Thunderbird
RESORTS

FOR IMMEDIATE RELEASE **SEPTEMBER 30, 2018**

THUNDERBIRD RESORTS 2018 HALF YEAR/SEMI-ANNUAL REPORT FILED

Thunderbird Resorts Inc. ("Thunderbird") (FSE: 4TR; and Euronext: TBIRD) is pleased to announce that its 2018 Half Year/ Semi –Annual and Unaudited Consolidated Financial Statements have been filed with the Euronext ("Euronext Amsterdam") and the Netherlands Authority for Financial Markets ("AFM"). As a Designated Foreign Issuer with respect to Canadian securities regulations, the Half Year/Semi-Annual Report is intended to comply with the rules and regulations set forth by the AFM and the Euronext Amsterdam.

Copies of the 2018 Half Year/ Semi – Annual and Unaudited Consolidated Financial Statements Report in the English language will be available at no cost at the Group's website at www.thunderbirdresorts.com. Copies in the English language are available at no cost at the Group's operational office in Panama and at the offices of our local paying agent ING Commercial Banking, Paying Agency Services, 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). Copies are also available on SEDAR at www.SEDAR.com.

Below are certain material excerpts from the full 2018 Semi-Annual Report the entirety of which can be found on our website at www.thunderbirdresorts.com.

LETTER FROM CEO

The below summarizes the Group's performance through June 30, 2018. Because of the sale of Peru gaming operations in April 2018, through June 30, 2018 we report only Continuing Operations so that the reader might compare continuing business with the results of the same businesses through June 30, 2017.

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

A. **Increase our EBITDA[2]**: Peru property EBITDA improved by $190 thousand for the six months ending June 30, 2018 as compared to the same period in 2017. During the same period, Nicaragua property EBITDA declined by $389 thousand as discussed on page 11. Corporate expense increased by $85 thousand due to one-time legal fees related to the Peru asset sale discussed herein. After netting out Corporate expense and expenses from our proportional ownership in a Costa Rican real estate holding company, Adjusted EBITDA decreased by $265 thousand as compared to through half-year 2017.

B. **Improve our Profit / (Loss)**: Based on Continuing Operations, our Loss worsened by $761 thousand for the period as compared to the same period in 2017. The decline was impacted by higher than projected Finance Costs, Net due to fees incurred in the April 2018 refinancing of our Peru senior debt, and by one-time Other losses related to restructuring costs from downsizing our Peru corporate team. Please note that a material gain from the sale of our Peru gaming assets is reflected in our "As reported" statements on page 21.

C. **Decrease our Net Debt**: Net debt[3] decreased by $17.3 million as compared to year-end December 31, 2017. The Group refinanced approximately $4.5 million of its Peru senior debt, and deployed that debt in part to reduce costs at the Peru level, which has been reflected in the increased Peru property EBITDA. We also refinanced and added working capital debt at the Corporate level.

2. PERFORMANCE ON ASSET SALES

In our September 21, 2016 Annual General and Special Shareholders' Meeting, shareholders approved Special Resolutions that authorized the Board of Directors to:

- Sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors".

- "In their discretion, without further approval of the shareholders, revoke this special resolution at any time before the filing of articles of dissolution under the BVI Business Companies Act in respect of the foregoing."

Please note that granting the Board of Directors the right to voluntarily dissolve the Corporation does not mean that the same will occur. Approval of Shareholders in advance allows the Board the flexibility to undertake the same should the Board of Directors deem it to be in the best interest of Shareholders based on the circumstances at the time.

Taking all of the above into account, please kindly see specific notes on the Group's key remaining assets:

A. **Peru Gaming Assets**: As of April 11, 2018, the Group completed the sale of its Peru gaming assets for a sale price of approximately $26 million. The Peruvian gaming operations sold included the Group's local flagship Fiesta Casino consisting of approximately 680 gaming positions and 3 other gaming operations in Peru, with approximately 560 gaming positions. The sale also included approximately 7,000 m2 of gaming real estate and 150 parking spaces.

B. **Peru Real Estate Assets**: As of the publication of this 2018 Half-year Report, the Group continued to operate and wholly own a mixed-use tower containing a 66-suite hotel, approximately 6,008 m2 of rentable-sellable office space, and 158 underground parking spaces. The Group continues to evaluate the best means of optimizing shareholder value from these assets, and more is expected to be announced in this regard in the near future.

C. **Nicaragua Gaming and Real Estate Assets**: As of the publication date of this 2018 Half-year Report, the Group continued to own a 56% interest in a Nicaraguan holding company that owns the following assets: i) Gaming: Five full casinos and two slot parlors with a combined approximately 858 gaming positions; and ii) Real Estate: Approximately 4,562 m2 of land divided among 5 parcels, and some with tenant improvements as more fully detailed on page 11. Since March 2018, the Nicaraguan market has been disrupted by civil protests against and for the current administration, as well as by the government that has attempted to reduce protests and establish order. At this time, the Group believes that it is in the best interest of shareholders to continue to operate these assets for the foreseeable future given that any serious interest and recognition of value can only be achieved once there is more long-term clarity as to the market conditions.

D. **Costa Rica Real Estate Asset**: As of the publication of this 2018 Half-year Report, the Group continues to own a 50% interest in a Costa Rican entity that owns the 11.6-hectare real estate property known as "Tres Rios". Tres Rios, with its own, dedicated off ramp, is located close to the country's 2nd largest mall on the highway between the capital city of San Jose and the commuter city of Cartago. Due to the controversies described in Note 14, section b, to the attached Financial Statements, it is improbable that the Tres Rios property will be developed and/or sold in the near future.

We will continue to pursue decisions that will support the best interest of shareholders according to the shareholder mandate set forth in the September 21, 2016 Special Resolutions. We will keep you informed of any material events and progress as further developments take place.

Salomon Guggenheim
Chief Executive Officer and President
September 30, 2018

[1.] Unless otherwise stated, all figures reported herein are in USD and report the results of those businesses that were continuing as of June 30, 2018 as compared to those same businesses through the six months ended June 30, 2017.
[2.] "EBITDA" is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA less "Corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.
[3.] Net debt equals total borrowings and finance lease obligations less cash, cash equivalents and other liquid assets.

GROUP OVERVIEW FOR HALF-YEAR 2018

Below is our consolidated profit / (loss) summary for the six months ended June 30, 2018 as compared with the same period of 2017.

(In thousands)	Six months ended June 30			
	2018	**2017**	Variance	% change
Net gaming wins	$6,373	$6,337	$36	0.6%
Food and beverage sales	980	980	-	0.0%
Hospitality and other sales	1,658	1,524	134	8.8%
Total revenues	**9,011**	**8,841**	**170**	**1.9%**
Promotional allowances	898	850	48	5.6%
Property, marketing and administration	6,397	6,095	302	5.0%
Property EBITDA	**1,716**	**1,896**	**(180)**	**-9.5%**
Corporate expenses	1,043	958	85	8.9%
Adjusted EBITDA	**673**	**938**	**(265)**	**-28.3%**
Property EBITDA as a percentage of revenues	7.5%	10.6%		
Depreciation and amortization	1,006	1,074	(68)	-6.3%
Interest and financing costs, net	1,725	1,327	398	30.0%
Management fee attributable to non-controlling interest	2	2	-	0.0%
Foreign exchange (gain) / loss	(157)	(31)	(126)	406.5%
Other (gains) / losses	208	(99)	307	-310.1%
Loss from equity investee	14	84	(70)	-83.3%
Income taxes	197	142	55	38.7%
Profit / (loss) for the period from continuing operations	**$(2,322)**	**$(1,561)**	**$(761)**	**48.8%**

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

(In thousands)		
	Jun-18	**Dec-17**
Borrowings	$15,757	$31,749
Obligations under leases and hire purchase contracts	9	378
Gross Debt	**$15,766**	**$32,127**
Less: cash and cash equivalents (excludes restricted cash)	2,901	1,937
Net Debt	**$12,865**	**$30,190**

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 $22 thousand variance with the total principal balance below.

The Group estimates its debt schedule as follows starting in July 2018:

Principal Balance	2018	2019	2020	2021	2022	2023	**Thereafter**	**Total**
Corporate	$3,612,957	$3,952,719	$1,972,950	$-	$-	$-	$-	$9,538,626
Peru	296,181	618,312	655,553	695,682	740,349	787,885	920,423	4,714,385
Nicaragua	264,527	537,630	196,742	61,085	67,067	73,634	334,049	1,534,734
Total	$4,173,665	$5,108,661	$2,825,245	$756,767	$807,416	$861,519	$1,254,472	$15,787,745

Interest Expense	2018	2019	2020	2021	2022	2023	**Thereafter**	**Total**
Corporate	$343,676	$497,915	$66,250	$-	$-	$-	$-	$907,841
Peru	143,701	258,268	219,177	176,514	131,847	84,311	17,089	1,030,907
Nicaragua	44,195	110,815	64,645	47,649	41,668	35,101	19,496	363,569
Total	$531,572	$866,998	$350,072	$224,163	$173,515	$119,412	$36,585	$2,302,317

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
As of June 30, 2018 and December 31, 2017

	June 30, 2018	**December 31, 2017**
Assets		
Non-current assets		
Property, plant and equipment (Note 7)	$ 14,827	$ 20,690
Investment accounted for using the equity method (Note16)	2,620	2,623
Intangible assets	1,509	5,930
Deferred tax asset	90	218
Trade and other receivables	799	1,441
Due from related parties (Note 13)	42	42
Total non-current assets	19,887	30,944
Current assets		
Trade and other receivables	2,696	901
Due from related parties (Note 13)	1,846	1,849
Inventories	325	396
Restricted cash	4,311	1,973
Cash and cash equivalents	2,901	1,937
Total current assets	12,079	7,056
Total assets	**$ 31,966**	**$ 38,000**

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THUNDERBIRD RESORTS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
As of June 30, 2018 and December 31, 2017

	June 30, 2018	**December 31, 2017**
Equity and liabilities		
Capital and reserves		
Share capital (Note 11)	111,721	111,721
Retained earnings	(102,112)	(117,188)
Translation reserve	(6,472)	(5,384)
Equity attributable to equity holders of the parent	3,137	(10,851)
Non-controlling interest	2,869	2,735
Total equity	6,006	(8,116)
Non-current liabilities		
Borrowings (Note 9)	9,868	15,272
Obligations under leases and hire purchase contracts (Note 10)	5	6
Deferred tax liabilities	112	115
Provisions	1,565	1,756
Trade and other payables	257	349
Total non-current liabilities	11,807	17,498
Current liabilities		
Trade and other payables	6,478	8,394
Due to related parties (Note 13)	666	895
Borrowings (Note 9)	5,889	16,477
Obligations under leases and hire purchase contracts (Note 10)	4	372
Other financial liabilities	458	1,205
Current tax liabilities	355	365
Provisions	303	910
Total current liabilities	14,153	28,618
Total liabilities	25,960	46,116
Total equity and liabilities	**$ 31,966**	**$ 38,000**

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2018

`	Six months ended June 30 (unaudited)	
	2018	**2017 (Restated)**
Net gaming wins	$6,373	$6,337
Food, beverage and hospitality sales	2,638	2,504
Total revenue	9,011	8,841
Cost of goods sold	(2,722)	(2,574)
Gross profit	6,289	6,267
Other operating costs		
Operating, general and administrative	(5,616)	(5,331)
Depreciation and amortization	(1,007)	(1,074)
Other gains and (losses) (Note 5)	(208)	99
Operating profit	(542)	(39)
Share of loss from equity accounted investments (Note 16)	(14)	(84)
Financing		
Foreign exchange gain / (loss)	157	31
Financing costs (Note 6)	(1,781)	(1,414)
Financing income (Note 6)	56	95
Other interest (Note 6)	(1)	(8)
Finance costs, net	(1,569)	(1,296)
Loss before tax	(2,125)	(1,419)
Income taxes expense		
Current	(197)	(142)
Deferred	-	-
Income tax expense	(197)	(142)
Loss for the year from continuing operations	$(2,322)	$(1,561)
Gain / (loss) for the year from discontinued operations (Note 8)	17,532	265
Loss for the year	$15,210	$(1,296)

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2018

	Six months ended June 30 (audited)	
	2018	**2017 (Restated)**
Other comprehensive income (amounts, which will be recycled)		
Exchange differences arising on the translation of foreign operations	$(1,088)	$(30)
Other comprehensive income for the year	(1,088)	(30)
Total comprehensive income for the year	$14,122	$(1,326)
Gain / (loss) for the year attributable to:		
Owners of the parent	15,076	(1,665)
Non-controlling interest	134	369
	$15,210	$(1,296)
Total comprehensive income attributable to:		
Owners of the parent	13,988	(1,695)
Non-controlling interest	134	369
	$14,122	$(1,326)
Basic and diluted loss per share (in $): (Note 12)		
Loss from continuing operations	(0.09)	(0.08)
Gain / (loss) from discontinued operations	0.65	0.01
Total	0.56	(0.07)

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2018

	Attributable to equity holders of parent						
	Share capital	**Share options reserve**	**Currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at January 1, 2017	$110,563	$ -	$(5,429)	$(111,676)	$(6,542)	$2,266	$(4,276)
Transactions with owners:							
Issue of new shares	48	-	-	-	48	-	48
	$ 48	$ -	$ -	$ -	$ 48	$ -	$ 48
Profit / (loss) for the year	-	-	-	(1,665)	(1,665)	368	(1,297)
Other comprehensive income							
Exchange differences arising on translation of foreign operations	-	-	(30)	-	(30)	-	(30)
Total comprehensive income for the year	-	-	(30)	(1,665)	(1,695)	368	(1,327)
Balance at June 30, 2017	$110,611	$-	$(5,459)	$(113,341)	$(8,189)	$2,634	$(5,555)
Transactions with owners:							
Issue of new shares	518				518		518
Treasury shares issued as payment	592			(393)	199		199
	$1,110	$-	$-	$(393)	$717	$-	$717
Profit / (loss) for the year	-	-	-	(3,454)	(3,454)	101	(3,353)
Other comprehensive income							
Exchange differences arising on translation of foreign operations	-	-	75		75	-	75
Total comprehensive income for the year	-	-	75	(3,454)	(3,379)	101	(3,278)
Balance at December 31, 2017	$111,721	$-	$(5,384)	$(117,188)	$(10,851)	$2,735	$(8,116)

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2018

	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2018	$111,721	$-	$(5,384)	$(117,188)	$(10,851)	$2,735	$8,116
Transactions with owners:							
Issue of new shares	-	-	-	-	-	-	-
	$-	$-	$-	$-	$-	$-	$-
Profit / (loss) for the year	-	-	-	15,076	15,076	134	15,210
Other comprehensive income							
Exchange differences arising on translation of foreign operations	-	-	(1,088)	-	(1,088)	-	(1,088)
Total comprehensive income for the year	-	-	(1,088)	15,076	13,988	134	14,122
Balance at June 30, 2018	$111,721	$-	$(6,472)	$(102,112)	$3,137	$2,869	$6,006

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2018

	Six months ended June 30 (unaudited)	
	2018	**2017**
Cash flow from operating activities		
Loss for the year	$(2,322)	$(1,561)
Items not involving cash:		
Depreciation and amortization	1,007	1,074
Unrealized foreign exchange	(122)	(357)
Decrease in provision	(439)	(107)
Bad debt expense	-	14
Other losses	-	27
Gain on derivative financial instruments	-	1
Share based payments	-	48
Finance income	(56)	(95)
Finance cost	934	1,414
Other interests	1	8
Results from equity accounted investments	14	84
Tax expenses	197	142
Net change in non-cash working capital items		
Increase in trade, prepaid and other receivables	(1,321)	(5,219)
Increase in inventory	(108)	(79)
(Decrease) / Increase in trade payables and accrued liabilities	(201)	326
Cash used in operations	(2,416)	(4,280)
Total tax paid	(320)	(299)
Net cash used in continuing operations	(2,736)	(4,579)
Net cash used in discontinued operations	(16)	(81)
Net cash used in operating activities	$(2,752)	$(4,660)
Cash flow from investing activities		
Expenditure on property, plant and equipment	(521)	(410)
Proceeds on sale of Peru Casino operation, net of cash disposed	25,047	-
Cost of sale of Peru Casino operation	(635)	-
Interest received	56	95
Net cash used (used) / from investing activities	$23,947	$(315)
Cash flow from financing activities		
Proceeds from issue of new loans	5,100	13,322
Repayment of loans and leases payable	(21,671)	(5,073)
Interest paid	(1,011)	(689)
Net cash used from financing activities	$(17,582)	$7,560
Net change in cash and cash equivalents during the year	3,613	2,585
Cash and cash equivalents, beginning of the year	3,910	2,867
Effect of foreign exchange adjustment	(311)	209
Included in disposal group (Note 8)	-	(878)
Cash and cash equivalents, end of the year	$7,212	$4,783

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 our 2017 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 modelling 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 modelled 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 2018 Half Year Report; (ix) ability to re-amortize and unsecured lenders; (x) level of probability of refinancing of secured debt; (xi) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale; and (xii) level of interest of third parties in the acquisition of certain operating assets, and status of genuine progress and probability of closing within the Going Concern period. The Directors have also considered certain critical factors that might affect continuing operations, as follows:

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

- Special Resolution: On September 21, 2016, the Group's shareholders approved a special resolution that, among other items, authorized the Board of Directors of the Corporate to sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors." This resolution facilitates the sale of any one or any combination of assets required to support maintaining of a going concern by the Group.
- Sellable Pricing of Assets; Asset Sale Schedules and Re-financing Scenarios: The Group now has sufficient market feedback, including offers for certain key assets, which have enabled the Group to incorporate market-determined pricing into its models; The Group has evaluated the progress of each transaction that it is working on and has looked at all reasonable scenarios for the combination and timing of different transactions in conjunction with sellable pricing.
- Secured debt Refinancing and Cash Flow: Debt service obligations continue to be a significant part of the Group's outflow.
- Corporate Expense and Cash Flow: Corporate expense has decreased materially in recent years, but still must accommodate for compliance as a public company.

- Liquidity and Working Capital: As of the date of publication of this 2018 Half-year Report, the Group forecasts operating with higher levels of reserves and working capital through the end of 2018 as compared to the previous year. Certain scenarios in relation to asset sales will not create working capital, while others will. Selling all or virtually all Group real estate and reverting cash flow will be critical to creating a healthy level of working capital reserves for periods beyond the Going Concern period.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for the 12 months following the reporting period of this 2018 Half-year Report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

OTHER GROUP UPDATES

During the half-year ended June 30, 2018, the Group engaged in the following listed material events:

1. Pay-down and deferral of Unsecured Loans: The Group reached an agreement with a series of unsecured lenders to pay-down approximately $8.2 million in debt and defer payments on approximately $5.8 million of their respective loans effective between April and July 2018. To the extent that certain lenders were not paid off in full, these lenders agreed to defer payment of approximately $5.8 million to December 31, 2019. Any and all interest that accrues during this deferral period shall be added to the principal balance.

2. Cash flow management: In January 2016 the Company implemented a compensation plan for its officers in order to reduce the Group's cost structure to a level that is sustainable. The Group was reduced to the following personnel: CEO, CFO and General Counsel all working full time, but with a continued deferral of 50% or more of their compensation until such time as there are sufficient cash reserves to pay and/or until such time as these officers receive shares for their deferred time, which ongoing agreements will be subject to review by the board's Compensation Committee. These Officers continued to dedicated full-time employment to the Company but discounted a cash portion of their salaries by approximately $50,000 per month in order to preserve cash. This "salary deferral" plan has been re-evaluated on a six month basis and in each period, beginning July 1, 2016, January 1, 2017 and most recently July 1, 2018, the board has assessed and approved the plan based on the needs of the company on a go-forward basis. In consideration of the extension of the discounting on the cash portion of the salaries, Officers have reserved the right to collect unpaid compensation either through stock at market rate or in cash against future liquidity events.

   The Company last held its AGM and Special meeting of shareholders on December 30, 2017. The Company's Circular for that AGM/Special Meeting included a recap of the Company's issued and outstanding shares and a reference to the "shares for salary deferral" as follows:

   > *Certain members of Management have entered into a salary deferral arrangement for the period January 1, 2017 to December 31, 2017. Under this arrangement which was approved by the Company's compensation committee and the Board, the Management team has the option to accept*

additional shares in lieu of the cash that has been deferred. The potential number of shares range from approximately 1.5 million to 2.0 million depending on the average share price throughout 2016 and assuming that share price remains within the average range in which it has traded over the 90-day period previous to the publication of this Information Circular. In order to minimize the issuance of new shares in case Management opts to accept shares in lieu of cash, Management would first draw down on those 993,972 shares already purchased by the Company itself. Effective October 1, 2017, the Company's compensation committee and its board approved the Officers' election to collect unpaid compensation for the period January 1, 2016 to December 31, 2016, and for the period January 1, 2017 to approximately March 31, 2017, in stock at market rate. This total cash deferral for 2016 amounted to $505,000. The total cash deferral for January 1 to March 31, 2017 amounted to approximately $162,000. In October and November of 2017, Officers collectively received a total of approximately 2,533,923 shares in lieu of payment of the total of $667,000 of salary deferral. Of this 2,533,923 in shares, 993,972 already purchased by the Company (Thunderbird had previously purchased 283,972 of its own Shares under its Buy Back Program in 2013. Thereafter, Thunderbird purchased an additional 710,000 of its own shares separate and apart from its Buy Back program. The total shares that are owned by Thunderbird was 993,972 as of December 31, 2016) was transferred by the Company pro rata to the officers in keeping with the Company's Circular for the September 22, 2016 Annual General Meeting. The balance of 1,539,951 was issued to the Officers as new shares.

3. <u>Amended and Fully Restated Employment Contracts for Management</u>: Effective July 1, 2018, Management including Salomon Guggenheim, Peter LeSar and Albert Atallah (collectively "TRI Employees") have proceeded to follow the dictates of the Company's shareholders and the Board in fulfilling the spirit and intent of the Special Resolution dated September 21, 2016, wherein, the Company's shareholders approved a special resolution as set forth herein in part as follows:

   i. The Board of Directors of the Corporation is hereby authorized, at a time to be determined by the Board of Directors of the Corporation, to voluntarily dissolve the Corporation pursuant to the BVI Business Corporate Act of 2004, which winding up process and dissolution application shall be commenced and implemented at such time as determined by the Board in their sole discretion;

   ii. The Board of Directors of the Corporation is hereby authorized to make provision for and to discharge all liabilities of the Corporation in conjunction with the winding up and dissolution of the Corporation and in connection with such winding up and dissolution, is authorized to make a pro rata distribution to shareholders of the net proceeds available to the Corporation (after adjusting for carrying costs and other winding up and dissolution related expenses) from the sale of any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors;

   iii. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution, including but not limited to, the filing of articles of dissolution under the BVI Business Corporations Act;

   iv. The directors of the Corporation may, in their discretion, without further approval of the shareholders, revoke this special resolution at any time before the filing of articles of dissolution under the Business Corporations Act (BVI) in respect of the foregoing;

   v. Granting the Board of Directors the right to voluntarily dissolve the Corporation does not mean that the same will occur. Approval of Shareholders in advance allows the Board the flexibility to undertake the same should the Board of Directors deem it to be in the best interest of Shareholders

based on the circumstances at the time, without the risk of delay of approval of specific transactions or the expense of calling another shareholder meeting to specifically approve such matter. In the event that the Company proceeds with its plan to liquidate and dissolve, the company in due course intends to delist from Euronext Amsterdam in accordance with the rules and procedures of Euronext Amsterdam.

Management in their respective roles as an officer and fiduciary continued to act in the best interest of the shareholders by fulfilling the Company's public company obligations. On the other hand, the Company is obligated to fulfill all relevant employment and labor laws within the jurisdictions that Employee provides services to the Company. The Company's Compensation Committee reviewed the TRI Employment contracts and recommended to the Board of Directors that the Company is best served by entering into the employment agreements with Salomon Guggenheim, Peter LeSar and Albert Atallah. The Company's Board of Directors approved the employment agreements with Salomon Guggenheim, Peter LeSar and Albert Atallah.

Contingencies

Note 22 in the Group's financial statements for the year ended December 31, 2017 provides a discussion of all of the Group's commitments. There are no material changes in this disclosure, other than the following update.

a. Costa Rica tax controversies

(i) 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. In addition, the Group's 50% ownership in King Lion Network is engaged in a tax controversy as described below.

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 2010. 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. A hearing in this matter took place in June 2018. The case was ruled in favor of the Costa Rican Tax Authority. TGE filed a formal appeal of the tax court decision and the parties are awaiting the decision. Also, TGE is preparing an unconstitutional petition to the Constitutional Court to be filed in the ensuing months.

b. San Diego Federal District Court Controversy

(i) In June of 2015, Thunderbird Resorts filed a lawsuit in the Federal District Court, San Diego, against defendants Murray Jo Zimmer ("Zimmer"), Angular Investments Corp. ("Angular"), Mitzim Properties, Inc. ("Mitzim Properties") Taloma Zulu, S.A., ("Taloma Zulu") Jack R. Mitchell, ("Mitchell"). The lawsuit alleges breach of fiduciary duty against Zimmer, Angular and Mitchell; breach of contract against defendant Mitchell; aiding and abetting, breach of fiduciary duty against Taloma Zulu and Mitzim Properties; fraud Civil RICO 18 U.S.C. § 1961, conversion constructive trust and an accounting against defendants Zimmer, Angular and Taloma Zulu.

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

(ii) In March of 2017, Thunderbird Resorts Inc. obtained a default judgment in the approximate amount of $659 thousand against co-defendants Angular Investments S.A. and Taloma Zulu.

(iii) In May of 2017 Jack Mitchell filed a motion to have the claims made against him submitted to arbitration in Hong Kong alleging that is the proper forum for Thunderbird Resorts claim. In addition, Angular Investments S.A. filed a motion to set aside the $659 thousand default judgment. The Court also granted Thunderbird leave to file additional pleadings showing default damages above $657,975, and Thunderbird submitted additional pleadings showing damages and interest totalling $825,125. In addition to Angular's motion to set aside the default judgment, Angular also filed a motion to dismiss for lack of jurisdiction which is still under submission.

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

(iv) On September 27, 2017 the International Court of Arbitration of the International Chamber of Commerce approved its award against Thunderbird Resorts Inc. in the approximate amount of $518 thousand plus attorney's fees and costs of approximately $220 thousand. Thunderbird Resorts intends to pursue all legal challenges to the award including motions for reconsideration, appeals and challenges to the award.

Thunderbird Resorts made several request to the Arbitrator that the decision in this matter be delayed pending submittal of further evidence from the related matter Thunderbird Resorts Inc. vs. Jo Murray Zimmer, Jack R. Mitchell, Angular Investments, S.A, Taloma Zulu, Mitzim case no. 15CV1304 JAH BGS filed in the United States District Court for the Southern District of California in which Mitchell and his co-defendants are being sued for approximately $1.28 million plus punitive damages which may rise to the level of three times the actual damages.

(v) In March 30, 2018, San Diego Federal District Court Judge Houston issued an Order Granting Defendant Jack Mitchell's Motion to Compel Arbitration which states in part that:

*"The action is **STAYED** as to Defendant Mitchell until such arbitration has been held in accordance with the terms of the agreement as set forth by this order. The parties shall file a joint status report regarding the progression of Arbitration proceedings no later than **September 28, 2018.** The Court addressed the issue of Thunderbird's counterclaims, which Thunderbird contended should have been adjudicated by the U.S. Federal District Court, on pages 6, 7 and 8 of the Order. The Court's Order states, in relevant part: The Court must next determine whether the parties intended to arbitrate the issue of waiver. The question of whether the remaining five causes of action have been waived as to Mitchell under the Release and Waiver provision (Clause 3.2) of the Settlement Agreement is also a "dispute[], claim[], [or] controvers[y] between the parties arising out of th[e] Release [and Settlement] Agreement." The parties expressly agreed to arbitrate this issue. Therefore, it is for the arbitrator to decide which claims, or portions thereof, have or have not been waived, based on the alleged dates of Defendant's conduct. Accordingly, the Court **GRANTS** Defendant's Motion to Compel Arbitration whether Plaintiff waived its First, Third, Fourth, Fifth, and Sixth causes of action, or any portion thereof, against Mitchell upon execution of the Settlement Agreement. (Order, pg. 7:1-10.)Section 9.49 of the Arbitration Award dated September 26, 2017 outlined the Tribunal's Findings, stating in pertinent part: "The Claimant [Mitchell] was not in breach of the Settlement Agreement." Although the findings are decisive on the issues raised by Plaintiff in its Eighth Cause of Action for Breach of Contract, the Tribunal made no findings as to the issue of waiver. Not having Plaintiff's counterclaims before it, the Arbitrator declined to make findings as to the proper interpretation of the release and waiver clause in paragraph 3.2 of the Settlement Agreement, stating:By reason of the Tribunal's findings in paragraphs [9.46] and [9.48] that the Claimant has not breached clauses 5 and 6 of the Settlement Agreement and was not in breach of the Settlement Agreement (paragraph 9.49[1]), it does not need to make a finding as to the proper construction of the release in clause 3.2 of the Settlement Agreement as no issue of the Claimant being entitled to rely on Clause 3.2 of the Settlement*

Agreement arises.Jack Ray Mitchell v. Thunderbird Resorts Inc., Int'l Ct. of Arb. Of the Int'l. Chamber of Commerce, Case No. 21243/CYK/PTA, Ch. 9, ¶ 9.50 (2017) (Rooney, Arb.). In light of this Court's order granting Defendant's Motion to Compel Arbitration as to the issue of waiver and all remaining claims Plaintiff chooses to pursue in arbitration, the Court finds Defendant Mitchell's request to domesticate and enter the Arbitration Award against Plaintiff premature" (Order, pgs. 7:23-8:13.)

(vi) On September 20, 2018, Thunderbird Resorts Inc., in pro per petitioned the ICC in respect of its application to the ICC to re-open the instant arbitration and allow Respondent to file a counterclaim against Mitchell. On September 24 2018, The Secretariat replied to Thunderbird Resorts Inc. request to "re-open the [instant] arbitration and allow Respondent to file a counterclaim against Claimant" by stating that ICC Case 21243/CYK/PTA was closed after the notification of the decision and addendum on costs on 25 January 2018. Moreover, as the arbitration has ended, the case cannot be re-opened. The ICC advised that Thunderbird Resorts Inc. may initiate new proceedings to bring its claims against Jay Ray Mitchell. Thunderbird Resorts Inc. initiated such proceedings by filing a claim with the ICC on September 27, 2018.

(vii) These are the several pending Motions in the Federal District court proceedings that also impact the Mitchell Arbitration case:

a. Angular's Motion to set aside the default judgment and to dismiss for Lack of Jurisdiction. In April 2017, Thunderbird Resorts Inc. properly served Angular, and Angular failed to answer the complaint within the time period, and the court granted TRI a Default Judgement in the approximate amount of $657 thousand. On March 30, 2018 the Court has set aside the default judgment so the matter has to proceed to trial. As a prelude to the full scale trial on the matter, The Court ordered an "evidentiary hearing/mini trial" for May 29, 2018 to focus on these issues: Whether TRI has "standing" to make the claims against Angular or whether GTCR is the real proper party in interest. Angular raised a material issue as to whether Plaintiff was 'directly' injured by the alleged conduct of Zimmer or 'indirectly' injured as a result of its relationship with GTCR. The Court determined that Angular defense that TRI lacks standing to sue has merit and has ordered TRI and Angular to present its case in this evidentiary hearing to determine whether Angular's conduct was directed at the forum, i.e., was San Diego the "nerve" center for TRI. The court's ruling is now pending following the evidentiary hearing.

b. Zimmer's Motion to Dismiss for Lack of Jurisdiction. Thunderbird Resorts is diligently prosecuting its claims in the Zimmer et.al. San Diego Federal District Court Case and estimates that its monetary value of its claim against MITZIM, Mitchell and other defendants is $1,282,454.49. This estimate does not include damages based on other claims outside the scope of the parties' arbitration agreement, including but not limited to other claims set forth in Thunderbird Resorts U.S. District Court action against Mitchell, Murray Jo Zimmer and others

c. MITZIM motion to quash writ of attachment.

c. Costa Rica-CIRSA Escrow claim

In a related matter to the San Diego Federal District Court action, in February 2015, the Group had previously consummated Stock Purchase Agreement (SPA) in which CIRSA acquired the shares of

Grupo Thunderbird De Costa Rica from Thunderbird Resorts Inc. (TRI) and Angular Investments S.A. The SPA provided that a certain portion of the monies to be paid by CIRSA to TRI/Angular were to be held in escrow pursuant to the SPA. In February 2015, CIRSA delivered USD$2,125,000, to the Escrow Agent (the "Escrow Amount") in accordance with the terms and conditions of the SPA. The Escrow Agreement provided for a claims procedure by which certain claims could be made by third parties/tax authorities, vendors to be paid from the Escrow. In December 2017 and in March 2018, ZIMMER AND FOX as employees of GTCR filed certain claims against CIRSA, GTCR and TRI. TRI position is that ZIMMER AND FOX are now claiming in bad faith that they are entitled to a series of labor rights, The SPA and all related documents supports the fact that ZIMMER AND FOX as a "seller shareholder" waived and released any and all claims, rights, etc. that each may have had, including social benefits under Costa Rica law. TRI believe ZIMMER AND FOX have waived all their respective claims and therefore their labor claim are without merit. Based on our information and belief, ZIMMER intended to file this labor complaint in response to TRI's actions against him wherein TRI had filed the aforementioned lawsuit against ZIMMER in the Federal District Court of San Diego, California, Zimmer's is acting in bad faith as he is attempting to retaliate against TRI for the actions that TRI has taken against him the USA litigation. TRI believes that ZIMMER's claim is without merit and ultimately the labor tribunal made a ruling that ZIMMER'S claims against GTCR was without merit. In fact, the Costa Rica labor tribunal already ruled against Zimmer. ZIMMER filed an appeal of that decision. Nonetheless, TRI disputed each of the claims that CIRSA made against the Escrow. The general basis for disputing each of CIRSA's claims, as well as, any claim that Thunderbird Resorts Inc. violated the Stock Purchase Agreement dated February 25, 2015 are completely without basis in law or in fact. Neither ZIMMER AND FOX are entitled to any payment as set forth in each of their respective labor cases. Moreover, TRI position in respect of the issues raised by CIRSA and so called breach of the SPA is that TRI is not jointly and severally liable with Angular, Zimmer and Fox. The Fox claim which has not been served on TRI but only against CIRSA was filed as a way to place pressure on Thunderbird to help Zimmer in his claim. In addition, Fox will lose his claim based on the claim being barred as the statute of limitations will foreclose Fox from succeeding in the courts.

ABOUT THE COMPANY

We are an international provider of branded casino and hospitality services, focused on markets in Latin America. Our mission is to "create extraordinary experiences for our guests. "Additional information about the Group is available at www.thunderbirdresorts.com.

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