

Amended and Restated

THUNDERBIRD RESORTS, INC.
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of United States Dollars)

	March 31, 2008 (Restated)	December 31, 2007 (Restated)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 45,995	\$ 71,656
Restricted cash	6,104	5,245
Accounts receivable (Note 5)	9,706	8,148
Prepaid expenses, deposits and inventories	9,054	4,076
Current portion of amounts receivable	41	41
Total current assets	70,900	89,166
Amounts receivable	1,316	1,245
Investments in and advances to equity investees (Note 6)	1,270	1,282
Property and equipment (Note 7)	142,103	114,525
Goodwill (Note 9)	11,355	1,603
Intangible assets (Note 9)	1,898	1,034
Deferred tax asset	406	293
Other assets	7,717	6,152
Total assets	\$ 236,965	\$ 215,300

- continued -

See accompanying notes to these unaudited interim consolidated financial statements.

Amended and Restated

THUNDERBIRD RESORTS, INC.
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of United States Dollars)

	March 31, 2008 (Restated)	December 31, 2007 (Restated)
<i>Continued...</i>		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,707	\$ 22,281
Income taxes payable	1,536	1,525
Current portion of finance lease commitments	2,301	2,755
Current portion of loans payable	19,997	15,426
Current portion of other payables	175	51
Total current liabilities	49,716	42,038
Finance lease commitments	19,689	19,726
Loans payable (Note 12)	70,983	66,354
Other payables (Note 10)	6,016	5,242
Future income taxes	1,876	1,006
Total liabilities	148,280	134,366
Non-controlling interest	9,239	5,093
Shareholders' equity		
Share capital	99,724	98,962
Contributed surplus	1,661	1,524
Deficit	(24,020)	(25,769)
Foreign exchange adjustment	2,081	1,124
Total shareholders' equity	79,446	75,841
Total liabilities and shareholders' equity	\$ 236,965	\$ 215,300

Nature of operations (Note 1)

On behalf of the Board:



Director



Director

See accompanying notes to these unaudited interim consolidated financial statements.

THUNDERBIRD RESORTS, INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

(Expressed in thousands of United States Dollars)

THREE MONTHS ENDED MARCH 31, 2008 AND 2007

	March 31, 2008 (Restated)	March 31, 2007 (Restated)
REVENUE		
Gaming operations	\$ 33,496	\$ 18,633
Food and beverage sales	5,511	864
	<u>39,007</u>	<u>19,497</u>
COSTS AND EXPENSES		
Direct costs	13,946	7,444
Operations costs	16,930	8,151
Foreign exchange (gain) loss	(4,495)	(41)
Project development	1,226	75
Depreciation and amortization	4,384	1,626
Financing costs	2,950	1,837
Loss on disposal of investments and other assets	78	20
	<u>35,019</u>	<u>19,112</u>
Income before income taxes	<u>3,988</u>	<u>385</u>
Income taxes		
Current	938	262
Future	475	257
	<u>1,413</u>	<u>519</u>
Income (loss) from continuing operations before non-controlling interest	2,575	(134)
Non-controlling interest	<u>826</u>	<u>130</u>
Net income (loss) for the quarter	<u>\$ 1,749</u>	<u>\$ (264)</u>
Basic and diluted earnings (loss) per share (Note 11)		
Basic earnings (loss) per share	\$ 0.09	\$ (0.03)
Diluted earnings (loss) per share	\$ 0.09	\$ (0.03)

See accompanying notes to these unaudited interim consolidated financial statements.

THUNDERBIRD RESORTS, INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND STATEMENT OF COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

(Expressed in thousands of United States Dollars)

Consolidated Statement of Retained Deficit	Three months ended March 31,	
	2008 (Restated)	2007 (Restated)
Retained deficit, beginning of period	\$ (25,769)	\$ (21,051)
Net income (loss)	1,749	(264)
Retained deficit, end of period	\$ (24,020)	\$ (21,315)

Consolidated Statements of Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)

	Three months ended March 31,	
	2008 (Restated)	2007 (Restated)
Net income (loss)	\$ 1,749	\$ (264)
Unrealized effect of foreign currency translation of foreign operations	939	162
Comprehensive income (loss)	\$ 2,688	\$ (102)
Accumulated other comprehensive loss, beginning of period	1,142	(796)
Other comprehensive income	939	162
Accumulated other comprehensive income (loss), end of period	\$ 2,081	\$ (634)

See accompanying notes to these unaudited interim consolidated financial statements

THUNDERBIRD RESORTS, INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of United States Dollars)

	March 31, 2008 (Restated)	March 31, 2007 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) from continuing operations	\$ 1,749	\$ (264)
Items not affecting cash:		
Depreciation and amortization	4,384	1,626
Future income taxes	475	257
Loss on disposal of investments and other assets	102	19
Stock-based compensation	658	23
Non-controlling interest	41	130
Other	(4,873)	(42)
Changes in non-cash working capital items:		
Increase in accounts receivable	(639)	(770)
(Increase) decrease in restricted cash	(859)	255
(Increase) in prepaid expenses and supplies	(4,668)	(96)
Increase in accounts payable and accrued liabilities	515	747
(Decrease) in income taxes payable	(138)	(87)
Net cash provided by operating activities	<u>(3,253)</u>	<u>1,798</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans receivable, net	-	17
Expenditures on capital assets, net	(14,092)	(4,498)
(Increase) in other assets	(10,695)	-
Investment in and advances to equity investees and other assets	229	(306)
Net cash used in investing activities	<u>(24,558)</u>	<u>(4,787)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of common shares	241	-
Loans payable	9,656	5,069
Net proceeds from minority interests	285	-
Repayment of loans and leases payable	(8,420)	(3,585)
Net cash provided by financing activities	1,762	1,484
Effect of foreign exchange on cash and cash equivalents	388	(11)
Change in cash and cash equivalents during the year	(25,661)	(1,516)
Cash and cash equivalents, beginning of year	71,656	7,353
Cash and cash equivalents, end of year	\$ 45,995	\$ 5,837
Supplemental disclosure with respect to cash flows:		
Interest paid	\$ 2,981	\$ 1,583
Income taxes paid	\$ 1,165	\$ 350

THUNDERBIRD RESORTS, INC.

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008

1. NATURE OF OPERATIONS

Thunderbird Resorts, Inc. (“Company”) is an international provider of casino entertainment and hospitality services, focused mainly on mid-sized markets in Central America, South America and Southeast Asia. The Company is a British Virgin Islands corporation with investments and operations conducted through subsidiaries. As of March 31, 2008, the Company operated twenty-two casinos and slot parlors, three video lottery locations, two slot routes, seven hotels and various associated food and beverage, and entertainment facilities.

2. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles for interim financial information. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the Company’s annual audited consolidated financial statements for the year ended December 31, 2007. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

3. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants (“CICA”) accounting standards:

- Section 1535 – Capital Disclosures
- Section 3031 – Inventories
- Section 3862 – Financial Instruments – Disclosures
- Section 3863 – Financial Instruments – Presentation

The adoption of these new standards resulted in additional disclosures with regard to financial instruments and the Company’s objectives, policies and processes for managing capital (Notes 12 and 13). The new standards have no impact on either the classification and/or valuation of the Company’s financial instruments or on the Company’s accounting for inventory.

THUNDERBIRD RESORTS, INC.**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008**4. RESTATEMENT**

The Company restated its financial statements for the years ended December 31, 2007 and 2006 and for the periods ended March 31, 2008 and 2007, respectively. The Company took the position that a warrant instrument was to be classified as a liability due to certain clauses within the contract. This classification was deemed incorrect and the warrant instrument has been reclassified to equity. This correction eliminated the derivative instrument liability in March 31, 2008 of \$1,172,000 (December 2007 - \$1,196,000), decreased net income by \$24,000 as of March 31, 2008 and decreased the net loss by \$384,000 as of March 31, 2007, decreased contributed surplus by \$3,214,000 for the warrants that were exercised in June of 2007, reclassified \$91,000 associated with the Company's liability for the removal of an anti-dilution clause to other payables and decreased the retained deficit for the three months ended March 31, 2008 by \$4,295,000 (December 2007- \$4,319,000). The deferred tax asset of the Company's Peruvian entity was incorrectly accounted for and the future amortization of capitalized debt issuance costs was not correctly factored into the deferred tax calculation. The correction increased tax expense by \$838,000, reduced noncurrent assets by \$856,000 decreased the foreign currency translation adjustment by \$18,000. The Company has a joint venture that it proportionally consolidates into its financial statements at 50% in which 100% of an intercompany loan receivable was inadvertently excluded within the financial statements. The restatement corrects this error by increasing the long term loans payable and long term amounts receivable by \$1,311,000 for the three months ended March 31, 2008 (December 2007 - \$1,240,000) for the non-eliminating portion of inter-company loans receivable. The cumulative impact of the above restatements is included in the following tables:

	March 31, 2008			December 31, 2007		
	As Reported	Adjustment	Restated	As Reported	Adjustment	Restated
ASSETS						
Current assets						
Cash and cash equivalents	\$ 45,995	\$ -	\$ 45,995	\$ 71,656	\$ -	\$ 71,656
Restricted cash	6,104	-	6,104	5,245	-	5,245
Accounts receivable	9,706	-	9,706	8,148	-	8,148
Prepaid expenses, deposits and inventories	9,054	-	9,054	4,076	-	4,076
Current portion of amounts receivable	41	-	41	41	-	41
Total current assets	70,900	-	70,900	89,166	-	89,166
Amounts receivable	5	1,311	1,316	5	1,240	1,245
Investments in and advances to equity investees	1,270	-	1,270	1,282	-	1,282
Property and equipment	142,103	-	142,103	114,525	-	114,525
Property available for sale	-	-	-	-	-	-
Goodwill	11,355	-	11,355	1,603	-	1,603
Intangible assets	1,898	-	1,898	1,034	-	1,034
Deferred tax asset	1,262	(856)	406	1,149	(856)	293
Other assets	7,717	-	7,717	6,152	-	6,152
Total assets	\$ 236,510	\$ 455	\$ 236,965	\$ 214,916	\$ 384	\$ 215,300

THUNDERBIRD RESORTS, INC.
NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States Dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)
THREE MONTHS ENDED MARCH 31, 2008

4. RESTATEMENT (cont'd)

	2007			2007		
	As Reported	Adjustment	Restated	As Reported	Adjustment	Restated
LIABILITIES AND SHAREHOLDERS'						
Current liabilities						
Accounts payable and accrued liabilities	\$ 25,707	\$ -	\$ 25,707	\$ 22,281	\$ -	\$ 22,281
Income taxes payable	1,536	-	1,536	1,525	-	1,525
Current portion of finance lease commitments	2,301	-	2,301	2,755	-	2,755
Current portion of loans payable	19,997	-	19,997	15,426	-	15,426
Current portion of other payables	175	-	175	51	-	51
Total current liabilities	49,716	-	49,716	42,038	-	42,038
Finance lease commitments	19,689	-	19,689	19,726	-	19,726
Loans payable	69,672	1,311	70,983	65,114	1,240	66,354
Other payables	5,925	91	6,016	5,151	91	5,242
Derivative financial instrument	1,172	(1,172)	-	1,196	(1,196)	-
Future income taxes	1,876	-	1,876	1,006	-	1,006
Total liabilities	148,050	230	148,280	134,231	135	134,366
Non-controlling interest	9,239	-	9,239	5,093	-	5,093
Shareholders' equity						
Share capital	99,724	-	99,724	98,962	-	98,962
Contributed surplus	4,875	(3,214)	1,661	4,738	(3,214)	1,524
Deficit	(27,477)	3,457	(24,020)	(29,250)	3,481	(25,769)
Foreign exchange adjustment	2,099	(18)	2,081	1,142	(18)	1,124
Total shareholders' equity	79,221	225	79,446	75,592	249	75,841
Total liabilities and shareholders' equity	\$ 236,510	\$ 455	\$ 236,965	\$ 214,916	\$ 384	\$ 215,300

THUNDERBIRD RESORTS, INC.
NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States Dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)
THREE MONTHS ENDED MARCH 31, 2008

4. RESTATEMENT (cont'd)

	March 31, 2008			March 31, 2007		
	As Reported	Adjustment	Restated	As Reported	Adjustment	Restated
REVENUE						
Gaming operations	\$ 33,496	\$ -	\$ 33,496	\$ 18,633	\$ -	\$ 18,633
Food and beverage Sales	5,511	-	5,511	864	-	864
	<u>39,007</u>	<u>-</u>	<u>39,007</u>	<u>19,497</u>	<u>-</u>	<u>19,497</u>
COSTS AND EXPENSES						
Direct costs	13,946	-	13,946	7,444	-	7,444
Operations costs	16,930	-	16,930	8,151	-	8,151
Foreign exchange (gain) loss	(4,495)	-	(4,495)	(41)	-	(41)
Project development	1,226	-	1,226	75	-	75
Depreciation and amortization	4,384	-	4,384	1,626	-	1,626
Financing costs	2,950	-	2,950	1,837	-	1,837
Loss on fair value of derivative financial instruments	(24)	24	-	384	(384)	-
Loss on disposal of investments and other assets	78	-	78	20	-	20
	<u>34,995</u>	<u>24</u>	<u>35,019</u>	<u>19,496</u>	<u>(384)</u>	<u>19,112</u>
Income before income taxes	<u>4,012</u>	<u>(24)</u>	<u>3,988</u>	<u>1</u>	<u>384</u>	<u>385</u>
Income taxes						
Current	938	-	938	262	-	262
Future	475	-	475	257	-	257
	<u>1,413</u>	<u>-</u>	<u>1,413</u>	<u>519</u>	<u>-</u>	<u>519</u>
(Loss) income from continuing operations before non-controlling interest	<u>2,599</u>	<u>(24)</u>	<u>2,575</u>	<u>(518)</u>	<u>384</u>	<u>(134)</u>
Non-controlling interest	<u>826</u>	<u>-</u>	<u>826</u>	<u>130</u>	<u>-</u>	<u>130</u>
Net (loss) income for the year	<u>\$ 1,773</u>	<u>\$ (24)</u>	<u>\$ 1,749</u>	<u>\$ (648)</u>	<u>\$ 384</u>	<u>\$ (264)</u>
Basic and diluted earnings (loss) per share						
Basic earnings (loss) per share	\$ 0.09	\$ (0.00)	\$ 0.09	\$ (0.08)	\$ 0.05	\$ (0.03)
Diluted earnings (loss) per share	\$ 0.09	\$ (0.00)	\$ 0.09	\$ (0.08)	\$ 0.05	\$ (0.03)

THUNDERBIRD RESORTS, INC.**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	March 31, 2008	December 31, 2007
Amounts due from joint ventures	\$ 2,147	\$ 4,366
Accounts receivable trade	3,173	1,978
Insurance claim receivable	1,247	-
Amounts due from related parties	1,043	1,043
Other receivables	<u>2,096</u>	<u>761</u>
	<u>\$ 9,706</u>	<u>\$ 8,148</u>

6. INVESTMENTS IN AND ADVANCES TO EQUITY INVESTEES

Through its equity investments, the Company managed various skill game locations in Mexico. The Company no longer manages or participates in these operations. The Company has an equity interest in a property and development company in the Philippines. The equity investments of the Company and the Company's share of income (loss) from these investments are as follows:

	2008				2007			
	Philippines	Mexico	Other	Total	Philippines	Mexico	Other	Total
Investment and advances	\$ 1,172	\$ 1,933	\$ 98	\$ 3,203	\$ 1,377	\$ 1,933	\$ 95	\$ 3,405
Gain (loss / write down) of equity investment	-	-	-	-	(190)	-	-	(190)
	<u>-</u>	<u>(1,933)</u>	<u>-</u>	<u>(1,933)</u>	<u>-</u>	<u>(1,933)</u>	<u>-</u>	<u>(1,933)</u>
	<u>\$ 1,172</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 1,270</u>	<u>\$ 1,187</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 1,282</u>

THUNDERBIRD RESORTS, INC.**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008**7. PROPERTY, PLANT AND EQUIPMENT**

Cost						
As of January 1, 2008	\$ 49,909	\$ 20,387	\$ 32,249	\$ 17,930	\$ 20,929	\$ 141,404
Foreign exchange adjustments	3,870	131	361	262		4,624
Additions	55	920	3,541	3,733	5,843	14,092
Additions Panama acquisition (Note 7)	675	8,070	11,432	4,988	447	25,612
As of March 31, 2008	<u>\$ 54,509</u>	<u>\$ 29,508</u>	<u>\$ 47,583</u>	<u>\$ 26,913</u>	<u>\$ 27,219</u>	<u>\$ 185,732</u>
Depreciation						
As of January 1, 2008	769	5,055	12,125	8,930	-	26,879
Foreign exchange adjustments	62	5	38	17	-	122
Additions	(34)	119	2,275	2,024	-	4,384
Additions Panama acquisition (Note 7)	11	2,922	6,202	3,109	-	12,244
As of March 31, 2008	<u>\$ 808</u>	<u>\$ 8,101</u>	<u>\$ 20,640</u>	<u>\$ 14,080</u>	<u>\$ -</u>	<u>\$ 43,629</u>
Net book value as of January 1, 2008	<u>\$ 49,140</u>	<u>\$ 15,332</u>	<u>\$ 20,124</u>	<u>\$ 9,000</u>	<u>\$ 20,929</u>	<u>\$ 114,525</u>
Net book value as of March 31, 2008	<u>\$ 53,701</u>	<u>\$ 21,407</u>	<u>\$ 26,943</u>	<u>\$ 12,833</u>	<u>\$ 27,219</u>	<u>\$ 142,103</u>

THUNDERBIRD RESORTS, INC.**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008

8. ACQUISITIONS

On January 15, 2008, the Company acquired an additional 11.36% of the total outstanding shares in the Panama operation resulting in the Company owning 61.36% of the net assets giving the Company control over Panamanian operations. The Company consolidates 100% of revenue, costs, assets and liabilities of the Panama entity while recognizing a “non-controlling interest” expense and a liability for the interests held by shareholders remaining in the entity as of the acquisition date. As of December 31, 2007, the Company proportionally consolidated 50% of the Panama entity and did not recognize any non-controlling interests. The acquisition price was \$10,695,000 and the excess over net book value of \$9,570,000 was recognized as goodwill. In addition, the Panama operation held an interest in the Nicaraguan subsidiary, the recognition of this additional interest increased the goodwill recognized in the Nicaraguan subsidiary by \$182,000. The acquisition and the corresponding change in control had the following impact on the Company’s balance sheet as of January 15, 2008:

Current assets	\$	1,595
Property and equipment		13,369
Intangible assets		909
Other assets		923
Goodwill		9,752
Total Assets		<u>26,548</u>
Current liabilities		(4,860)
Long term debt		(5,456)
Deferred tax liability		(819)
Other long term liabilities		(721)
Total liabilities		<u>(11,856)</u>
Non-controlling interest		(3,882)
Net income at January 15, 2008		(115)
Total purchase price	\$	10,695

9. GOODWILL AND OTHER INTANGIBLE ASSETS

	2008			2007		
	Gaming Licenses	Goodwill	Total	Gaming Licenses	Goodwill	Total
Cost						
Balance at beginning of year	\$ 2,259	\$ 1,603	\$ 3,862	\$ 2,259	\$ 1,306	\$ 5,273
Increase due to recognition of 100% of Panama operations	1,709	-	1,709	-	-	-
Additions	-	9,752	9,752	-	297	297
At March 31, 2008	<u>3,968</u>	<u>11,355</u>	<u>15,323</u>	<u>2,259</u>	<u>1,603</u>	<u>5,570</u>
Accumulated amortization						
Balance at beginning of year	(1,225)	-	(1,225)	(962)	-	(2,670)
Increase due to recognition of 100% of Panama operations	(799)	-	-	-	-	-
Additions	(46)	-	(46)	(263)	-	(263)
At March 31, 2008	<u>(2,070)</u>	<u>-</u>	<u>(2,070)</u>	<u>(1,225)</u>	<u>-</u>	<u>(2,933)</u>
Carrying amount						
At beginning of year	1,034	1,603	2,637	1,297	1,306	2,603
At March 31, 2008	<u>\$ 1,898</u>	<u>\$ 11,355</u>	<u>\$ 13,253</u>	<u>\$ 1,034</u>	<u>\$ 1,603</u>	<u>\$ 2,637</u>

THUNDERBIRD RESORTS, INC.**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in United States Dollars)

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

THREE MONTHS ENDED MARCH 31, 2008

9. GOODWILL AND OTHER INTANGIBLE ASSETS (cont'd)

The gaming licenses consist of costs associated with the acquisition of gaming licenses in Panama and the Philippines; both are amortized over the remaining term of the gaming license. The amortized balance of the Panama license is \$1,775,000 as of March 31, 2008 and \$909,000 as of December 31, 2007 and is amortized over twenty years. The amortized balance of the Philippines license is \$123,000, as of March 31, 2008, and \$125,000, as of December 31, 2007, and is amortized over three years.

The changes in the carrying amount of goodwill by geographical segment are as follows:

	2008				2008
	Nicaragua	Costa Rica	Philippines	Panama	Total
<i>Cost</i>					
Balance at beginning of year	\$ 1,387	\$ 172	\$ 44	\$ -	\$ 1,603
Additions	182	-	-	9,570	9,752
At March 31, 2008	1,569	172	44	9,570	11,355
<i>Accumulated amortization</i>					
Balance at beginning of year	-	-	-	-	-
Additions	-	-	-	-	-
At March 31, 2008	-	-	-	-	-
<i>Carrying amount</i>					
At beginning of year	1,603	-	-	-	1,603
At March 31, 2008	\$ 1,569	\$ 172	\$ 44	\$ 9,570	\$ 11,355
	2007			2007	
	Nicaragua	Costa Rica	Philippines	Total	
<i>Cost</i>					
Balance at beginning of year	\$ 1,306	\$ -	\$ -	\$ 1,306	
Additions	81	172	44	297	
At March 31, 2008	1,387	172	44	1,603	
<i>Accumulated amortization</i>					
Balance at beginning of year	-	-	-	-	
Additions	-	-	-	-	
At March 31, 2008	-	-	-	-	
<i>Carrying amount</i>					
At beginning of year	1,306	-	-	-	
At March 31, 2008	\$ 1,387	\$ 172	\$ 44	\$ 1,603	

The additions to goodwill for the period ended December 31, 2007 represent the purchase by the Company of some of its minority interests held in its subsidiaries; 2% of Nicaragua, 5% of Thunderbird Gran Entretenimiento, a subsidiary of the Costa Rican joint venture and 2% of the Philippines (1% of the Eastbay operation and 1% of the Poro Point operation). The additions to goodwill for the period ended March 31, 2008 are as a result of the Panama acquisition (Note 7).

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10. OTHER PAYABLES

	March 31, 2008 (Restated)	December 31, 2007 (Restated)
Former directors and former associated companies	\$ 125	\$ 133
Due to related parties	1,090	886
Deferred lease liability	512	609
Provision for the exercise of warrant	91	91
Litigation Provision	1,796	1,796
Severance and other	2,454	1,777
	6,068	5,292
Current portion of other payables	(52)	(50)
	\$ 6,016	\$ 5,242

11. EARNINGS PER SHARE

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

	March 31, 2008 (Restated)	March 31, 2007 (Restated)
Weighted average shares used in computation of basic earnings per share	19,438	8,398
Effect of diluted securities:		
Stock options and warrants	196	1,158
Weighted average shares used in computation of diluted earnings per share	19,634	9,556
Net loss for the quarter	\$ 1,749	\$ (264)

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12. LONG TERM DEBT

Loan Summary	March 31, 2008 (Restated)			December 31, 2007 (Restated)		
	Principal	Issuance Costs	Total Debt	Principal	Issuance Costs	Total Debt
Loans with financial institutions	\$ 20,550	\$ 155	\$ 20,395	\$ 13,963	\$ 160	\$ 13,803
Loans with non-financial institutions	68,453	1,610	66,843	67,694	1,679	66,015
Loans with related parties	3,742	-	3,742	1,962	-	1,962
Total loans payable	92,745	1,765	90,980	82,379	1,839	81,780
Less current portion of notes payable			(19,997)			(15,426)
Loans payable long term			\$ 70,983			\$ 66,354

The expected repayments of long-term debt for the five following periods:

Balance 2008	\$ 15,278
2009	29,972
2010	14,174
2011	8,491
2012	4,131
2013	666
Thereafter	20,033
Total repayments	92,745
Less: unamortized debt issuance costs	(1,765)
Less current portion of notes payable	(19,997)
Loans payable long term	\$ 70,983

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13. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial instruments and the types of risks to which their carrying values are exposed are as follows:

Financial instrument	Risks			
	Credit	Liquidity	Market risks	
			Interest rate	Currency
Measured at amortized cost:				
Long term debt		x	x	x
Measured at fair value:				
Cash	x			x
Restricted cash				x
Accounts receivable	x			x
Accounts payable and accrued liabilities		x		x
Derivative liabilities				x

Market Risk Analysis:

The Company is exposed to market risk through its use of financial instruments, specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company'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 Company 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 Company is exposed to are described below.

Foreign currency sensitivity:

Most of the Company's transactions are carried out in the functional currency where the operations reside. Exposures to currency exchange rates arise from the Company's loans payable, inter-company payables and cash balances, denominated in US Dollars at its non-US based operations. The inter-company payables and cash have been designated at fair value through profit or loss and the loans are carried at amortized cost.

To mitigate the Company'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.

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13. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)**Foreign currency sensitivity (cont'd):**

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

Nominal amounts	Country	US Dollar amounts	
			March 31, 2008
Financial Assets			
	Guatemala	\$	1,066
	Costa Rica		1,384
	Nicaragua		338
	Philippines		2,080
	Peru		4,866
	Poland		514
Financial Liabilities			
	Guatemala		(3,214)
	Costa Rica		(4,725)
	Nicaragua		(2,538)
	Philippines		(11,534)
	Peru		(6,939)
Short term Exposure		\$	(18,702)
Financial Liabilities			
	Guatemala	\$	(5,764)
	Costa Rica		(7,320)
	Nicaragua		(2,947)
	Philippines		(26,365)
	Peru		(47,194)
Long Term Exposure		\$	(89,590)

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13. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)**Foreign currency sensitivity (cont'd):**

The following table illustrates the sensitivity of the net income (loss) for the year in regards to the Company'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, 2007. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

If the US-Dollar has strengthened against the functional currencies according to the percentages below, the following would be the impact.

Country	March 31, 2008	
	Percentage Change	Net Income for the year
Guatemala	2.05%	\$ 162
Nicaragua	0.00%	-
Costa Rica	3.17%	338
Philippines	6.26%	2,242
Peru	2.08%	1,025
Poland	10.75%	(55)
Total		<u>\$ 3,712</u>

If the US-Dollar has weakend against the functional currencies according to the percentages below, the following would be the impact.

Country	March 31, 2008	
	Percentage Change	Net Income for the year
Guatemala	2.05%	\$ (162)
Nicaragua	0.00%	-
Costa Rica	3.17%	(338)
Philippines	6.26%	(2,242)
Peru	2.08%	(1,025)
Poland	10.75%	55
Total		<u>\$ (3,712)</u>

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13. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)**Interest rate sensitivity:**

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. As of March 31, 2008, the Company is exposed to changes in market interest rates through some of its bank borrowings of approximately \$8,700,000 million (December 31, 2007 - \$4,100,000), which are subject to variable interest rates. As in previous years, all other financial assets and liabilities have fixed rates. The impact on profit or loss of a reasonably possible change in interest rates of +/- .075% as March 31, 2008 (December 31, 2007: +/-0.75%), with effect from the beginning of the year, would be an increase of \$65,000 (December 31, 2007 - \$31,000) or a decrease of \$65,000 (December 31, 2007 - \$31,000). These changes in interest rates are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Company's financial instruments held at each balance sheet date. All other variables are held constant.

Credit risk analysis:

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

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

None of the Company's financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Company 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 Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

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13. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)**Liquidity risk analysis (cont'd);**

As of March 31, 2008 (Restated), the Company's liabilities have contractual maturities which are summarized below:

	Current		Non Current	
	within 6 months \$ '000's	6 to 12 months \$ '000's	1 to 5 years \$ '000's	later than 5 years \$ '000's
Long-term bank loans	\$ 15,364	\$ 16,712	\$ 66,309	\$ 22,270
Finance lease obligations	2,446	2,252	13,985	13,894
Trade payables	11,672	-	-	-
Other short-term financial liabilities	14,035	-	-	-
Operating leases	1,882	1,640	10,789	33,485
Total	\$ 45,399	\$ 20,604	\$ 91,083	\$ 69,649

The long-term debt contractual obligations presented above exclude debt issuances costs and include the repayments of interest and principal on all loans payable of the Company.

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, 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 Company may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of its leverage ratio. This ratio is calculated as net debt divided by EBITDA. Net debt is calculated as total loans payable and finance leases payable less cash and cash equivalents, less accrued interest and less un-amortized debt issuance costs. EBITDA is calculated as operating profit before exceptional items plus depreciation and amortization. EBITDA for interim reporting periods is annualized.

During 2007 and 2008, the Company's long term strategy was to maintain a leverage ratio of 3.0 to 4.0 times in order to secure access to finance at a reasonable cost. Due to the cash received from the private offering, the Company's leverage ratio was improved to 1.38 times.

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14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The leverage ratios at March 31, 2008 and December 31, 2007 were as follows:

	March 31, 2008 (1) (Restated)	December 31, 2007 (Restated)
Total borrowings and finance lease obligations	\$ 112,970	\$ 104,261
Less: Cash and cash equivalents	(52,099)	(76,901)
Less: Accrued interest	(1,014)	(1,033)
Less: Unamortized debt issuance costs	(1,765)	(1,839)
Net Debt	58,092	23,248
Operating profit from continuing operations before exceptional items	27,752	10,978
Add: Depreciation and amortization	17,536	10,244
EBITDA	45,288	24,312
Leverage ratio	1.28	0.96

(1) Components to EBITDA calculation for March 31, 2008 have been annualized.

The increase in the leverage ratio during as of March 31, 2008 resulted primarily from reduction in cash for the Company's recent investments, which have not yet contributed to the Company's EBITDA. The decrease from the leverage ratio the Company would like to maintain is due to the increased cash balances that are a result of the private offering completed in November of 2007.

15. RELATED PARTY TRANSACTIONS**Transactions with joint ventures**

The accounts receivable for Thunderbird Panama balance was reduced to \$Nil as of March 31, 2008 (December 31, 2007 - \$2,383,000) due the consolidation of 100% of the entity rather than the proportional consolidation completed in prior periods. Also included in accounts receivable is \$2,147,000 (December 31, 2007 - \$1,983,000) due from Thunderbird de Costa Rica S.A. These amounts represent the balances due in excess of the Company's proportionate share of the net assets included up on consolidation. These balances are primarily comprised of management fees accrued but not yet paid by the entity. The income and expenses related to these management fees are fully eliminated upon consolidation.

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15. RELATED PARTY TRANSACTIONS (cont'd)**Transactions with partners in operating entities**

Included in loans payable are loans from partners in the Company's operating entities. The loans outstanding are as follows:

	Country	March 31, 2008		December 31, 2007	
		Amount	Interest	Amount	Interest
		Due	Paid	Due	Paid
Panama partners	Panama	\$ 3,295	\$ 113	\$ 1,845	\$ 203
Nicaragua partners	Nicaragua	92	3	117	18
Total		\$ 3,387	\$ 116	\$ 1,962	\$ 221

Included in other liabilities are amounts due to the Company's partner in Costa Rica for \$701,000 as of March 31, 2008 (December 31, 2007 - 444,000) and included in current liabilities was \$1,043,000 as of March 31, 2008 (December 31, 2007 - \$1,043,000) for their portion of management fees, which have been fully eliminated in the income statement. In other liabilities are amounts due to the Company's partner in its Philippines entity Eastbay Resorts, Inc., as of March 31, 2008 for \$267,000 (December 31, 2007 - \$302,000), for amounts due for their expenses associated with the securitization of the gaming license for that facility. Additionally, in other liabilities is \$119,000 as of March 31, 2008 (December 31, 2007 - \$135,000) due to a shareholder of the Nicaraguan operation for a loan for a small acquisition completed by the entity for Masaya.

Included in other assets is \$231,000 as of March 31, 2008 (December 31, 2007 - \$246,000) 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. Also included in other assets as of March 31, 2008 is \$125,000 (December 31, 2007 \$125,000) due from our Costa Rican partner for their portion of the repurchase of minority interest shares in the Garden Court Casino, and \$660,000 as of March 31, 2008 (December 31, 2007 - \$583,000) due from our Poro Point partner.

An officer owns indirectly 10% of Angular Investments S.A., which owns 50% of the Costa Rica operating entity.

Transactions with officers and directors

A Director received compensation under a consulting agreement in the amount of \$19,500 for March 31, 2008 (December 31, 2007 - \$78,000), and received commissions from the successful securitization of loans payable in the amount of \$16,000 for March 31, 2008 (December 31, 2007 - \$39,000) in addition to directors fees.

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15. RELATED PARTY TRANSACTIONS (cont'd)

In addition Directors have the following loans outstanding:

	Country	March 31, 2008		December 31, 2007	
		Amount Due	Interest Paid	Amount Due	Interest Paid
Director	Philippines	\$ 35	\$ 1	\$ 44	\$ 9
Director	Philippines	61	2	68	11
Director	Corporate	101	2	104	9
Director	Costa Rica	-	-	-	-
Mother of Director	Philippines	84	3	91	14
Mother of Director	Costa Rica	-	-	-	-
Director	Philippines	74	3	80	18
Total		\$ 355	\$ 11	\$ 387	\$ 61

The loans to Costa Rica contained an equity interest in the subsidiary Thunderbird Gran Entretenimiento for which the loans benefited. Both the Director and the Director's mother received a 0.04% interest in the entity as a result of their loans. As of March 31, 2008 the Director and the Director's mother received \$700 each (December 31, 2007 - \$3,000 each) related to their ownership interest in this entity.

The Company employs immediate family members of the President of the Company, they are as follows:

Relation	Position	March 31,	December 31,
		2008	2007
		Salary (1)	Salary (1)
Spouse	Executive Assistant	\$ 12	\$ 28
Brother-in-law	Regional Counsel	8	82
Brother-in-law	General Manager	19	46
Brother-in-law	General Manager	19	39
Daughter	Assistant Analyst	18	44
Brother	Project Manager	21	78
Total		\$ 97	\$ 317

(1) includes bonuses and other compensation

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16. SEGMENTED INFORMATION

Management has organized the enterprise based on geographic areas of operations and on business segments. Based on this organization, the Company has the following reportable segments.

Geographic segments are as follows:

As of March 31, 2008 (Restated)	Panama	Guatemala	Nicaragua	Costa Rica	Philippines	Peru	Corporate	Total
External revenue	\$ 15,341	\$ 910	\$ 3,407	\$ 4,118	\$ 11,073	\$ 3,977	\$ 181	\$ 39,007
Depreciation and amortization	1,624	92	194	284	876	1,255	59	4,384
Income tax expense	435	41	150	218	-	67	502	1,413
Net income (loss) from continuing operations	448	(391)	177	362	29	2,197	(1,073)	1,749
Property, plant & equipment (gross)	54,417	6,255	8,963	15,741	37,982	61,487	887	185,732
Accumulated depreciation	(26,066)	(2,270)	(2,373)	(1,947)	(6,281)	(3,872)	(820)	(43,629)
Property, plant & equipment (net)	28,351	3,985	6,590	13,794	31,701	57,615	67	142,103
Segment assets	42,426	7,384	10,026	16,638	55,596	77,442	27,453	236,965

As of March 31, 2007 (Restated)	Panama	Guatemala	Nicaragua	Costa Rica	Philippines	Peru	Corporate	Total
External revenue	\$ 6,203	\$ 562	\$ 3,055	\$ 2,911	\$ 6,731	\$ -	\$ 35	\$ 19,497
Depreciation and amortization	658	70	136	153	550	-	59	1,626
Income tax expense	152	23	8	72	-	-	264	519
Net income (loss) from continuing operations	368	(505)	(16)	343	(349)	-	(105)	(264)
Property, plant & equipment (gross)	22,660	4,938	7,737	8,168	18,837	-	1,637	63,977
Accumulated depreciation	(10,130)	(1,924)	(1,013)	(950)	(2,929)	-	(969)	(17,915)
Property, plant & equipment (net)	12,530	3,014	6,724	7,218	15,908	-	668	46,062
Segment assets	17,178	4,172	8,497	9,225	31,559	-	(857)	69,774

Business segments are as follows:

	March 31, 2008			March 31, 2007		
	Gaming	Hotel	Total	Gaming	Hotel	Total
External revenue	\$ 34,821	\$ 4,186	\$ 39,007	\$ 19,395	\$ 102	\$ 19,497
Depreciation and amortization	3,129	1,255	4,384	1,626	-	1,626
Income tax expense	1,346	67	1,413	519	-	519
Net income (loss) from continuing operations	(448)	2,197	1,749	(264)	-	(264)
Property, plant & equipment (gross)	128,695	57,037	185,732	63,977	-	63,977
Accumulated depreciation	(39,758)	(3,871)	(43,629)	(17,915)	-	(17,915)
Property, plant & equipment (net)	88,937	53,166	142,103	46,062	-	46,062
Segment assets	167,125	69,840	236,965	69,774	-	69,774

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17. SUBSEQUENT EVENTS

The following events occurred subsequent to March 31, 2008:

- a) On May 17, 2008, in Panama, the Hotel Washington - Colón; casino expansion was completed ahead of schedule with 80 new slot machines, an additional 20 machines will be installed in June. The expansion added 750 square meters for a cost of \$1.5 million.
- b) During the first week of May, 2008, in Panama a smoking ban went into effect for all casinos in Panama. The Company is evaluating the impact this may have, if any.
- c) On May 27, 2008, in the Philippines at the Company's Poro Point location, the Company was honored by the presence of the Philippine President Gloria Macapagal-Arroyo, members of her cabinet, and local government officials in the inauguration ceremony of our 40 room hotel and 9-hole golf course. The hotel and golf course opened in April of 2008.
- d) On May 16, 2008, the Company's Costa Rica subsidiary operation closed on the acquisition of a 21 room hotel where our Perez Zeledon casino is located. The Perez Zeledon hotel will be renamed the Hotel Thunderbird Resorts. The acquisition cost of the hotel was approximately \$2,000,000, with a local bank financing \$1.5 million of the acquisition over a 12 year term at a fixed interest rate of 9.5%. The Company is in the planning stages for the remodeling of the hotel to include a bar and a restaurant.
- e) During April 2008, in India, the Company funded its phase one obligation of \$8.0 million in equity against the over 40,000 square meters of land contributed by local partners. The Company will own 50% of Daman Hospitality Private Limited ("DHPL"), a company incorporated under the laws of India that will own the land and a 5-star resort to be developed on this land. The resort, which began construction in May 2008, will include a 5-star hotel, an event center, restaurants and bars, and will be operated by Thunderbird under a long-term management contract. DHPL will also build and lease facilities to an Indian company that is eligible to operate the area's first gaming license under the 1976 Gambling Act of Goa, Daman & Diu. Thunderbird's subsidiary, Impacto, is managing the design and engineering of the facility.

18. COMPARATIVE FIGURES

The comparative financial statements have been reclassified, where applicable, to conform with the presentation adopted in the current period.

These interim financial statements have not been reviewed by our auditor, Oliva, Sahmel & Goddard, Chartered Accountants. These interim financial statements and the notes thereto have been prepared by management using generally accepted accounting principles in Canada.

CEO & CFO Certification:

Pursuant to the applicable Canadian requirement, effective with the first quarterly filings in 2004, we the undersigned, collectively and individually, do hereby certify that to the best of our respective knowledge, these unaudited interim financial statements, as well as the associated MD&A, together with documents incorporated by reference, do not contain misrepresentation and fairly present in all material respects the Company's financial condition, results of operations and cash flows as of and for the periods presented in the filing.



Jack R. Mitchell
CEO & President



Michael G. Fox
CFO & Corporate Secretary