

Thunderbird

R E S O R T S

FOR IMMEDIATE RELEASE

SEPTEMBER 30, 2017

THUNDERBIRD RESORTS 2017 HALF-YEAR (SEMI-ANNUAL) REPORT FILED

Thunderbird Resorts Inc. ("Thunderbird") (FSE: 4TR; and Euronext: TBIRD) is pleased to announce that its 2017 Half-year Report 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 2017 Half Year Report 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 2017 Semi-Annual Report the entirety of which can be found on our website at www.thunderbirdresorts.com.

Letter from the CEO

Dear Shareholders and Investors:

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

1. PERFORMANCE IN ACCORDANCE WITH OUR PREVIOUSLY-STATED GOALS¹

- A. **Increase our EBITDA²:** Adjusted EBITDA (after deducting Corporate-level expenses) increased by \$580 thousand as compared to through half-year 2016.
- B. **Improve our Profit / (Loss):** Our Loss from Continuing Operations improved by \$220 thousand and, netting out extraordinary gains in half-year 2016, the improvement would have been \$840 thousand.
- C. **Increase our Net Debt:** Net debt³ increased by \$744 thousand as compared to year-end December 31, 2016. The Group refinanced its Peru debt, adding debt that it is now using to reduce costs and improve

cash flow at the Peru level. The results of these efforts should be reflected in the coming quarters. We also refinanced and added working capital debt at the corporate level.

2. PERFORMANCE ON ASSET SALES

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

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

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



Salomon Guggenheim
Chief Executive Officer and President
September 30, 2017

¹ Unless otherwise stated, all figures reported herein are in USD and report the results of those businesses that were continuing as of June 30, 2017 as compared to those same businesses through the twelve months ended June 30, 2016. The purpose is for the reader to understand the performance of the Group's continuing businesses.

² "EBITDA" is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA less "Corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.

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

Group Overview for Half-year 2017

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

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

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

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

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

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

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

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

Interim Consolidated Financial Statements

Financial Statements

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

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Assets		
<i>Non-current assets</i>		
Property, plant and equipment (Note 7)	\$ 20,693	\$ 21,456
Investment accounted for using the equity method (Note 16)	2,586	2,758
Intangible assets	5,867	5,912
Deferred tax assets	192	185
Trade and other receivables	1,440	1,566
Due from related parties (Note 13)	42	42
Total non-current assets	<u>30,820</u>	<u>31,919</u>
<i>Current assets</i>		
Trade and other receivables	966	792
Due from related parties (Note 13)	1,827	1,804
Inventories	589	480
Restricted cash	1,716	1,348
Cash and cash equivalents	3,864	1,519
Total current assets	<u>8,962</u>	<u>5,943</u>
Total assets	<u>\$ 39,782</u>	<u>\$ 37,862</u>

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The accompanying notes in the full Semi-annual report are an integral part of
These interim consolidated financial statements.

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

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

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

	Six months ended	
	June 30 (unaudited)	
	2017	2016
Net gaming wins	\$ 15,198	\$ 16,124
Food, beverage and hospitality sales	2,814	3,352
Total revenue	<u>18,012</u>	<u>19,476</u>
Cost of goods sold	(7,114)	(7,965)
Gross profit	<u>10,898</u>	<u>11,511</u>
Other operating costs		
Operating, general and administrative	(8,817)	(10,011)
Depreciation and amortization	(1,561)	(1,514)
Other gains and (losses) (Note 5)	98	716
Operating profit	<u>618</u>	<u>702</u>
Share of loss from equity accounted investments (Note 16)	(84)	(57)
Financing		
Foreign exchange loss	(29)	(294)
Financing costs (Note 6)	(1,747)	(1,765)
Financing income (Note 6)	96	75
Other interest (Note 6)	(8)	(7)
Finance costs, net	<u>(1,688)</u>	<u>(1,991)</u>
Loss before tax	<u>(1,154)</u>	<u>(1,346)</u>
Income taxes expense		
Current	(142)	(143)
Deferred	-	-
Income tax expense	<u>(142)</u>	<u>(143)</u>
Loss for the year from continuing operations	<u>\$ (1,296)</u>	<u>\$ (1,489)</u>
Loss for the year from discontinued operations (Note 8)	-	(261)
Loss for the year	<u>\$ (1,296)</u>	<u>\$ (1,750)</u>

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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, 2017

	Six months ended	
	June 30 (audited)	
	2017	2016
Other comprehensive income (amounts, which will be recycled)		
Exchange differences arising on the translation of foreign operations	\$ (30)	\$ 405
Other comprehensive income for the year	<u>(30)</u>	<u>405</u>
Total comprehensive income for the year	<u>\$ (1,326)</u>	<u>\$ (1,345)</u>
Gain / (loss) for the year attributable to:		
Owners of the parent	(1,665)	(1,878)
Non-controlling interest	369	128
	<u>\$ (1,296)</u>	<u>\$ (1,750)</u>
Total comprehensive income attributable to:		
Owners of the parent	(1,695)	(1,473)
Non-controlling interest	369	128
	<u>\$ (1,326)</u>	<u>\$ (1,345)</u>
Basic and diluted loss per share (in \$): (Note 12)		
Loss from continuing operations	(0.07)	(0.07)
Loss from discontinued operations	-	(0.01)
Total	<u>(0.07)</u>	<u>(0.08)</u>

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

	Attributable to equity holders of parent						
	Share capital	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2017	\$ 110,456	\$ 89	\$ (5,209)	\$ (104,633)	\$ 703	\$ 1,911	\$ 2,614
Transactions with owners:							
Issue of new shares	48	-	-	-	48	-	48
	\$ 48	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ 48
Profit / (loss) for the year	-	-	-	(1,878)	(1,878)	127	(1,751)
Other comprehensive income							
Exchange differences arising on translation of foreign operations	-	-	405	-	405	-	405
Total comprehensive income for the year	-	-	405	(1,878)	(1,473)	127	(1,346)
Balance at June 30, 2017	\$ 110,504	\$ 89	\$ (4,804)	\$ (106,511)	\$ (722)	\$ 2,038	\$ 1,316
Transactions with owners:							
Issue of new shares	59	-	-	-	59	-	59
Options cancellation and expiration	-	(89)	-	89	-	-	-
	\$ 59	\$ (89)	\$ -	\$ 89	\$ 59	\$ -	\$ 59
Profit / (loss) for the year	-	-	-	(5,254)	(5,254)	228	(5,026)
Other comprehensive income							
Exchange differences arising on translation of foreign operations	-	-	(625)	-	(625)	-	(625)
Total comprehensive income for the year	-	-	(625)	(5,254)	(5,879)	228	(5,651)
Balance at December 31, 2016	\$ 110,563	\$ -	\$ (5,429)	\$ (111,676)	\$ (6,542)	\$ 2,266	\$ (4,276)

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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, 2017

	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)

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

	Six months ended	
	June 30 (unaudited)	
	2017	2016
Cash flow from operating activities		
Loss for the year	\$ (1,296)	\$ (1,489)
Items not involving cash:		
Depreciation and amortization	1,561	1,514
Unrealized foreign exchange	(297)	(121)
Decrease in provision	(159)	(1,186)
Bad debt expense	14	-
Other losses	29	8
Share based payments	48	48
Finance income	(96)	(75)
Finance cost	1,747	1,765
Other interests	8	7
Disposal of equity accounted investments	-	(1,232)
Results from equity accounted investments	84	57
Tax expenses	142	143
Net change in non-cash working capital items		
Decrease / (increase) in trade, prepaid and other receivables	243	(77)
(Increase) / decrease in inventory	(38)	23
Increase in trade payables and accrued liabilities	308	1,167
Cash (used) from operations	<u>2,298</u>	<u>552</u>
Total tax paid	(608)	(168)
Net cash generated by continuing operations	<u>1,690</u>	<u>384</u>
Net cash from operating activities	<u>\$ 1,690</u>	<u>\$ 384</u>
Cash flow from investing activities		
Expenditure on property, plant and equipment	(431)	(226)
Proceeds on sale of property, plant and equipment	-	1,273
Proceeds on sale of Costa Rica Joint Venture	-	1,534
Interest received	96	75
Net cash used (used) / from investing activities	<u>\$ (335)</u>	<u>\$ 2,656</u>
Cash flow from financing activities		
Proceeds from issue of new loans	13,322	100
Repayment of loans and leases payable	(11,050)	(2,642)
Interest paid	(1,012)	(1,267)
Net cash generated / (used) from financing activities	<u>\$ 1,260</u>	<u>\$ (3,809)</u>
Net change in cash and cash equivalents during the year	2,615	(769)
Cash and cash equivalents, beginning of the year	2,867	4,403
Effect of foreign exchange adjustment	<u>98</u>	<u>6</u>
Cash and cash equivalents, end of the year	<u>\$ 5,580</u>	<u>\$ 3,640</u>

Management Statement on “Going Concern”

Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months following this 2017 Half-year Report. Directors have reviewed the information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group’s existing commitments and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no new construction projects during the forecast period. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to revenues not achieving anticipated levels.

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

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

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

- **Liquidity and Working Capital:** The Group is currently operating with low levels of reserves and working capital. Certain scenarios in relation to asset sales will not create working capital, while others will. Selling all or virtually all Group real estate and reverting cash flow will be critical to creating a healthy level of working capital reserves for periods beyond the Going Concern period.
- Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for the 12 months following the reporting period of this 2017 Half-year Report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

Other Group Updates

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

Continuing expense reduction including temporary reduction of Officers' salaries:

- (i) **Corporate expenses:** Continuing Corporate Expenses have been further reduced to less than a \$2.0 million annualized run rate as of this Half-year 2017.
- (ii) **Reduction of Officers Salaries and election by Officers to receive shares in lieu of cash:**

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

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

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

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

"The only shares issued and outstanding in the capital of Thunderbird are the Common Shares which total 25,054,371 as of the Record Date. Of those shares, as of the Record Date, the Directors and Senior Officers, as a group, beneficially own, directly or indirectly, and control 2,721,922 Common Shares which represent approximately 10.9% of the issued Common Shares of Thunderbird. These Directors

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

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

San Diego Federal District Court action and Mitchell Arbitration

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

received by defendants and an order commanding defendants to return to Thunderbird the funds they improperly received by way of their wrongful conduct. So far, Thunderbird Resorts was successful in having the court order approximately \$420 thousand of the defendants' funds to be sequestered in the Federal District Court bank account pending resolution of the case. In March of 2017, Thunderbird Resorts Inc. obtained a default judgment in the approximate amount of \$659 thousand against co-defendants Angular Investments S.A. and Taloma Zulu.

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

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

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

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

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

agreement, including but not limited to other claims set forth in Thunderbird Resorts U.S. District Court action against Mitchell, Murray Jo Zimmer and others.

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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Cautionary Notice: Cautionary Notice: The Semi-Annual Report referred to in this release 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 in the Semi-Annual Report, including without limitation, statements regarding potential revenue and future plans and objectives of Thunderbird 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 Thunderbird'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 Thunderbird's documents filed from time-to-time with the Euronext Amsterdam and other regulatory authorities. Included in the Semi-Annual Report are certain "non-IFRS financial measures," which are measures of Thunderbird's historical or estimated future performance that are different from measures calculated and presented in accordance with IFRS, within the meaning of applicable Euronext Amsterdam rules, that are useful to investors. These measures include (i) Property EBITDA consists of income from operations before depreciation and amortization, write-downs, reserves and recoveries, project development costs, corporate expenses, corporate management fees, merger and integration costs, income/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure we use to evaluate our country-level operations. (ii) Adjusted EBITDA represents net earnings before interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, and gain on refinancing and discontinued operations. Adjusted EBITDA is a supplemental financial measure we use to evaluate our overall operations. Property EBITDA and Adjusted EBITDA are supplemental financial measures used by management, as well as industry analysts, to evaluate our operations. However, Property and Adjusted EBITDA should not be construed as an alternative to income from operations (as an indicator of our operating performance) or to cash flows from operating activities (as a measure of liquidity) as determined in accordance with generally accepted accounting principles.