	1,479	382	(2,853)	-
As of December 31, 2015	24,959	2,065	21,215	9,291	79	57,609
Depreciation						
As of January 1, 2015	$ 8,031	$ 3,969	$ 19,607	$ 9,804	$ 58	$ 41,469
Foreign exchange adjustments	(1,038)	(87)	(2,125)	(653)	-	(3,903)
Charge for the year	1,228	143	836	599	-	2,806
Charge for the year - discontinued operations	-	40	-	20	-	60
Disposals	-	-	(1,264)	(856)	-	(2,120)
Disposals - discontinued operations	-	(2,432)	(930)	(1,360)	-	(4,722)
Transfers	58	-	-	-	(58)	-
As of December 31, 2015	8,279	1,633	16,124	7,554	-	33,590
Net book value as of January 1, 2015	18,879	3,040	3,866	2,405	530	28,720
Net book value as of December 31, 2015	$ 16,680	$ 432	$ 5,091	$ 1,737	$ 79	$ 24,019

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2014	$ 30,189	$ 7,362	$ 23,323	$ 12,807	$ 698	$ 74,379
Foreign exchange adjustments	(1,713)	(499)	(1,551)	(705)	(21)	(4,489)
Additions	-	8	235	202	2,200	2,645
Disposals	(1,628)	-	(184)	(534)	-	(2,346)
Transfers	62	138	1,650	439	(2,289)	-
As of December 31, 2014	26,910	7,009	23,473	12,209	588	70,189
Depreciation						
As of January 1, 2014	$ 7,495	$ 3,769	$ 19,480	$ 9,869	$ 58	$ 40,671
Foreign exchange adjustments	(513)	(247)	(1,311)	(525)	-	(2,596)
Charge for the year	1,340	457	1,608	755	-	4,160
Disposals	(291)	(10)	(170)	(295)	-	(766)
As of December 31, 2014	8,031	3,969	19,607	9,804	58	41,469
Net book value as of January 1, 2014	22,694	3,593	3,843	2,938	640	33,708
Net book value as of December 31, 2014	$ 18,879	$ 3,040	$ 3,866	$ 2,405	$ 530	$ 28,720

Assets pledged as security

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

	2015		2014	
	Cost	Amortized cost	Cost	Amortized cost
Property	20,370	11,937	23,118	14,644
Gaming equipment	4,099	418	4,383	85
Total	**$ 24,469**	**$ 12,355**	**$ 27,501**	**$ 14,729**

The carrying value of assets held under finance leases and hire purchase contracts at December 31, 2015 was $2,087,000 (2014 - $725,000).

11. DISCONTINUED OPERATIONS

On February 25, 2015, the Group sold its entire economic interests in its Costa Rica casino operations to CIRSA for a pre-working capital adjustment enterprise valuation of $33.5 million for 100% of the shares of the companies Grupo Thunderbird de Costa Rica ("GTCR") (of which the Group owned 50%) and Gran Thunderbird Entertainment ("TGE") (of which the Group owned 56%). Working capital adjustments equaled approximately $2.3 million, meaning the transaction reflect an adjusted enterprise valuation of $35.8 million.

Of the adjusted enterprise value: a) $15.4 million was applied to pay off the debt of GTCR and TGE debt; b) $2.1 million was held back to cover contingencies from previous to the date of sale and for up to 60 months post the date of sale; and c) $3.3 million was paid to the Costa Rican tax authorities as payment of tax in protest for contingent taxes that the former shareholders of GTCR and TGE continue to dispute (see Note 22: Contingencies). In the event there are no successful claims made by CIRSA against the held back funds for the sixty (60) month period following the sale, (and there are no assurances that CIRSA will not make such a claim), but if so, then the Group would receive its proportion share of the held back. In the event the appeal of the tax case is successful, (and there are no assurances the appeal will be won), but if so, then the Group would be entitled to receive its proportion share of the tax refund.

Of the remaining $15.0 million, $8.1 million was distributed to the Group for its larger shareholder interest and because of the net effect of certain intercompany payables in favor of Thunderbird. The transaction provided for the assignment of local brands to CIRSA.

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

The Operating profit of the Costa Rica operation from January 1, 2015 up to the date of disposal and the gain on the sale and disposal of assets and liabilities are summarized as follows:

	2015	2014
Net gaming wins	$ 943	$ 5,825
Food, beverage, hospitality and other sales	146	958
Total revenue	1,089	6,783
Cost of goods sold	(373)	(1,819)
Gross profit	716	4,964
Other operating costs		
Operating, general and administrative	(852)	(4,172)
Depreciation and amortization	(60)	(384)
Other (losses) and gains	(30)	(273)
Operating (loss) / profit	(226)	135
Financing		
Foreign exchange loss	(77)	(73)
Loss from equity investee	(458)	(1,099)
Financing costs	(25)	(63)
Finance costs, net	(560)	(1,235)
Loss before tax	(786)	(1,100)
Income taxes expense		
Current	-	(5)
Income taxes expense	-	(5)
Loss for the year	(786)	(1,105)
Gain on disposal	7,481	-
Profit / (loss) for the year from discontinued operations	**$ 6,695**	**$ (1,105)**

Gain on disposal

The transaction resulted in a gain on disposal to the Group of approximately $7.5 million. The consideration received included approximately $8.1 million in cash, a $2.1 million hold back for 60 months to cover potential contingent liabilities, of which the net present value on the side of the Group is $863 thousand, plus costs of sale and currency translation right offs as described below.

		Costa Rica
Property, plant and equipment	$	2,743
Investment accounted for using the equity method		(2,415)
Goodwill		1,642
Deferred tax asset		45
Trade and other receivables		123
Due from related Parties		5,588
Inventories		25
Restricted cash		396
Cash and cash equivalents		63
Borrowing		(544)
Trade and other payables		(2,161)
Due to related parties		(608)
Other financial liabilities		(1)
Tax liabilities		(3)
Provisions		(177)
Non-controlling interest		(4,690)
Net assets disposed	**$**	**26**
Consideration in cash		8,077
Hold back - present value		683
Pre-paid tax		1,831
Pre-paid tax reserve		(1,831)
Fair value of proceeds	**$**	**8,760**
Sale related costs		(160)
Related party balances settled		(2,070)
Recycled - Currency translation reserve		977
Gain on Disposal	**$**	**7,481**

Cash flows generated by the Group's Costa Rica operation for the reporting period can be summarized as follows:

	2015	2014
Net cash from operating activities	20	(233)
Net cash used for investing activities	60	345
Net cash used for financing activities	(6)	(75)
Effect of foreign exchange adjustment	2	(26)
Cash flows from discontinued operations	**$ 76**	**$ 11**

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	2015	2014
Trade and other receivables (Non-current)		
Notes receivable	9	-
Severance funds for employees	77	86
Deposits for rental, land and equipment	165	174
Receivable in escrow	704	-
Guarantee on borrowing	674	761
Recoverable value added tax	-	522
Total trade and other receivables (non-current)	**$ 1,629**	**$ 1,543**
Trade and other receivables (Current)		
Notes receivable	4	-
Trade and other receivables	621	952
Prepaid expense	304	819
Value added tax and employee receivables	197	995
Total trade and other receivables (current)	**$ 1,126**	**$ 2,766**

Trade and other receivables

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

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision of $52,000 (2014 - $401,000) has been recorded accordingly.

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

	2015	2014
Not more than 3 months	371	746
More than 3 months but not more than 6 months	53	134
More than 6 months but not more than 1 year	108	66
More than 1 year	89	6
Total	**$ 621**	**$ 952**

13. INVENTORIES

	2015	2014
Food and beverage supplies	153	184
Casino goods and promotional items	167	282
Hotel food service and room supplies	17	21
Uniform and operational supplies	72	129
Gaming machine parts	71	122
Total	**$ 480**	**$ 738**

Cost of goods sold within Cost of sales was $2,795,000 for the year ended December 31, 2015 and $3,259,000 for the year ended December 31, 2014. There were inventory write downs of $16,000 in 2015 (2014 - $19,000).

14. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at December 31, 2015 and December 31, 2014:

	2015	2014
Cash at banks and on hand	2,869	4,749
Restricted cash	1,534	1,802
Total	**$ 4,403**	**$ 6,551**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of time between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is $2,869,000 as of December 31, 2015 (2014 - $4,749,000).

Restricted cash includes the casino's bankroll and hopper loads in Nicaragua and Peru. The Group classifies the casino bankroll as restricted, as these balances are required to operate the business, thus these funds cannot be used to pay the obligations of the Group. The fair value of restricted cash is $1,534,000 at December 31, 2015 (2014 - $1,802,000).

15. TRADE AND OTHER PAYABLES

	2015	2014
Trade and other payables (Non-current)		
Trade and other payables	248	228
Other liabilities	830	1,058
Deferred Income	55	32
Total trade and other payables (non-current)	**$ 1,133**	**$ 1,318**
Trade and other payables (current)		
Trade and other payables	4,260	4,885
Other accrued liabilities	1,683	1,318
Total trade and other payables (current)	**$ 5,943**	**$ 6,203**

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

16. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal re[ayments							
	2016	2017	2018	2019	2020	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:								
>15%	$ 20	$ -	$ -	$ -	$ -	$ -	$ -	$ 20
13% to 14%	-	-	400	-	-	-	-	400
11% to 12%[2]	1,120	1,105	1,232	1,375	1,534	1,863	-	8,229
<10%	6,777	5,455	2,597	7,223	175	113	(288)	22,052
Total principal repayments	**$ 7,917**	**$ 6,560**	**$ 4,229**	**$ 8,598**	**$ 1,709**	**$ 1,976**	**$ (288)**	**$ 30,701**

1. Floating rate loans are calculated as of the effective rate on December 31, 2015.
2. Includes $6,504,846 of convertible loan notes.

	2016	2017	2018	2019	2020	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 6,444	$ 4,981	$ 2,514	$ 1,375	$ 1,534	$ 1,863	$ (173)	$ 18,538
Nicaragua	266	270	295	726	175	113	(2)	1,843
Peru	1,207	1,309	1,420	6,497	-	-	(113)	10,320
Total principal repayments	**$ 7,917**	**$ 6,560**	**$ 4,229**	**$ 8,598**	**$ 1,709**	**$ 1,976**	**$ (288)**	**$ 30,701**

	Borrowing summary	
	2015	2014
Total borrowing	30,701	38,295
Less current portion of borrowings	(7,735)	(9,763)
Borrowing non-current	**$ 22,966**	**$ 28,532**

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							
	2016	2017	2018	2019	2020	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 996	$ 519	$ 1,281	$ -	$ -	$ -	$ (67)	$ 2,729
Peru	5,448	4,462	1,233	1,375	1,534	1,863	(106)	15,809
Total principal repayments	**$ 6,444**	**$ 4,981**	**$ 2,514**	**$ 1,375**	**$ 1,534**	**$ 1,863**	**$ (173)**	**$ 18,538**

During 2015, the Group has obtained new borrowings detailed as follows:

	Additions	Balance Dec 31, 2015	Collateral	Interest rate	Maturity Date
The Company and wholly owned subsidiaries					
Loans with non-financial entities	350	350		8%	Mar-2016
Nicaragua					
Loans with financial entities	500	500	-	10%	Aug-2021
Loans with non-financial entities	20	20		18%	Apr-2016
Total	**$ 870**	**$ 870**			

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

Additions Summary	Balance Dec 31, 2014	Additions	Refinancing Additions	Refinancing Extinguishment	Repayments	Disposal	Unamortized premiums, discounts & issuance costs	Balance Dec 31, 2015
Loans with financial entities	$ 14,576	$ 500	$ -	$ -	$ (1,987)	$ -	$ (125)	$ 12,964
Loans with non-financial entities	18,069	370	565	(549)	(4,349)	(2,711)	(87)	11,308
Convertible loan notes with non-financial entities	6,309	-	196	-	-	-	(76)	6,429
Total	**$ 38,954**	**$ 870**	**$ 761**	**$ (549)**	**$ (6,336)**	**$ (2,711)**	**$ (288)**	**$ 30,701**

Notes

Additions

a. During the year ended December 31, 2015, Buena Esperanza Limitada, S.A. obtained financing from a Nicaragua based bank of $500,000. The loan is secured, bears interest at 9.50% and matures in 6 years. Principal and interest payments are due monthly in 72 equal installments.

b. During the year ended December 31, 2015, Buena Esperanza Limitada, S.A. obtained financing from private lenders for $20,000. The loans are unsecured. The loans bear interest at 18%, and mature in a year. Principal and interest payments are due monthly in 12 equal installments and a balloon payment in the month 12.

c. During the year ended December 31, 2015, the Group, obtained financing from a private lender for $350,000. The loan is unsecured, bears interest at 8% and matures in a year. Interest payments are due monthly with principal ballooning in month 12.

Repayments

a. During the year ended December 31, 2015, the Group repaid a total of $6,336,000 of loan principal, consisting of $1,987,000 of loans with financial entities and $4,349,000 of loans with non-financial entities.

Disposal

a. The Group executed various amendments to promissory notes with private lenders resulting in the disposal of $3,260,000 of outstanding principal balances.

17. PROVISIONS

	Current 2015	Non-Current 2015	Current 2014	Non-Current 2014
Employee benefits	$ 837	$ 616	$ 918	$ 553
Other	1,064	-	310	922
Litigation provisions	-	-	-	-
	$ 1,901	**$ 616**	**$ 1,228**	**$ 1,475**

	Employee benefits	Litigation	Other	Total
Balance at January 1, 2014	$ 1,535	$ 1,440	$ 1,137	$ 4,112
Provisions recognized	1,913	-	319	2,232
Provisions utilized	(1,911)	(557)	(187)	(2,655)
Provisions transferred	-	(883)	(23)	(906)
Differences arising from foreign exchange	(66)	-	(14)	(80)
Balance at December 31, 2014	**1,471**	**-**	**1,232**	**2,703**
Provisions recognized	1,763	-	1,085	2,848
Provisions utilized	(1,663)	-	(57)	(1,720)
Provisions transferred	-	-	(1,048)	(1,048)
Costa Rica sale transaction	(15)	-	(146)	(161)
Differences arising from foreign exchange	(103)	-	(2)	(105)
Balance at December 31, 2015	**$ 1,453**	**$ -**	**$ 1,064**	**$ 2,517**

Employee benefits

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

The subsidiary employee provisions by country are as follows:

Nicaragua

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

The Group records a monthly provision as an expense to the respective period to cover any severance payment reimbursement incurred by the Group to terminated employees under this plan. As of December 31, 2015, the Group has recorded provisions amounting to $326,000 (2014 - $282,000), which represents Management's best estimate of the liability. This is an accrual under Nicaraguan law and is not a pension scheme.

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

Other

Peru coin-in tax case provision

On February 22, 2016 the Peru tax authorities (SUNAT) pursued collection of approximately $1 million in fines and interests related to a 2006 tax dispute. In accordance with IAS 10 – Events after the Reporting Period, Management has recorded a provision in the Group's Peruvian subsidiary, Sun Nippon. For more information regarding the Peru coin in case, please see Note 5 - Other gains and losses.

18. SHARE CAPITAL AND RESERVES

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

	Number of shares	Share capital ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2013	**22,817,021**	**$ 109,926**
Share based payments	48,648	218
Balance as at December 31, 2014	**22,865,669**	**$ 110,144**
Share based payments	1,493,301	632
Treasury shares purchased	(710,000)	(320)
Balance as at December 31, 2015	**23,648,970**	**$ 110,456**

Options

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

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

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

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

The 2007 Equity Plan was amended in 2009 to authorize the Directors, at their discretion, to award grants in an aggregate amount of up to 5% of the Company issued and outstanding shares. Our 2007 Equity Incentive Plan (the "2007 Equity Plan") is designed to enable us and our affiliates to obtain and retain the services of the types of employees, consultants and directors who will contribute to our long-term success and to provide incentives that are linked directly to increases in share value which will inure to the benefits of all of our shareholders. We have reserved up to

5% of our current issued and outstanding common shares, as of any given date, for the issuance of shares, which may be awarded under such Equity Plan.

The following table provides additional detail of share options exercised and cancelled during 2015 and 2014:

	Number of shares	Weighted average exercise price
Balance as at December 31, 2013	**151,210**	**$ 3.79**
Cancelled due to expiring	(57,810)	3.86
Balance as at December 31, 2014	**93,400**	**$ 3.83**
Cancelled due to expiring	(66,716)	3.91
Balance as at December 31, 2015	**26,684**	**$ 3.33**
Number of options currently exercisable	26,684	$ 3.33

The following table summarizes information about the share options outstanding at December 31, 2015:

Range of exercise prices	Number outstanding options	Weighted average remaining life	Weighted average exercise price
$2.01 - $3.00	15,334	0.63 years	2.10
$3.01 - $5.00	11,350	0.57 years	4.98
	26,684	0.61 years	$ 3.33

Currency translation reserve

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

Retained earnings / (loss)

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

Share options reserve

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

19. EARNINGS PER SHARE

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

		2015		2014
Shares used in computation of basic earnings per share (000's)		23,526		22,853
Shares used in computation of diluted earnings per share (000's)		23,552		22,853
Gain / (loss) for the period attributable to the parent	$	1,072	$	(11,084)
Basic earnings / (loss) per share		**0.05**		**(0.49)**
Diluted earnings / (loss) per share		**0.05**		**(0.49)**

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

20. RELATED PARTY TRANSACTIONS

	Current 2015	Non-Current 2015	Current 2014	Non-Current 2014
Due from related parties				
Nicaraguan Partners	$ -	$ 42	$ -	$ 41
Costa Rican Joint Venture	2,070	-	1,019	5,586
Transactions with officers	-	-	-	24
	2,070	42	1,019	5,651
Due to related parties				
Nicaraguan Partners	983	-	1,055	-
Costa Rican Joint Venture	-	-	1,313	-
	$ 983	$ -	$ 2,368	$ -

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 $2,070,000 (2014– $1,019,000) due from our Costa Rica joint ventures which are 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 (2014 – $41,000) is due from a shareholder in the Nicaraguan operation for their portion of the loan attributed to the purchase of the majority interest in Nicaragua in October 2004.

Receivables from officers

The Group has a receivable from The Fantasy Group, S.A. which is an unsecured promissory note dated June 4, 2003. The obligor under the note is The Fantasy Group, S.A., the president and one of the principals of which was Peter LeSar who was coordinating the Group's pre-2006 efforts to establish operations in Chile at that time. The balance due as of December 31, 2015 is $Nil (2014 – $24,000). The other principals were Raul Sueiro and Angel Sueiro who are former executives of the Group.

Due to related parties

Payable to joint ventures and related party payables

Included in due to related parties are amounts due to the Group's partner in Costa Rica for $Nil (2014 – $1,314,000) for its portion of management fees. $983,000 (2014 – $1,055,000) due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity.

Transaction with Officers and Directors included within borrowings

Salomon Guggenheim, who previous to the middle of 2013 only held the roles of Director and advisor to the Group, is a director and not a beneficial owner in a company called India Ltd. The Group has been loaned various amounts by India Ltd. Please see Officer related party in the table below for amount due and interest paid to India Ltd. during 2015 and 2014.

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

		2015		2014	
		Amount due	Interest paid	Amount due	Interest paid
	Country				
Director	Corporate	-	65	1,630	177
Officer related party	Corporate	1,502	170	1,649	173
	Total	**$ 1,502**	**$ 235**	**$ 3,279**	**$ 350**

Other related party transactions

The Group paid the Vice President of Corporate Development's company, Tino Monaldo Chtd., total consulting fees and out of pocket expenses of $56,500 in 2015 and $52,020 in 2014. Mr. Monaldo pays his own health, life, and dental insurance, other professional fees and expenses, and a portion of his disability insurance.

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

Obligations under finance leases and hire purchase contracts

The Group uses leases and hire purchase contracts to finance their vehicles and certain video lottery equipment. As at December 31, 2015, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due December 31, 2015		Future commitments due December 31, 2014	
	Minimun Lease Payments	Present value	Minimun Lease Payments	Present value
Finance lease commitments	$ 1,082	$ 991	$ 525	$ 463
Not longer than one year	441	441	329	317
Sub total	1,523	1,432	854	780
Less deferred transaction costs	-	-	-	-
Present value of minimum lease payments	**$ 1,523**	**$ 1,432**	**$ 854**	**$ 780**
Obligations under leases and hire purchase contracts current		$ (991)		$ (463)
Obligations under leases and hire purchase contracts non-current		**$ 441**		**$ 317**

Assets held under finance leases and hire purchase contracts as of December 31, 2015 and December 31, 2014:

	2015		2014	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 69	$ 30	$ 79	$ 54
Gaming equipment	2,860	2,057	1,565	671
Total	**$ 2,929**	**$ 2,087**	**$ 1,644**	**$ 725**

Obligations under operating leases

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

	Future commitments due	
	2015	2014
Not longer than one year	$ 1,435	$ 2,277
After one year but not more than five years	3,325	4,858
After five years	2,095	3,824
Total	**$ 6,855**	**$ 10,959**

Operating lease expense for the year ended December 31, 2015 was $1,950,000.00 (2014 - $2,140,000.00).

22. COMMITMENTS AND CONTINGENCIES

As at December 31, 2015, principal payments required under the terms of the loan agreements and their liabilities in each for the next five years are as follows:

Year ending December 31:		
2016	$	7,917
2017		6,560
2018		4,229
2019		8,598
2020		1,709
Thereafter		1,976
Subtotal		30,989
Less: Debt issuance costs		(288)
	$	**30,701**

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

a. Peru tax controversy

On or about January 18, 2016, the Administrative Tax Court (Peruvian Tribunal Fiscal) issued a negative ruling in the 2006 coin-in case in Peru dated December 28, 2016. The basis of the negative ruling concerned the definition of “revenue.” On or about February 18, 2016, Management learned that SUNAT had issued a report for determining “revenue” signed on December 24, 2015, and released on February 18, 2016. This SUNAT report was in reply to a March 18, 2015, letter of Sociedad Nacional De Juegos De Azar (SONAJA) requesting SUNAT to clarify its position on “revenue.” SONAJA sought clarification of the definition of “revenue” within the case that is commonly known as the “coin-in case.” This letter essentially asked SUNAT to render an opinion that the pre-payment of income tax should be based on “net win” and not on “coin-in.” The SUNAT letter released on February 18, 2016, 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/opinion 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. 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. In terms of procedure, 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. In the meantime, Sun Nippon has been engaged in negotiations with SUNAT to pay the tax liability stemming from the 2006 year and seek a refund of all taxes paid in the event Sun Nippon prevails on its case on appeal. As a result of the on-going uncertainty over the potential outcome of this appeal before the Peruvian judiciary, any and all payments made to SUNAT have been fully reserved.

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

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

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

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

b. Costa Rica tax controversy

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

(i) TGE received a proposed income tax assessment in Q1-2012 of $600 thousand for the tax year ended December 31, 2009, and a proposed tax assessment of $800 thousand for the tax year ended December 31, 2010. Additional gaming taxes of $200 thousand were assessed for each tax year ended December 31, 2009 and 2011. The assessments for both

tax years were related to certain expenses which were deemed to be non-allowable deductions by the General Income Tax Office and for the imputation of interest income on intercompany advance balances. These matters were appealed to the Tribunal Fiscal Administrative ("TFA") during Q3 and Q4 of 2012. On January 16, 2013, the Group was advised that the Administrator Tribunal Appeal was denied in regards to the TGE tax matter. The Group filed a lawsuit at the Court level in August 2014 to revoke the tax assessment. In February 2015, the Group paid the tax authorities $3.088 million on the alleged tax liability. The payment to the Costa Rican tax authority was required to be paid as a condition to closing the sale of the Group's interest in Costa Rica to CIRSA, as described below. The payment made by the Group was made without prejudice or admission of liability. The preliminary hearing of the case was heard in June 2015 and the Administrative file is being reviewed by the Court. Once finished, the Court will be setting up the trial date. The Group continues with the judicial procedure and its claim to revoke the tax assessment so TGE could recover a portion of the payment over time.

(ii) GTCR received a proposed tax assessment in the approximate amount of $340 thousand for the tax year ending December 31, 2009, related to certain expenses which were deemed to be non-allowable deductions by the General Income Tax Office and for the imputation of interest income on intercompany advance balances. A penalty resolution is still pending to be released by the TFA, which comprises an amount equal to 25% of the tax assessment or $113 thousand.

On February 27, 2015, the Group announced the sale of its entire economic interest and management rights in its Costa Rican operations (of which the Group had approximately a 50% share) to CIRSA International Gaming Corporation ("CIRSA"), for a net price (gross price less debt payoff less working capital adjustments) of approximately $8.1 million. The $8.1 million net amount received was also net of approximately $192 thousand contingent tax liability paid by the group to the Costa Rica tax authority to cover GTCR contested tax liability and for the approximate $3.088 million TGE contested tax liability paid to the Costa Rica tax authority. These contested tax liabilities are fully described above. These payments to the Costa Rican tax authority were required to be paid as a condition to closing the sale of the Group's interest in the Costa Rica operation. The payment made by the Group and its partner was made without prejudice or admission of liability and therefore, does not alter the Group's position of taking a provision for these contingent taxes in 2014. The Group will continue to contest these tax liabilities by way of a refund procedure of which the Group may recover up to $1.8 million representing its share of the already paid and contested tax liability over time. The Group's Costa Rican tax counsel believes that each of TGE and GTCR applied tax positions correctly.

c. Daman Hospitality loan guarantees

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

The Group entered the India market in 2008 by initiating a hotel project in Daman, India, which is located just north of Maharashtra State whose capital is Mumbai (formerly Bombay). The project known as "Thunderbird Resorts – Daman" has faced both regulatory delays outside the

Group’s control, as well as cost overruns in construction and pre-operating interest / expense due to the delays.

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

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

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

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

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

Limited and one other party in the face amount of $2.9 million. If no such releases are obtained, Management believes both DHPL and Delta are required to fully indemnify Thunderbird from any claims arising under said guarantees.

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

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

d. Canadian tax controversy

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

TGI submitted applications to CRA utilizing its net operating loss ("NOL") in a manner that reduced the actual tax liability to zero and is taking the position that the valuation of assets was accurate in order to preserve its NOL. By taking this position, TGI believes it avoids the imposition of interest on tax, which is the subject of the reassessment.

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

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

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

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

e. Guatemala controversy

Settlement on loan obligation: As previously reported, the Group sold its interests in its Guatemala gaming operations to a local "Guatemalan Group" and later assigned the business to Fundacion Travelone Kids ("FTK") effective April 22, 2014. The sale of our interest of this negatively performing operation was financed by the Group with a $2.0 million installment note. In 2014, the Group wrote down the note due to non-payment caused by continued poor financial results. Regardless, the Group continued efforts to collect. Effective April 1, 2016, a settlement was reached with FTK wherein FTK agreed to the following:

- To pay Thunderbird Resorts Inc. $200 thousand in 24 equal monthly installments.
- If FTK defaults in the payments, then the original $2 million Promissory Note dated April 22, 2014, and related documents would remain in full force and effect. In that case, Thunderbird Resorts Inc. could avail itself to any and all remedies provided therein.
- In the alternative and to the extent that stipulated /consent judgments are enforceable under Guatemala laws, Thunderbird Resorts Inc. is authorized to enter judgment in its favor for $2 million plus all accrued unpaid interest due as demanded in the complaint, less any sum paid on account, together with interest, costs, disbursements and attorneys' fees.

Tax cases: The Superintendencia de Administración Tributaria-SAT (the Guatemalan tax authority) is attempting to open up Thunderbird de Guatemala, S.A. to a tax audit for 2009 and 2010, which the Group is challenging since we believe the statute of limitations has expired for those years. Another case in relation to the 2009 tax year is currently before the Supreme Court, Administrative Section, and 3rd Tribunal. The case is related to income tax for the periods between January and December of 2009 for an approximate amount of $100 thousand. The Company is defending its position and currently the case is pending a decision.

Legal cases: As previously disclosed, litigation continues on a case involving the validity of the contract between Classenvil Management Inc. and the Autonomous Sports Confederation (Confederación Deportiva Autónoma de Guatemala), which derives in the authorization granted to Thunderbird de Guatemala, S.A., to develop video lottery rooms and more. The

matter commenced at the administrative level with Sala Quinta del Tribunal de lo Contencioso Administrativos promoted by the Attorney General's Office. Simultaneously, Thunderbird de Guatemala, S.A. filed an action before the Supreme Court – Guatemala for protection of its right to conduct business under the license, questioning the Court jurisdiction on the case, action which was denied by the Supreme Court on August 2014. The Tribunal continued the analysis of the main case and declared the annulment of the Agreement between Classenvil Management Inc. and Confederacion Deportiva Autonoma de Guatemala. The decision was delivered to Classenvil on June 3, 2015. Classenvil Management Inc. filed Cassation appeal before the Supreme Court of Guatemala on June 23, 2015, which process is in its initial phase.

f. Mitchell Arbitration

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 USD$518 thousand. By way of background, in September 2012, the Group 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, the Group 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. The Group engaged outside counsel in Hong Kong to defend the claim. This arbitration proceeding is ongoing.

g. Costa Rica Partner Dispute

In June of 2015, the Group 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. The Group is seeking the following relief: awarding Thunderbird the damages it has sustained by reason of

defendants' 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. The Group 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, the Group was successful in having the court order approximately $420,000 of the defendants' funds to be sequestered in the Federal District Court bank account pending resolution of the case. The litigation is in the discovery stage and the parties are awaiting a trial date which is expected no earlier than 12 months from now.

23. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Foreign currency sensitivity

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

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

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

		US-dollar amounts	
		2015	**2014**
Nominal amounts	**Country**		
Financial assets			
	Costa Rica	$ -	$ 5,607
	Nicaragua	918	662
	Peru	4,810	3,319
Financial liabilities			
	Costa Rica	-	(1,566)
	Nicaragua	(2,504)	(2,422)
	Peru	(4,922)	(4,487)
Short term exposure		**$ (1,698)**	**$ 1,113**
Financial liabilities			
	Nicaragua	(1,579)	(1,544)
	Peru	(9,667)	(10,996)
Long term exposure		**$ (11,246)**	**$ (12,540)**

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

It assumes a percentage change of the US-dollar against the other currencies for the year ended at December 31, 2015 and 2014. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

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

	2015			**2014**		
Country	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Costa Rica	1.27%	$ (1)	$ 35	4.85%	$ (146)	$ 582
Peru	3.32%	(45)	609	2.84%	(46)	588
Total		**$ (46)**	**$ 644**		**$ (192)**	**$ 1,170**

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

	2015			2014		
	Percentage change	Net effect on income	Net effect on equity	Percentage change	Net effect on income	Net effect on equity
Country						
Costa Rica	1.27%	$ -	$ (32)	4.85%	$ 133	$ (531)
Peru	3.32%	41	(572)	2.84%	41	(551)
Total		**$ 41**	**$ (604)**		**$ 174**	**$ (1,082)**

Interest rate sensitivity

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term are therefore usually at fixed rates. At 31 December 2014, the Group is exposed to changes in borrowings market interest rates through some of its banks borrowings of approximately $13,091,288 as of 31 December 2015 (2014 - $14,757,562), which are subject to variable interest rates. As in the previous year, all other financial assets and liabilities have fixed rates. The impact on profit or loss of a reasonably possible change in interest rates of +/-0.02% as of 31 December 2015 (2014 - +/- 0.91%), with effect from the beginning of the year, would be an increase of $381,909 (2014 - $14,570) or a decrease of $381,909 (2014 - $14,570). These changes in interest rates are considered to be reasonably possible based on observation of current market conditions.

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

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24. FINANCIAL INSTRUMENT BY CATEGORY

	Loans and receivables
Group	
December 31, 2015	
Assets as per statement of financial position	
Trade and other receivable	$ 4,562
Cash and cash equivalents	4,403
Total	**$ 8,965**
	Other financial liabilities
Liabilities as per statement of financial position	
Borrowings	$ 32,133
Trade and other payables	5,943
Other financial liabilities	379
Total	**$ 38,455**

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

25. 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.

As at December 31, 2015, the table set below shows the Group's liabilities maturities per year:

	2016	2017	2018	2019	2020	Thereafter	Total
Long-term bank loans	$ 5,605	$ 6,258	$ 5,564	$ 9,361	$ 2,032	$ 2,105	$ 30,925
Finance lease obligations	1,943	526	-	-	-	-	2,469
Convertible debt notes	5,028	2,079	-	-	-	-	7,107
Trade and other payables	4,696	-	-	-	-	-	4,696
Due to related parties	983	-	-	-	-	-	983
Total	**$ 18,255**	**$ 8,863**	**$ 5,564**	**$ 9,361**	**$ 2,032**	**$ 2,105**	**$ 46,180**

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

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

Derivative financial instruments:

During 2011 and 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 16). Upon initial recognition embedded derivatives of $848,000 and $185,000 were issued in 2011 and 2012, respectively and were separately measured and recorded within derivative financial instruments. The fair value was $Nil at December 31, 2015 (2014 - $Nil).

Fair value measurement methods:

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

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

26. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

	2015	2014
The leverage ratios at December 31, 2015 and 2014 were as follows:		
Total borrowings and finance lease obligations (Note 16 and 21)	$ 32,421	$ 39,734
Less: Cash and cash equivalents	(4,403)	(6,551)
Less: Accrued interest	(379)	(615)
Less: unamortized debt issuance cost	(288)	(659)
Net Debt	$ 27,351	$ 31,909
Operating loss from continuing operations before other gain and loss items	(648)	(1,305)
Add: Depreciation and amortization	2,954	3,922
EBITDA	$ 2,306	$ 2,617
Leverage ratio	11.86	12.19

27. INVESTMENT IN JOINT VENTURES

The Group has material joint ventures in two Costa Rican companies, King Lion Network, S.A. ("KLN") and Importadores Del Yukon, S.A. ("IDY"). Both companies were owned by Thunderbird de Costa Rica, S.A. ("GTCR") until February 25, 2015, when the holdings in both KLN and IDY were transferred directly to the Group and our joint venture partner, Angular Investments Corp.

The Group disposed of its 50% interest in GTCR on February 25, 2015. For details surrounding the disposal please see Note 11, discontinued operations.

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership held by the Group	
			2015	2014[(1)]
Thunderbird de Costa Rica, S.A	Costa Rica	Gaming	0%	50%
King Lion Network, S.A.	Costa Rica	Land Company	50%	
Importadores Del Yukon, S.A.	Costa Rica	Land Company	50%	

(1) During 2014 the Group owned 50% of Thunderbird de Costa Rica, S.A., who owned 100% of King Lion Network, S.A. and Importadores Del Yukon, S.A.

The investments in the Costa Rica joint ventures are accounted for using the equity method in accordance with IAS 28.

Financial statements for the Group's Costa Rica joint ventures are as follows:

	2015	2014
Assets		
Non-current assets		
Property, plant and equipment	$ -	$ 11,197
Intangible assets	-	1,021
Deferred tax asset	-	174
Trade and other receivables	-	1,902
Total non-current assets	-	14,294
Current assets		
Trade and other receivables	-	340
Inventories	-	236
Restricted cash	-	474
Cash and cash equivalents	-	272
Total current assets	-	1,322
Assets classified as held for sale	16,018	16,164
Total assets	16,018	31,780
Equity and liabilities		
Capital and reserves		
Share capital	20,962	25,771
Retained earnings	(5,984)	(12,414)
Translation reserve	(3,162)	(552)
Equity attributable to equity holders of the parent	11,816	12,805
Non-controlling interest	-	365
Total equity	11,816	13,170
Non-current liabilities		
Borrowings	-	6,554
Due to related parties	-	1,094
Other liabilities	-	702
Total non-current liabilities	-	8,350
Current liabilities		
Trade and other payables	-	1,776
Borrowings	-	3,824
Other financial liabilities	-	11
Current tax liabilities	-	478
Provisions	-	178
Total current liabilities	-	6,267
Liabilities associated with assets held for sale	4,202	3,993
Total liabilities	4,202	18,610
Total equity and liabilities	$ 16,018	$ 31,780

	2015	2014 (Restated)
Net gaming wins	$ -	$ -
Food, beverage, hospitality and other sales	-	-
Total revenue	-	-
Cost of goods sold	-	-
Gross profit	-	-
Other operating costs		
Operating, general and administrative	-	(14)
Project development	-	-
Depreciation and amortization	-	-
Other gains and losses	(18)	(106)
Operating profit	(18)	(120)
Financing		
Foreign exchange gain	-	(3)
Financing costs	-	-
Financing income	-	-
Finance costs, net	-	(3)
Loss before tax	(18)	(123)
Income taxes expense		
Current	-	-
Deferred	-	-
Taxation	-	-
Loss from operating activities	(18)	(123)
Loss from discontinued operations	(181)	(3,411)
Loss for the period	(199)	(3,534)
Non-controlling interest	-	-
Loss for the period	**$ (199)**	**$ (3,534)**

	2015	2014 (Restated)
Cash flows used in discontinued operations	(320)	(25)

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

	2015	2014
Non-current assets	$ -	$ 14,294
Assets classified as held for sale	16,018	16,164
Current assets	-	1,322
Total assets	16,018	31,780
Non-current liabilities	-	(8,350)
Liabilities associated with assets held for sale	(4,202)	(3,993)
Current liabilities	-	(6,267)
Total liabilities	(4,202)	(18,610)
Less: Non-controlling interest	-	(365)
Total net assets	**11,816**	**12,805**
Proportion of ownership interest held by Group	50%	50%
Carrying amount of investment in Thunderbird de Costa Rica	**5,908**	**6,403**

28. PRINCIPAL SUBSIDIARIES

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

The following is a table of our organizational structure of material subsidiaries, including our effective record ownership structure as of December 31, 2015:

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

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

Name	Country of incorporation and principal place of business	Principal activity	Proportion of ownership held by the NCI	
			2015	2014
Buena Ezperanza Limitada, S.A. ("BELSA")	Nicaragua	Gaming	44.10%	44.10%
Thunderbird Gran Entretenimiento, S.A. ("TGE")	Costa Rica	Gaming	0.00%	43.83%

No dividends were paid to the NCI of BELSA or TGE during the years 2015 and 2014.

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

(in thousands)	BELSA		TGE	
	2015	2014	2015	2014
Non-current assets	$ 6,572	$ 6,068	$ -	$ 8,512
Current assets	2,284	2,035	-	3,771
Total assets	**8,856**	**8,103**	**-**	**12,283**
Non-current liabilities	(1,927)	(1,843)	-	-
Current liabilities	(3,547)	(3,371)	-	(1,908)
Total liabilities	**(5,474)**	**(5,214)**	**-**	**(1,908)**
Equity attributable to the owners of the parent	**1,471**	**1,263**	**-**	**5,597**
Non-controlling interest	**1,911**	**1,626**	**-**	**4,778**

(in thousands)	BELSA		TGE	
	2015	2014	2015	2014
Revenue	$ 14,654	$ 13,513	$ -	$ -
Profit / (Loss) for the year attributable to the owners of the parent	361	398	(183)	(3)
Profit / (Loss) for the year attributable to NCI	285	314	(145)	(3)
Profit / (Loss) for the year	**646**	**712**	**(328)**	**(6)**
Other comprehensive income for the year (all attributable to ownwers of the parent)	**153**	**127**	**421**	**(38)**

	BELSA		TGE	
	2015	2014	2015	2014
Net cash (used in) from operating activities	$ 1,628	$ 1,250	$ -	$ 133
Net cash (used in) from investing activities	(1,526)	(887)	-	(39)
Net cash (used in) from financing activities	256	(50)	-	(26)
Effect of foreign exchange adjustment	(73)	(111)	-	(56)

29. SUBSEQUENT EVENTS

Temporary reduction of Officers' salaries: Effective January 1, 2016, Officers collectively discounted the cash portion of their salaries by approximately $50,000 per month in order to reserve cash. Officers agreed to do so until June 2016, at which time there would be an assessment of the needs of the Company on a go-forward basis. Officers have reserved the right to collect unpaid compensation either through stock at no less than $0.50 per share or market rate if market rate is higher, or in cash against future liquidity events.

Resignation of Director: Reto Stadelmann resigned his position as a board member effective February 15, 2016.

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, 2016 through June 30, 2016. The total principal balance of these deferred loans as of January 1, 2016 was $8.4 million. Any and all interest that accrues during this six-month period will be added to the principal balance effective June 30, 2016.

Settlement on loan obligation: As previously reported, the Group sold its interests in its Guatemala gaming operations to a local "Guatemalan Group" and later assigned the business to Fundacion Travelone Kids ("FTK") effective April 22, 2014. The sale of our interest of this negatively performing operation was financed by the Group with a $2.0 million installment note. In 2014, the Group wrote down the note due to non-payment caused by continued poor financial results. Regardless, the Group continued efforts to collect. Effective April 1, 2016, a settlement was reached with FTK wherein FTK agreed to the following:

- To pay Thunderbird Resorts Inc. $200 thousand in 24 equal monthly installments.
- If FTK defaults in the payments, then the original $2 million Promissory Note dated April 22, 2014, and related documents would remain in full force and effect. In that case, Thunderbird Resorts Inc. could avail itself to any and all remedies provided therein.
- In the alternative and to the extent that stipulated /consent judgments are enforceable under Guatemala laws, Thunderbird Resorts Inc. is authorized to enter judgment in its favor for $2 million plus all accrued unpaid interest due as demanded in the complaint, less any sum paid on account, together with interest, costs, disbursements and attorneys' fees.

For more detail on these developments, please visit www.thunderbirdresorts.com to find our press releases dated January to April 2016.

Chapter 8:
Risk Factors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tax Risk: We may be subject to certain tax liabilities in connection with our operations. See Note 22 to the Financial Statements.

Litigation Risk: We may be involved in legal and tax claims from time to time. Some of the litigation claims may not be covered under our insurance policies or our insurance carriers may seek to deny coverage. As a result, we might be required to incur significant legal fees, which may have a material adverse impact on our financial position. In addition, because we cannot predict the outcome of any action, it is possible that, as a result of current and/or future litigation, we will be subject to adverse judgments or settlements that could significantly reduce our earnings or result in losses. Please see Notes 17 and 22 of the financial statements for a description of our current material litigation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foreign Currency Risks: As of December 31, 2015, the Group owned operating assets in Peru and Nicaragua and real estate assets in Costa Rica, Peru and Nicaragua. Therefore, certain of our expenses and revenues are and will be denominated in local currencies. A significant amount of our debt is denominated in dollars, and the costs associated with servicing and repaying such debt will be denominated in dollars. Additionally, our financial information is, and in the future will be, prepared in dollars. Any target business with which we pursue a business combination may denominate its financial information in a currency other than the dollar or conduct operations in a currency other than the dollar. Our sales in a currency other than dollars may subject us to currency translation risk. Exchange rate volatility could negatively impact our revenues or increase our expenses incurred in connection with operating a target business. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by local governments, central banks or supranational entities, or by the imposition of currency controls or other political developments. We are exposed to market risks from changes in foreign currency exchange rates, and any significant fluctuations in the exchange rates between local currencies against the dollar may have a material adverse effect on our operating results. Furthermore, the portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from currency fluctuations. We have not used any forward contracts, futures, swaps, or currency borrowings to hedge our exposure to foreign currency risk.

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

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

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

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

Risks from Options, and Promissory Notes Convertible into Common Stock: As of December 31, 2015, we have existing options and promissory notes convertible into common shares. The potential issuance of additional common shares on exercise of these options or the conversion of these promissory note into shares could make us a less attractive investment, if exercise of the options and conversion of notes into shares at prices below current market prices. If, and to the extent, these options are exercised or conversion occur, shareholders may experience dilution to their holdings. As of April 2016, we have 25,054,371 common shares outstanding. See Chapter 7 for more detail on the unexercised option and promissory note convertible into shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

IMPORTANT INFORMATION

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

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

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Salomon Guggenheim, President & CEO
Peter LeSar, Chief Financial Officer
Albert W. Atallah, General Counsel and Secretary

REGISTERED AND RECORD OFFICE FOR SERVICE IN BRITISH VIRGIN ISLANDS

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British Virgin Islands

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Curacao

TRANSFER AGENT

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CAPITALIZATION

Common shares issued: 25,054,371
(as of April 26, 2016)

SHARES LISTED

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

WEBSITE

www.thunderbirdresorts.com