Thunderbird Entertainment Group Inc.

(formerly Golden Secret Ventures Ltd.)

Management's Discussion and Analysis

For the years ended June 30, 2019 and 2018

GENERAL

This Management's Discussion and Analysis ("MD&A") dated October 18, 2019 should be read in conjunction with the audited consolidated financial statements of Thunderbird Entertainment Group Inc. ("Thunderbird" or "the Company") for the years ended June 30, 2019 and 2018 and accompanying notes (the "Annual Financial Statements"). The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

On October 30, 2018, Thunderbird Entertainment Inc. ("TEI") completed a reverse take-over (the "RTO Transaction"), whereby Golden Secret Ventures Ltd. ("Golden Secret"), a TSX Venture Exchange ("TSX-V") listed company, acquired 100% of the issued and outstanding shares of TEI in consideration for the issuance of 36,660,561 post-consolidation common shares and 1,054,000 Class A preferred shares convertible into 351,333 post-consolidation common shares. The post-consolidation shares of Golden Secret were reinstated for trading on the TSX-V on November 2, 2018. Under this transaction Golden Secret changed its name to Thunderbird Entertainment Group Inc.

Unless otherwise indicated, all dollar amounts are expressed in thousands of Canadian dollars.

FORWARD-LOOKING STATEMENTS

Thunderbird's public communications may include written or oral "forward-looking statements" and "forward-looking information" as defined under applicable Canadian securities legislation. All such statements may not be based on historical facts that relate to the Company's current expectations and views of future events and are made pursuant to the "safe harbour" provisions of applicable securities laws.

Forward-looking statements or information may be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "plan", "project", "should", "believe", "intend", or similar expressions concerning matters that are not historical facts. These statements represent Management's current beliefs and are based on information currently available to Management and inherently involve numerous risks and uncertainties, both known and unknown. Many factors could cause actual results to differ materially from the results discussed or implied in the forward-looking statements including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates, and technology changes. An assessment of the risks that could cause actual results to materially differ from current expectations is contained in the "Risks and Uncertainty" section of this MD&A. The foregoing is not an exhaustive list. Additional risks and uncertainties not presently known to Thunderbird or that Management believes to be less significant may also adversely affect the Company.

The forward-looking statements or information contained in this document represent our views as of the date hereof and as such information should not be relied upon as representing our views as of any date subsequent to the date of this document. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements or information.

NON-IFRS MEASURES

In addition to the results reported in accordance with IFRS, the Company uses various non-IFRS financial measures which are not recognized under IFRS, as supplemental indicators of our operating performance and financial position. These non-IFRS financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a more consistent basis for comparison between periods. The following discussion explains the Company's use of Adjusted EBITDA as a measure of performance.

"Adjusted EBITDA" is calculated based on earnings before interest, income taxes, depreciation and amortization, asset impairment charges, accretion, share-based compensation expense, finance costs (income), share of loss of associates, unrealized foreign exchange gain/loss and losses and items of an unusual nature that do not reflect our ongoing operations. Adjusted EBITDA is commonly reported and widely used by investors and lenders as an indicator

of a company's operating performance and ability to incur and service debt, and as a valuation metric. Adjusted EBITDA is not an earnings measure recognized by IFRS and therefore does not have a standardized meaning prescribed by IFRS. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other issuers.

BUSINESS OVERVIEW

Thunderbird is a company incorporated under the Business Corporation Act (British Columbia). Thunderbird's principal operating subsidiaries are the Company's factual division, Great Pacific Media Inc. ("GPM"), kids and family division, Atomic Cartoons Inc. ("Atomic"), and Thunderbird Productions Inc., the scripted division. In accordance with industry practice, Thunderbird incorporates a new subsidiary corporation for each production, including each new season of ongoing series productions. Accordingly, Thunderbird has approximately 60 such subsidiary corporations.

Thunderbird is a multi-platform media production, distribution and rights management company based in Vancouver, Canada. In addition to three locations in Vancouver, Thunderbird has offices in Toronto, Ottawa, Los Angeles and London. Thunderbird's programs cover multiple genres with a significant focus on children's productions, scripted comedy and drama, and non-scripted (factual) content. Thunderbird's programs are currently being broadcast via conventional linear means, and a number of digital platforms, in more than 180 territories worldwide. A substantial and growing portion of Thunderbird's programming library has been licensed directly to leading Internet "over the top" ("OTT") platforms such as Netflix, Hulu, Amazon and iTunes, which offer subscription video on demand ("SVOD"), transactional video on demand ("TVOD") and advertising video on demand ("AVOD") to their customers.

STRATEGY AND OUTLOOK

Thunderbird's strategy is to intentionally grow the Company's divisions and their respective brands, developing long-term value through the expansion of its programming library and leveraging its owned or controlled intellectual property ("IP"). While Thunderbird generates fee income during the production and initial distribution windows for its programs, one of the Company's main objectives is to create long-term value with programming that can drive multiple revenue streams from Thunderbird's library. This involves developing and owning content that has established brand recognition, which in turn helps generate a broad array of revenue streams from licensing, such as merchandise, music, video games and other ancillary sources over an extended period of time.

Children's programming has been and continues to be an important and growing component of Thunderbird's production slate and proprietary library. In 2015, Thunderbird expanded its focus on kids and family programming by making a substantial investment in animated programming with the acquisition of Atomic. Today, Atomic's roster of clients and partners includes Netflix, Nickelodeon, PBS, Spinmaster, Teletoon, Treehouse, Cartoon Network, Walt Disney, Mattel, Warner Bros., Marvel, Microsoft, Lego and NBCUniversal.

Atomic, which is formally the Company's kids and family division, is currently producing two series for Netflix, *The Last Kids on Earth* and *Hello Ninja*, with additional projects in production and development for traditional broadcasters and OTT's. With a robust slate of programming, Atomic has been expanding rapidly. With the addition of its Los Angeles office in 2017, the Company has a more direct and accessible relationship with many of its partners, including Netflix, Disney, and NBCUniversal, to list a few. During the past three years, Atomic has grown from engaging approximately 200 animators, to more than 550 and, in December 2018, it opened an Ottawa studio. The Ottawa location is dedicated to expanding the capacity of the kids and family division. By June 2020, the studio anticipates it will employ 150 people.

Subsequent to the year-end, the Company's IP-owned series, *The Last Kids on Earth* began streaming September 17, 2019 on Netflix, and the Company announced that a video game inspired by the series will launch in 2021. This builds on the Master Toy deal that was reached in May 2019 with Jakks Pacific Inc. to develop and market a range of merchandise, including action figures, activity toys, role-play accessories, vehicles, plush items, novelty items, games, and play electronics. The merchandise line is set to hit shelves around the world in 2020.

Thunderbird's factual division, GPM, maintains a strong presence in the non-scripted (factual) marketplace with multiple long running television series. GPM produces *Highway Thru Hell*, one of the most successful factual programs in Canadian history. The series, which chronicles the action-packed world of heavy rescue towing, airs on Discovery Canada and is distributed in over 200 territories and on Netflix worldwide.

Subsequent to the year end, the Company delivered the 100th episode of *Highway Thru Hell* to Discovery Canada. Season eight consists of 17 episodes, one of which marks the 100th episode milestone, and began airing on October 7, 2019. Production of its 9th season was announced in October 2019, and it will be the series' largest season ever.

GPM also produces a "spin-off" series for Discovery Canada that brings the elements of *Highway Thru Hell* to Canada's busiest freeway, Ontario's notorious Highway 401. Season 3 of *Heavy Rescue: 401* currently airs on Discovery Canada. *Heavy Rescue: 401* is also broadcast by television stations around the world, available on Netflix, and licensed by the Weather Channel in the US as a broadcast in the station's primetime schedule.

Queen of the Oil Patch, which airs on APTN, is produced by GPM. A second season for the critically-acclaimed documentary series was announced subsequent to the year-end and principal photography for it has begun. In the "lifestyle" genre, GPM produces the lifestyle series *$ave My Reno* and *Worst to First* for HGTV Canada.

Thunderbird's scripted division is currently in production on the fourth season of its award-winning comedy series *Kim's Convenience. Kim's Convenience* airs on CBC in Canada and is available on Netflix worldwide. The show has worldwide distribution through a mix of streaming, cable and VOD partnerships, including in Asia. The Season 3 premiere (January 2019) of *Kim's Convenience* drew 1.3 million viewers on CBC, an increase in viewership of seven percent from the previous season. The series continues to receive global attention and was recognized as the *Most Popular Foreign Drama of the Year* Award by the Seoul Drama Awards 2019 in South Korea.

In keeping with global trends, an increasing portion of Thunderbird's growth and future business focus is with OTT platforms such as Netflix, Amazon and others. Thunderbird intends to continue establishing itself as a preferred supplier of programming for these leading OTT platforms with the strategy of building iconic brands where possible. In addition to acquiring and producing proprietary programming, Thunderbird plans to grow its business and library through the acquisition of complimentary companies in the entertainment industry and through strategic business alliances. The focus of these efforts is to grow its library, expand Thunderbird's production and distribution capabilities and extend its operations beyond North America.

Thunderbird has developed strategic business relationships with key North American and international broadcasters, and with international distributors and major global digital platforms. These strong relationships are built on a track record of past success and demonstrate the confidence that Thunderbird's partners have in the Company to deliver quality programming, on time and on budget.

Thunderbird continues to focus on higher budget and higher quality programs as management believes this extends the life and thereby increases the value of the Thunderbird library. Thunderbird maintains a disciplined approach to acquiring and perfecting key exploitation rights to its content and strives to own the majority of the ancillary rights to its IP.

While Thunderbird's primary focus is on producing programming in which the Company holds long-term proprietary interests, it also generates recurring revenue from providing production services to a variety of clients. These activities generate near term earnings, and provide additional opportunities for the Company to develop its emerging talent and credentials, which can be further leveraged for future proprietary productions. Additionally, service production activities can further strengthen Thunderbird's business relationships with key North American and international broadcasters, and other clients.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THREE AND TWLEVE MONTHS ENDED JUNE 30, 2019

- On October 30, 2018, the Company completed the acquisition of all of the issued and outstanding shares of a private company, Thunderbird Entertainment Inc. ("TEI"), through a reverse takeover transaction (the "RTO Transaction"). The Company is considered to be a continuation of TEI with the net assets of the Company at the date of the RTO Transaction deemed to have been acquired by TEI. The RTO Transaction was approved by the TSX Venture Exchange and the Resulting Issuer (renamed Thunderbird Entertainment Group Inc.) commenced trading on November 2, 2018 under the ticker symbol "TBRD".

- Prior to the RTO Transaction TEI completed a brokered private placement financing of 5,125,000 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $10.25 million. On October 30, 2018, each subscription receipt was exchanged for one post-consolidation common share of the Resulting Issuer. Concurrent with the brokered private placement, TEI raised an additional $2.25 million by the issuance of 8% convertible debentures that were converted into common shares at a price of $2.00 per share upon completion of the RTO Transaction.

- During the year ending June 30, 2019, the Company paid down $4.6 million of a $6 million three-year non-revolving term loan drawn in July 2018. The term loan was drawn in order to repurchase common shares of certain shareholders of TEI on an accretive basis and was part of an overall credit facility negotiated with the Royal Bank of Canada that also included an increased production line of credit and an acquisition facility.

- The Company adopted and implemented IFRS 15, *Revenue from contracts with customers,* which established a new comprehensive framework on revenue recognition. Under IFRS 15, the Company has determined that licensing and distribution revenue should be recognized at the later of the start date of the license term and the satisfaction of the contractual performance obligations. Previously, licensing revenue was recognized at the earlier date of delivery when certain conditions were met.

- Consolidated revenue for the three months and year ended June 30, 2019 was $13.7 million and $61.5 million as compared to $11.4 million and $142.4 million for the comparative periods of fiscal 2018, an increase of $2.3 million and a decrease of $80.9 million respectively. The majority of the annual decrease ($69.6 million) was related to the Company's decision in fiscal 2018 to not renew its multi season service agreement to produce the live action television series *Man in the High Castle.* Although the series generated significant revenues, the profit margins were small and management decided to re-direct valuable corporate resources to the creation of owned IP programming and other core operations. The remainder of the year end decrease was related to a large budget proprietary television series for ABC Network which was completed and delivered by the Company in fiscal 2018. There was no comparative series completed in fiscal 2019 and therefore this resulted in a decrease in revenues of $21.6 million. These decreases were partially offset by increases in both the animation and factual divisions. A portion of the fourth quarter revenue increase over the comparative quarter in 2018 related to growth in the animation division.

- Consolidated net loss was $1.0 million and $3.8 million for the three months and year ending June 30, 2019, compared to net loss of $0.4 million and net income of $3.2 million for the comparative periods of fiscal 2018, a decrease of $0.6 million and $7.0 million respectively. During the year, the Company incurred a one-time charge of $5.3 million relating to the RTO Transaction. This non-cash charge represented the difference between the net assets acquired and the fair value of the Golden Secret shares, options and warrants that were exchanged. Other differences relate to both one-time and recurring public company costs, increase in capital asset amortization (due to animation expansion), and an increase in share based compensation. These decreases were offset by growth in both the factual and animation divisions.

- Adjusted EBITDA was ($0.3 million) and $10.3 million for the three months and year ending June 30, 2019, compared to $1.2 million and $10.1 million for the comparative periods of fiscal 2018, a decrease of $1.5 million and an increase of $0.2 million, respectively. The quarterly decrease was due to timing differences with recognition of revenue in the factual division. The year-over-year increase was due to growth in the animation and factual divisions, offset partially by decreases due to public company costs. See "Non-IFRS

Measures" and "Adjusted EBITDA" sections of this MD&A for the definition and detailed calculation of Adjusted EBITDA.

- During the fourth quarter, the Company had 14 programs in various stages of production, with clients such as Netflix, NBCUniversal, Nickelodeon, PBS, WGBH, Bell Media's Discovery, APTN, Corus Entertainment and the CBC, among others.

- With the launch of its UK Division, Thunderbird expanded its ability to produce and distribute premium factual content, with an initial partnership with Shine Endemol Group.

- The Ottawa studio continues to experience rapid growth since it opened its doors in December 2018. By June 2020, the studio anticipates it will employ 150 people.

- Subsequent to the year-end, Brian Paes-Braga was appointed Chair of the Company's Board of Directors.

Thunderbird Kids and Family

- During the quarter, the Company was in various stages of production on nine animated television programs; these series reflect a blend of both proprietary and service-based series, including *The Last Kids on Earth* (IP), and service-based series such as *Hello Ninja*, *Molly of Denali*, *LEGO Jurassic World*, *Marvel Super Hero Adventures*, *101 Dalmatian Street*, *Curious George: Royal Monkey*, and *Incredible Ant*, among others.

- *Max and Ruby Season 7*, an animated television series, premiered on Treehouse, with twenty-six episodes being delivered during the fiscal year.

- During fiscal 2019 the Company derived production service revenue from various animated television programs such as *Hello Ninja*, *Molly of Denali*, *Hilda*, *LEGO Jurassic World, LEGO Marvel Spiderman*, *Marvel Super Hero Adventures*, *101 Dalmatian Street*, *Curious George: Royal Monkey*, and *Incredible Ant*, among others.

Thunderbird Factual

- During the quarter, the Company's factual division was in production on four proprietary television series: *Highway Thru Hell (Season 8), Heavy Rescue: 401 (Season 4), Worst to First (Season 2)* and *High Arctic Haulers (Season 1).*

- *Highway Thru Hell (Season 7)* premiered on Discovery Canada, with seventeen episodes being delivered during the fiscal year. The Company also delivered seventeen episodes of *Heavy Rescue: 401 (Season 4)*.

- The Company also delivered the second season of the lifestyle series *$ave My Reno* to HGTV Canada, which was comprised of fourteen episodes. The series continues to be a ratings success on the network.

- Seven episodes of *Worst to First (Season 2)* were delivered and aired beginning May 2019 on HGTV Canada.

Thunderbird Scripted

- During the quarter, the Company commenced production of the fourth season of *Kim's Convenience. Kim's Convenience (Season 3)* premiered on CBC during the fiscal year in January 2019.

SEASONALITY

Results of operations for any period are contingent on the number and timing of programs delivered. Therefore, the Company's results of operations may fluctuate significantly from period to period and may not be indicative of future periods. Cash flows may also fluctuate and may not be closely correlated with revenue recognition. The Company's revenues vary significantly over the quarters as they are driven by contracted deliveries and license period start dates with the broadcasters and distributors and therefore are not earned on an even basis throughout the year. The Company is also somewhat reliant on the broadcaster's budget and financing cycles and at times the license period gets delayed and commences at a later date than originally projected. Readers of the Annual Financial Statements and this MD&A are therefore cautioned about extrapolating the results for quarterly or annual periods in the financial year-ended June 30, 2019, into quarterly or annual expectations in future years.

SELECTED ANNUAL COMPARATIVE INFORMATION

The selected comparative information set out below for the years ended June 30, 2019, 2018 and 2017 has been derived from, and should be read in conjunction with, the Company's audited consolidated financial statements and accompanying notes for the respective periods.

($000's, except per share data)		**June 30, 2019**		**June 30, 2018**		**June 30, 2017**
Revenue	$	61,478	$	142,402	$	95,113
Net (loss) income from continuing operations	$	(3,820)	$	3,361	$	(687)
Basic earnings (loss) per share - continuing operations	$	(0.106)	$	0.061	$	(0.075)
Total assets	$	130,825	$	112,716	$	150,283
Total non-current liabilities	$	5,963	$	6,576	$	5,347
Shareholders' equity	$	47,643	$	38,149	$	36,443

RESULTS OF OPERATIONS

Results for the year ended June 30, 2019 compared to the year ended June 30, 2018:

	For the three months ended		**For the year ended**	
($000's, except per share data)	**June 30, 2019**	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Revenue	$ 13,663	$ 11,378	$ 61,478	$ 142,402
Expenses [1]	14,759	11,615	65,298	139,041
Net (loss) income from continuing operations	**(1,096)**	(237)	**(3,820)**	3,361
Loss from discontinued operations	-	(139)	-	(46)
Non-controlling interest	-	-	(9)	-
Foreign currency translation adjustment	30	(2)	(5)	(89)
Comprehensive net (loss) income for the year attributable to owners of the parent	**$ (1,066)**	$ (378)	**$ (3,834)**	$ 3,226
Basic (loss) earnings per share - continuing operations	$ (0.024)	$ (0.021)	$ (0.106)	$ 0.061
Diluted (loss) earnings per share - continuing operations	$ (0.024)	$ (0.021)	$ (0.106)	$ 0.049
Basic loss per share – discontinued operations	$ -	$ (0.005)	$ -	$ (0.002)
Diluted loss per share – discontinued operations	$ -	$ (0.005)	$ -	$ (0.002)

[1] Expenses includes a non-cash charge related to Public company listing of $5,316 in the year ended June 30, 2019.

Adjusted EBITDA

Adjusted EBITDA is summarized as follows:

	For the three months ended		For the year ended	
($000's)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net (loss) income from continuing operations	**$ (1,096)**	**$ (237)**	**$ (3,820)**	**$ 3,361**
Income tax expense	116	871	1,845	1,970
Deferred income tax recovery	(744)	(808)	(582)	(488)
Finance costs				
Interest expense and income	141	926	804	1,182
Dividends on redeemable preferred shares	20	18	74	236
Unrealized foreign exchange gain	(31)	(365)	(48)	(158)
Accretion of contingent consideration (GPM)	-	-	-	221
Amortization				
Property and equipment	730	449	2,565	1,456
Intangible assets	159	159	637	1,204
Share-based compensation	285	5	1,521	25
Charges related to public company listing	-	-	5,316	-
Non-controlling interest	-	-	9	-
Charges related to RTO Transaction	13	-	633	-
Acquisition / restructure costs	-	84	-	788
Severance costs	56	-	1,300	180
Other	-	141	34	138
	$ 745	**$ 1,480**	**$ 14,108**	**$ 6,755**
Adjusted EBITDA	**$ (351)**	**$ 1,243**	**$ 10,288**	**$ 10,116**

The Company's adjusted EBITDA for fiscal 2019 was $10.3 million compared to $10.1 million for fiscal 2018, an increase of $0.2 million. The year-over-year increase was due to growth in the animation and factual divisions, offset partially by decreases due to public company costs. See "Non-IFRS Measures" and "Adjusted EBITDA" sections of this MD&A for the definition and detailed calculation of Adjusted EBITDA.

Revenues

Revenue streams are summarized as follows:

	For the three months ended		For the year ended	
($000's)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Production services	$ 8,772	$ 5,553	$ 29,936	$ 92,819
Licensing and distribution	4,877	5,811	31,495	49,170
Other	14	14	47	413
Total revenues	**$ 13,663**	**$ 11,378**	**$ 61,478**	**$ 142,402**

Thunderbird recognized revenue of $61.5 million in fiscal 2019, a decrease of 57% over the prior year. Total revenues increased 20% over the comparative three months.

Production services fiscal 2019 revenue increased by 35% in animation production services ($7.8 million) and decreased by 100% in live action production services ($70.6 million). For the three months ended June 30, 2019, production services revenue increased by 76% in animation production services ($3.8 million) and decreased by 100% in live action production services ($0.6 million).

Thunderbird's animation division experienced continued growth which has resulted in an increase in animation production service volume and revenue in fiscal 2019. Live action production service work decreased by 100% in fiscal 2019 due to the live action television series *Man in the High Castle* produced in Q1 through Q3 of fiscal 2018 that had relatively small profit margins. Subsequent to Q3 2018, the Company chose to redirect valuable internal resources to support proprietary projects and is therefore no longer producing this series. This resulted in a comparative decrease in both revenues and direct costs for 2019.

Licensing and distribution revenues decreased by 70% in scripted ($21.6 million), and 17% in theatrical distribution ($0.8 million) for the year ended June 30, 2019. This was offset by increases of $2.3 million in factual and $2.5 million in animation (18% and 223% respectively). For the three months ended June 30, 2019, licensing and distribution revenues decreased by $0.3 million in scripted and $1.0 million in animation, offset by an increase of $0.4 million in factual.

The decrease in scripted was primarily due to a large budget proprietary television series for ABC Network which was completed and delivered by the Company in fiscal 2018. There was no comparative series completed in fiscal 2019 and therefore this resulted in a decrease in both revenues ($21 million) and direct costs ($19.2 million) for the year ending June 30, 2019. The increase in animation was due to the recognition of a proprietary television series in fiscal 2019 that was not present in the comparable periods in fiscal 2018.

Direct Costs

	For the three months ended		For the year ended	
($000's)	**June 30, 2019**	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Direct costs	$ 6,066	$ 3,650	$ 19,362	$ 85,442
Amortization of content	1,544	1,376	9,590	28,178
Amortization of intangible assets	160	159	637	1,204
Other	48	27	116	310
Total direct operating costs	**$ 7,818**	**$ 5,212**	**$ 29,705**	**$ 115,134**

Direct costs include costs directly related to the Company's productions, such as production expenses on service work, acquisition and recoupment costs for third party library product, fees paid to sales agents or sub distributors, and royalties and residuals for completed productions. Other includes development expenses on projects the Company has chosen to abandon.

Direct costs for the three months and year ended June 30, 2019 increased 66% and decreased 77%, respectively, over the comparative periods, consistent with the increase in the Company's animation production service and decrease in the Company's live action production service and licensing projects as described above in the revenue section.

General and administrative

	For the three months ended		For the year ended	
($000's)	**June 30, 2019**	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Contractors, salaries and employee benefits	$3,707	$3,017	$13,457	$10,720
Rent	612	486	2,245	1,728
Amortization of property and equipment	730	449	2,565	1,456
Computer maintenance	614	316	1,922	967
Legal and professional fees	242	176	1,352	796
Other	551	701	1,991	1,681
Total general and administrative	**$6,456**	**$5,145**	**$23,532**	**$17,348**

The Company's general and administrative expenses include salaries, contracting fees, rent and office expenses for the Vancouver, Toronto, Ottawa, Los Angeles and London offices.

General and administrative expenses increased 36% in fiscal 2019 over fiscal 2018. Salaries and contracting fees increased 26% over the prior year due to significant growth in the animation and factual divisions and expansion of US and UK development. Rent increased by 30% over the prior year due to the increased requirement for space to accommodate the increase in animation capacity. Amortization of property and equipment increased by 76% in fiscal 2019 over fiscal 2018 due to the increase in capacity and service volume of the Company's animation division which resulted in an increase in computer hardware purchases. Computer maintenance increased by 99% in fiscal 2019 over

fiscal 2018. This was primarily due to the increased need for computer maintenance and IT support in the Company's animation division. Legal and professional fees increased 70% in fiscal 2019 over fiscal 2018. The additional legal and professional fees incurred pertained to the second quarter reverse take-over and therefore $483 of these fees have been added back to Adjusted EBITDA. Other expenses also increased 18% over the prior fiscal year due to additional expenses, such as telephone, cleaning and supplies, incurred from the larger office space acquired to accommodate the growing animation division.

General and administrative expenses increased by 25% in the fourth quarter of fiscal 2019 over the fourth quarter of fiscal 2018. Salaries and contracting fees increased 23% over the three months ended June 30, 2019 over the comparable three month period, due to significant growth in the animation division and expansion of UK development. Amortization of property and equipment increased by 63% in the fourth quarter of fiscal 2019 over the fourth quarter of fiscal 2018, as discussed above. Computer maintenance also increased significantly, by 94%, in the fourth quarter of fiscal 2019, due to licenses and subscriptions required for additional staff in the animation division.

Finance and other

	For the three months ended		For the year ended	
($000's)	**June 30, 2019**	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Interest, bank charges and dividends	$183	$981	$1,220	$1,522
Interest income	(21)	(38)	(342)	(104)
Accretion on contingent consideration	-	-	-	221
Realized foreign exchange (gain) loss	(163)	167	(632)	93
Unrealized foreign exchange gain	(33)	(365)	(48)	(158)
Total finance and other	**$ (34)**	**$745**	**$198**	**$1,574**

Finance and other expenses include interest income and expenses and realized and unrealized foreign exchange gains and losses. Finance and other expenses decreased by 87% in fiscal 2019 over fiscal 2018. The decrease in finance and other costs was due mainly to the contingent consideration for the acquisition of Great Pacific Media being fully accreted in fiscal 2018, an increase in foreign exchange gains due to a stronger US dollar at June 30, 2019 over the prior period, and a decrease in interest from interim production financing from completed productions over the prior year. Interest from the Company's loan facility increased as the loan was initially drawn in July 2018 and was not present in the prior fiscal year.

Finance and other costs decreased 104% for the three months ended June 30, 2019 over the three months ended June 30, 2018. The decrease is also due to increases in foreign exchange gains and a decrease in interim production financing interest.

Dividends on preferred shares

As part of the RTO Transaction, 1,054,000 of TEI's Class B Series 2 preferred shares were converted to 1,054,000 Class A preferred shares of the Company. The new Class A preferred shares receive a quarterly dividend of $0.0175 per share, as did the former Class B Series 2 shares. Concurrent with the RTO Transaction, 9,658,750 Class C preferred shares previously issued by TEI were converted into common shares of the Company. Prior to the conversion into common shares, the Class C Preferred shares received a quarterly dividend of $0.04 per share.

Dividends paid for the three months and year ended June 30, 2019 and 2018 are as follows:

($000's)	For the three months ended June 30,		For the year ended June 30,	
	2019	**2018**	**2019**	**2018**
Class A Preferred Shares	$ -	$ -	$ -	$ 24
Class B Series 1 Preferred Shares	-	-	-	138
Class A (former Class B Series 2) Preferred Shares	18	18	74	74
Class C Preferred Shares	-	386	386	1,545
Total dividends paid	**$ 18**	**$ 404**	**$ 460**	**$ 1,781**

QUARTERLY FINANCIAL INFORMATION

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenues	$13,663	$21,865	$11,589	$14,361	$ 11,378	$ 12,131	$ 52,171	$ 66,722
Net income (loss) from continuing operations	$ (1,096)	$ 1,927	$ (6,105)	$ 1,454	$ (237)	$ (892)	$ 710	$ 3,780
Basic earnings (loss) per share	$ (0.024)	$ 0.041	$ (0.194)	$ 0.037	$ (0.021)	$ (0.043)	$ 0.011	$ 0.114
Diluted earnings (loss) per share	$ (0.024)	$ 0.039	$ (0.194)	$ 0.026	$ (0.021)	$ (0.043)	$ 0.008	$ 0.080

Note: this information was derived from unaudited interim condensed quarterly financial information.

LIQUIDITY

The Company's liquidity needs for the next twelve months are expected to be met by cash on hand, cash generated from operations and existing revenue resources in addition to raising funds through a variety of sources including refundable tax credit loans and raising capital through the public market. The Company's management will continue to pursue further sources of debt or equity financing to continue the development and production of film and television properties.

As at June 30, 2019 the Company has a cash balance of $13.4 million, as compared to cash of $12.9 million at June 30, 2018. A cash flow summary for the year ended June 30, 2019 and 2018 is as follows:

($000's)	**For the year ended June 30** **2019**	**2018**
Cash inflows (outflows) by activity:		
Operating activities	$ (8,574)	$ (3,381)
Financing activities	9,422	5,638
Investing activities	(446)	(5,832)
Effect of exchange rate changes on cash	142	(105)
Net cash inflows (outflows)	**$ 544**	**$ (3,680)**

Cash flows from financing activities are primarily driven by the Company's practice to finance productions in progress by way of production bank loans secured against refundable tax credits, distribution, licensing and production service agreements on a per production basis in addition to a general security agreement. The bank loan drawn and interest thereon is repayable upon receipt of the respective refundable tax credits and corresponding revenues receivable. Cash flows from financing activities generated $9.4 million in fiscal 2019 as compared to $5.6 million in fiscal 2018. The significant fluctuations are due predominantly to timing of loan proceeds versus loan repayments as well as the repurchase of common shares and the proceeds from issuance of shares in the private placement in the second quarter.

Cash flows from investing activities pertain to equipment purchases. During the year ended June 30, 2019, the Company purchased property and equipment, primarily computer equipment, totalling approximately $2.8 million as compared to purchasing $1.9 million in the prior year. Also, in the year ended June 30, 2019, the Company acquired cash of $2.3 million in a reverse takeover transaction. In the prior year ended June 30, 2018, the Company disposed of a production service entity that had cash of $4 million at the time of the sale.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain financial flexibility in order to pursue its strategy of organic growth combined with strategic acquisitions, and to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements.

To facilitate the management of its capital structure, the Company prepares annual expenditure budgets that are updated as necessary depending on the various factors, including industry conditions and operating cash flows. The annual and updated budgets are reviewed by the Board of Directors.

On June 1, 2018, the Company entered into a new credit agreement, subsequently amended January 11, 2019, with the Royal Bank of Canada ("RBC") which provides the Company access to funding over distinct credit facilities.

Facility 1, is a $5 million revolving term loan for bridging production financing of productions being produced prior to closing of an applicable production facility. Facility 1 bears interest at prime plus 1.25% and must be repaid on the earlier of 15 days of individual production financing close or 180 days from the first drawdown. As at June 30, 2019, the Company had drawn down $0.925 million.

Facility 2, is a five-year $10 million non-revolving term loan for financing up to 75% of an acquisition's purchase price of select media companies bearing interest at prime plus 0.50%. Repayments include an annual cash flow sweep of 5% of Thunderbird's EBITDA due within 120 days of the fiscal year-end. As at June 30, 2019, this facility had not been drawn upon.

Facility 3, is a three-year $6 million non-revolving term loan to facilitate the buyback of the Company's shares bearing interest at prime plus 0.50%. Repayments include a tax credit sweep of 100% of claimed tax credits. During Q1 2019, the Company drew down $6 million in order to repurchase 4,800,000 common shares from certain shareholders of the Company at a price of $1.25 per share. As at June 30, 2019, $4.6 million of the principal had been repaid, leaving $1.4 million as the outstanding balance. In Q3 2019, the loan was renewed and the loan limit was decreased to $2.6M due to the principal repayments made during the first two quarters of fiscal 2019.

Facility 4, is a $1.5 million non-revolving reducing lease facility. This facility may be used to finance equipment purchases and leasehold improvements. As at June 30, 2019, this facility had not been drawn upon.

Under the terms of the RBC credit facilities, the Company is required to meet certain covenants:

- the Funded Debt covenant: that the Funded Debt to the Borrower's consolidated EBITDA will not be greater than 3:1 ratio;
- the Debt Service Coverage covenant: will not be less than 1.25:1 ratio.

As at June 30, 2019, the Company was in compliance with the Funded Debt covenant but was not in compliance with the Debt Service Coverage covenant. The Debt Service Coverage calculated by the Company as at June 30, 2019 was 1.21:1 ratio. Subsequent to the fiscal year end, the Company has obtained from RBC a tolerance letter for the breach of this covenant as at June 30, 2019. Furthermore, the Company is in the process of negotiating a reduction in this debt covenant ratio. This non-compliance has no impact on the consolidated financial statements as the debt is classified as current.

The overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2018.

CONTRACTUAL OBLIGATIONS

The following is a summary of the Company's contractual obligations as at June 30, 2019:

($000's)	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Operating leases [1]	$ 2,933	$ 10,528	$ 5,476	$ 18,937
Equipment lease obligations [2]	2,614	1,573	-	4,187
Redeemable preferred shares [3]	-	1,058	-	1,058
Long-term debt [4]	1,433	504	-	1,937
	$ 6,980	**$ 13,663**	**$ 5,476**	**$ 26,119**

(1) Pursuant to operating leases, see Note 20 (Commitments and Contingencies) to the audited consolidated financial statements for the year ended June 30, 2019 for details.

(2) Pursuant to capital leases for computer, video editing and production equipment, the obligations bear implied interest ranging from 3.74% - 4.76% and mature from January 2020 – November 2021.

(3) See Note 12 (Redeemable Preferred Shares) to the audited consolidated financial statements for the year ended June 30, 2019 for details.

(4) See Note 11 (Long-term Debt) to the audited consolidated financial statements for the year ended June 30, 2019 for details.

In addition to the totals above, the Company has interim production financing owing in the amount of $48,371 (see Note 9 (Interim Production Financing) to the audited consolidated financial statements for the year ended June 30, 2019 for details).

RISKS AND UNCERTAINTY

The Company is exposed to a number of specific and general risks that could affect the Company that each reader should carefully consider. Additional risks and uncertainties not presently known to the Company or that the Company does not currently anticipate will be material, may impair the Company's business operations and its operating results and as a result could materially impact its business, results of operations, prospects, and financial condition. The following is a summary of risks and uncertainties that management of Thunderbird believes to be material.

Risks relating to Thunderbird and its business

The risks and uncertainties described below are those Thunderbird currently believes to be material. If any of the following risks, or any other risks that are not identified or that are currently considered not to be material, actually occur or become material risks, the business, prospects, financial condition, results of operations and cash flows, and consequently the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of the Common Shares could decline and an investor could lose all or part of your investment. Reference to "we", "our" and similar terms refers to Thunderbird.

Risks related to the nature of the entertainment industry

The entertainment industry involves a substantial degree of risk. Audience acceptance of entertainment programming is a factor not only of the response to the production's artistic components, but also to the quality and acceptance of other competing forms of entertainment programming released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, public tastes generally and other intangible factors, all of which could change rapidly and most of which are beyond our control. A lack of audience acceptance for the entertainment programming produced or distributed by us could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

In addition, we are subject to various operating risks that are common to the production and distribution industry, many of which are beyond our control, including, among others, (i) competition from other businesses, in particular, larger and more established companies, in the markets in which we operate; (ii) reduction in broadcaster and other platform programming budgets in the markets in which we operate, which may adversely affect our new production and revenues; (iii) strong dependency on local government tax credits and subsidies as well as pre-sales to fund the production budgets; (iv) the requirement for continuous investment of capital into new production annually; (v) management's estimates of projected revenues and expenses being insufficient to cover the costs of production and causing substantial loss on new production; (vi) difficulties protecting IP and defending against IP infringements and claims; (vii) exposure to key broadcast customers and/or key distribution customers, based on business relationships that might be changed or terminated or that may not survive over the long term; and (viii) risks generally associated with the ownership of a business in the production and distribution industry. The occurrence of any of the foregoing could materially and adversely affect our business and there can be no assurance that revenue from existing or future programming will replace loss of revenue associated with the cancellation or unsuccessful commercialization of any particular production.

Risks related to television and film industries

Our results of operations will depend, in part, on the experience and judgment of management to select and develop new investment and production opportunities. We cannot make assurances that our films and television programs will obtain favourable reviews or ratings or that broadcasters or other customers will license the rights to broadcast any of our film and television programs in development or renew licenses to broadcast film and television programs in our library. The failure to achieve any of the foregoing could have a material adverse effect on our business, results of operations or financial condition. Licensed distributors' decisions regarding the timing of release and promotional support of our films, television programs and related products are important in determining the success of these films, programs and related products. We do not control the timing and manner in which our licensed distributors

distribute our films, television programs or related products. Any decision by those distributors not to distribute or promote one of our films, television programs or related products or to promote competitors' films, programs or related products to a greater extent than they promote ours could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Entertainment industry trends

The entertainment industry is constantly undergoing change with respect to the formats through which movies, television programming and recorded music are ultimately delivered to the consumer. Management believes that the changes in consumer preferences will continue to be felt across our businesses and that the impact of these changes can be very difficult to predict. A failure by us to adequately foresee, assess and capitalize upon such changes could result in a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The entertainment industry continues to undergo significant changes driven by technological developments. We cannot accurately predict the overall effect that technological growth or the availability of alternative forms of entertainment may have on the potential revenue from, and profitability of, the entertainment content produced or distributed by us. In particular, the conversion of content into digital formats may make it easier for consumers to create, transmit and "share" high quality unauthorized copies of motion pictures or television programs. As a result, consumers may be able to download and distribute unauthorized or "pirated" copies of such programming over the Internet, thereby adversely impacting revenues to distributors and producers. Significant growth in these consumer practices could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

External factors in the content industry

Our success will depend on the commercial success of content, which is unpredictable. Operating in this industry involves risk. It is difficult to predict how the audience will receive a production. The audience reaction and reviews and ratings of the production are determining factors in the commercial success of a production. The availability and access to different forms of entertainment and leisure activities, general economic conditions and other factors may change and we may have limited or no control over the outcome.

We are also dependent on the public's continued demand for subscriptions of cable television and services provided by SVOD companies. Our customers rely on funds generated through cable and/or SVOD subscriptions to fund the acquisition of new content. If customers decide to cancel their subscriptions to cable and/or SVOD, it could have an impact on the number of networks and broadcasters with whom we could do business. Such external factors could have a material adverse effect on our business, operating results and financial condition.

Fluctuations in the price of securities

Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Factors that could have a material adverse effect on your investment include, but are not limited to (i) fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar; (ii) success of competitors; (iii) actual or anticipated changes in the market's expectations about operating results; (iv) changes in laws and regulations affecting the business; (v) changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; or (vi) our operating results failing to meet the expectation of securities analysts or investors in a particular period. In such circumstances, the trading price may not recover and may experience a further decline.

In addition, broad market and industry factors may materially harm the market price of our securities irrespective of operating performance. The stock market in general and the TSXV in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to us could depress the share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and to obtain additional financing in the future.

Merchandising
Success of merchandising brands depends on consumers' tastes and preferences which can change in unpredictable ways. We depend on the acceptance by consumers of our merchandising offerings, therefore, success depends on the ability to predict and take advantage of consumer tastes in Canada and around the world. In addition, we derive royalties from the sale of licensed merchandise by third parties. We are dependent on the success of those third parties. Factors that negatively impact those third parties could adversely affect our business, prospects, financial condition, results of operations and cash flows.

Potential for budget overruns and other production risks
A production's costs may exceed its budget. Unforeseen events such as labour disputes, death or disability of a star performer, changes related to technology, special effects or other aspects of production, shortage of necessary equipment, damage to film negatives, master tapes and recordings, or adverse weather conditions, or other unforeseen events may cause cost overruns and delay or frustrate completion of a production. Although we have historically completed our productions substantially within budget, there can be no assurance that we will continue to do so. There can be no assurance that any overrun resulting from any occurrence will be adequately covered or that any insurance and completion bonds will continue to be available or, if available on terms acceptable to us. In the event of budget overruns, we may have to seek additional financing from outside sources in order to complete production. No assurance can be given as to the availability of such financing or, if available on terms acceptable to us. In addition, in the event of substantial budget overruns, there can be no assurance that such costs will be recouped, which could have a significant impact on our business, prospects, financial condition, results of operations and cash flows.

Limited ability to exploit filmed and television content library
We depend on a limited number of titles for the majority of the revenues generated by our film and television content library. If we cannot acquire new products and rights to popular titles through production, distribution agreements, acquisitions, mergers, joint ventures or other strategic alliances, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Changes in regulatory environment
Thunderbird's operations may be negatively affected in varying degrees by future adverse changes in the regulatory environment that currently governs the film and television industry. Any change in the regulatory environment could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Reliance on distribution of Canadian content and government funding
Our library includes a number of motion picture and television titles that are certified as Canadian content programming ("Cancon"). The titles produced by our television production operations in Canada are also certified as Cancon. In Canada and under international co-production treaties, under applicable regulations, a program will generally qualify as a Cancon production if, among other things: (i) it is produced and owned or co-owned by a Canadian-controlled entity with the involvement of Canadians in certain key prescribed principal functions; and (ii) a substantial portion of the budget is spent on Canadian elements and post-production in Canada. In addition, (and with the exception of a treaty co-production) the Canadian producer must have full creative and financial control of the project. Canadian broadcasters are required by the Canadian Radio-television and Telecommunications Commission (the "CRTC"), as a condition of their broadcast licences, to devote a certain amount of their programming schedules to the broadcast of Cancon and to spend a certain portion of their revenues on Cancon. There can be no assurance that the CRTC's policies applicable to Canadian broadcasters with respect to Cancon will not be eliminated or scaled back, thereby reducing the advantages that they currently provide to us as a supplier of such programs.

In addition, substantially all of our programs are contractually required by broadcasters to be certified as "Canadian" under the CRTC's policies. Although we have taken measures to ensure that we continue to be "Canadian" under the Investment Canada Act, there can be no assurance that our programming will continue to qualify as Cancon. In the event a production does not qualify for certification as "Canadian", we would be in default under any government incentive and broadcast licenses for that production, Canadian broadcasters would not be able to use

the programs to meet their Canadian programming obligations, and the broadcaster could refuse acceptance of our productions.

In addition to license fees from domestic and foreign broadcasters and financial contributions from co-producers, we finance a significant portion of our production budgets from certain governmental incentive programs and tax credits in Canada, as described under "Business of the Company – Production Financing". There can be no assurance that such incentive programs or tax credits will not be reduced, amended or eliminated or that we or any production will qualify for them. Any such change could have a material adverse impact on our business prospects, financial condition, results of operations and cash flows.

Litigation
Governmental, legal or arbitration proceedings may be brought or threatened against us in the future. Regardless of their merit, any such claims could be time consuming and expensive to evaluate and defend, divert Management's attention and focus away from the business and subject us to potentially significant liabilities.

Risks of liability claims for content
As a distributor and producer of content, we may face potential liability for defamation, invasion of privacy, negligence, copyright or trademark infringement and other claims based on the nature and content of the materials distributed. These types of claims have been brought sometimes, successfully, against producers and distributors of content. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on our business, financial condition, operating results or prospects.

Technological Change
The television and film industries are characterized by technological change and evolving trends. Technological change can have positive effects, but may also have a material adverse effect on our business, prospects, results of operations and financial condition. For example, in recent years, content consumers have spent an increasing amount of time on the internet and on mobile devices and increasingly seek to download and/or view content on a time-delayed or on-demand basis, via televisions and on handheld or portable devices, which has caused significant changes to the retail distribution of content. Additionally, the emergence of new production or computer generated imagery technologies, or a new digital television broadcasting standard, may diminish the value of our existing equipment and content.

Although we are committed to adapting new production technologies, there can be no assurance that we will be able to incorporate other new production and postproduction technologies which may become de facto industry standards. In particular, the advent of new broadcast standards, which may result in television programming being presented with greater resolution and on a wider screen than is currently the case, may diminish the evergreen value of our programming library because such productions may not be able to take full advantage of such features. There can be no assurance that we will be successful in adapting to these changes on a timely basis.

Labour relations
Many individuals associated with our projects are members of guilds or unions which bargain collectively with producers on an industry-wide basis from time to time. While we have positive relationships with the guilds and unions in the industry, a strike by, labour protest, or a lockout of, one or more of the guilds or unions that provide personnel essential to the production by us or our content partners of entertainment programming could delay or halt the delivery of such programming. Such a halt or delay, depending on the length of time and the number of productions affected, could have a material adverse effect on our business prospects, financial condition, results of operations and cash flows.

Concentration Risk
Revenue may originate from disproportionately few broadcasters and OTT customers. The value of the Company's shares may be substantially adversely affected should we lose the revenue generated by any such broadcasters or customers.

Fluctuation of financial results

The results of operations for any period are largely dependent on the number, timing and commercial success of television and other programs as well as related music, merchandise and other ancillary revenue sources, realized during that period, none of which can be predicted with certainty or are entirely within our control. Consequently, our results of operations may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods.

Competition

Substantially all of our revenues are derived from the production and distribution of television and film programs. We face competition from other companies in both our production and distribution operations. Some of our competitors have substantially greater marketing, production and financial resources than us, which means they may be able to compete aggressively on pricing and other aspects of future production and distribution opportunities. We compete with other television and film production companies for ideas and storylines created by third parties as well as for actors, directors, and other personnel required for production. Further, vertical integration of the television broadcast industry worldwide and the creation and expansion of new networks, which create a substantial portion of their own programming, have decreased the number of available time slots for programs produced by third-party production companies, even though the total number of outlets for programming has increased. There can be no assurances that we will be able to compete successfully in the future or that we will continue to produce or acquire rights to additional successful programming or enter into agreements for the financing, production, distribution or licensing of programming on terms favourable to us. There continues to be intense competition for the most attractive time slots offered by various broadcasting services. There can be no assurances we will be able to increase or maintain penetration of broadcast schedules. Such competition may result in us losing access to future opportunities, which would have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Dependence on key personnel

We are dependent on members of our senior management team and skilled personnel at all levels and believe that our future financial success and ability to meet our financial objectives will depend in part, on our ability to retain highly skilled management and personnel. We are also dependent on the implementation of adequate succession planning procedures in respect of key roles, to ensure continuity. Further, the departure of any of the executive directors or certain senior officers could, in the short-term, have an adverse effect on our business prospects, financial condition, results of operations and cash flows. The Board cannot give any assurances that they, or any of the members of the senior management, will remain with the Company, although we believe that we offer competitive remuneration packages that are attractive to our current and future personnel. If we do not succeed in retaining skilled personnel, we may not be able to grow our business as anticipated, which could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Protection of intellectual property

Our ability to compete depends, in part, upon successful protection of our intellectual property. From time to time, various third parties may contest or infringe upon our intellectual property rights. There can be no assurance that our actions to establish and protect copyright, trade-marks and other proprietary rights will be adequate to prevent imitation by others of entertainment programming produced and/or distributed by us or to prevent third parties from seeking to block our distribution and exploitation of contract rights as a violation of their trade-marks and proprietary rights.

Any successful claims to the ownership of these intangible assets could hinder our ability to exploit these rights. We do not have the financial resources to protect our rights to the same extent as our competitors. We attempt to protect proprietary and intellectual property rights to our productions through available copyright and trademark laws in a number of jurisdictions and licensing and distribution arrangements with reputable international companies in specific territories and media for limited durations. Despite these precautions, existing copyright and trademark laws afford only limited practical protection in certain countries in which we may distribute our products and in other jurisdictions no assurance can be given that challenges will not be made to our copyright and trade-marks. In addition, technological advances and conversion of motion pictures into digital format have made it easier to create, transmit and share unauthorized copies of motion pictures, DVDs and television shows. Users may be able

to download and distribute unauthorized or "pirated" copies of copyrighted material over the Internet. As long as pirated content is available to download digitally, some consumers may choose to digitally download material illegally. As a result, it may be possible for unauthorized third parties to copy and distribute our productions or certain portions or applications of our intended productions, which could have a material adverse effect on our business, prospects, results of operations or financial condition. Litigation may also be necessary in the future to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Any such litigation could result in substantial costs and the diversion of resources and could have a material adverse effect on our business, prospects, results of operations or financial condition. We cannot provide assurances that infringement or invalidity claims will not materially adversely affect our business, prospects, results of operations or financial condition. Regardless of the validity or the success of the assertion of these claims, we could incur significant costs and diversion of resources in enforcing our intellectual property rights or in defending against such claims, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Investment strategy
There can be no certainty that we will be able to implement successfully the strategy set out in this document. Our ability to implement our strategy in a competitive market requires effective planning and management control systems. Our future growth will depend on our ability to expand and improve operational, financial and management information and control systems in line with its growth. Failure to do so could have a material adverse effect on our business prospects, financial condition, results of operations and cash flows.

Acquisitions
We have made, and will continue to pursue, various acquisitions, business combinations and joint ventures intended to complement or expand our business. Any indebtedness incurred or assumed in any such transaction may or may not increase our leverage relative to our earnings before interest, provisions for income taxes, amortization, minority interests, gain on dilution of investment in subsidiary and discount operations, or earnings before interest, taxes, depreciation, and amortization, or relative to our equity capitalization, and any equity issued may or may not be at prices dilutive to our then existing shareholders. We may encounter difficulties in integrating acquired assets with our operations. Furthermore, we may not realize the benefits we anticipated when we entered into these transactions. In addition, the negotiation of potential acquisitions, business combinations or joint ventures as well as the integration of an acquired business could require us to incur significant costs and cause diversion of Management's time and resources. Future acquisitions could also result in an impairment of goodwill and other intangibles, development write-offs and other acquisition-related expenses.

Any of the foregoing could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Impacts of fluctuations in exchange rates
Currency exchange rates are determined by market factors beyond our control and may vary substantially during the course of a production period. In addition, our ability to repatriate Canadian funds arising in connection with foreign exploitation of our properties may also be adversely affected by currency and exchange control regulations imposed by the country in which the production is exploited. At present, we are not aware of any existing currency or exchange control regulations in any country in which we currently contemplate exploiting our properties which would have an adverse effect on our ability to repatriate such funds. Where appropriate, we typically hedge our foreign exchange risk through the use of derivatives or other measures. Fluctuations in exchange rates between the Canadian dollar and the US dollar may have a material impact on our business, prospects, financial condition, results of operations and cash flows.

Loss of our Canadian status
We and our subsidiaries are able to benefit from a number of licenses, incentive programs and Canadian government tax credits as a result of being "Canadian" as defined under the Investment Canada Act. In particular, we would not qualify as Canadian if Canadian nationals cease to beneficially own shares of the Company having more than 50% of the combined voting power of its outstanding shares. Further, the Minister of Canadian Heritage may nevertheless determine that we are not a Canadian-controlled entity under the Investment Canada Act. As well, substantially all

of our programs are contractually required by broadcasters to be certified as "Canadian". In the event a production does not qualify for certification as Canadian, we would be in default under any government incentive and broadcast licenses for that production. In the event of such default, the broadcaster could refuse acceptance of our productions. If we lost our Canadian status, this would have a material adverse effect on our business prospects, financial condition, results of operations and cash flows.

International distribution activities
Although we do not directly engage in international distribution activities, in certain circumstances we do partner with key international distributors as a means of financing production budgets and exploiting our programming around the world. These international distribution partners face certain business risks that could indirectly adversely affect our financial results. These risks include: laws and policies affecting trade, investment and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws; changes in local regulatory requirements, including restrictions on content; differing cultural tastes and attitudes; differing degrees of protection for intellectual property; and the instability of foreign economies and governments. Any of these factors could have a material adverse effect on our business prospects, financial condition, results of operations and cash flows.

The impact of any changes in interest rates
We do not presently actively make use of derivative financial instruments to mitigate the impact of any changes in interest rates. Any movements in the applicable interest rate on any of our debt could adversely impact our financial condition.

Changes to taxation legislation
We operate in a number of different tax jurisdictions. In any of the jurisdictions, the tax rules and their interpretation may change. Any change in taxation legislation or regulation or its interpretation could affect the value of our assets, our ability to provide returns to Shareholders or otherwise have an adverse effect on our business prospects, financial condition, results of operations and cash flows. Further, any reliefs from taxation that may be available to us in the future may not be in accordance with the assumptions made by us as to our future performance (these assumptions being based on the current legislative position and any known future changes). If the assumptions made by us as to such taxation reliefs available do not prove correct, our ability to provide returns to shareholders may be affected and there may be a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Income taxes and audits from tax authorities
In preparing our financial statements, we are required to estimate production tax credits receivable in each of the jurisdictions in which we operate, taking into consideration tax laws, regulations and interpretations that pertain to our activities. In addition, we are subject to audits from these tax authorities on an ongoing basis and the outcome of such audits could materially affect the amount of tax credits receivable recorded on our consolidated balance sheets and the income tax expense recorded on our consolidated statements of earnings. Any cash payment or receipt resulting from such audits would have an impact on our cash resources available for our operations and our overall results of operations.

Dependence on management information systems
Our ability to conduct our business, including maintaining financial controls, is based in part on the efficient and uninterrupted operation of our computer systems, including management information systems and access to the internet. If any of our financial, rights management, personnel, email, other information technology systems, internet access or other systems or processes were to stop operating properly for any significant period of time for any reason (including, for example, hardware or software malfunctions, computer viruses, internet problems or sabotage), we could suffer a disruption to our business, loss of data, regulatory intervention or reputational damage.

Risks related to privacy and information security
The protection of customer, employee and company data is important to our business. We use and store personally identifiable and other sensitive information of our customers and employees. The collection and use of personally identifiable information is governed by federal and provincial laws and regulations. Privacy and information security

laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase our operating costs and adversely affects our ability to market products and services.
Information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents, including, ransom of data, such as, without limitation, customer and/or employee information, due to employee error, malfeasance, or other vulnerabilities. Any such incident could compromise our networks and the information we store could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to our assets, or other harm. If a data security incident or breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation and brand could be materially damaged and we may be exposed to a risk of loss or litigation and possible liability, which could result in a material adverse effect on our business, results of operations and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies and in the future, we may expend additional resources to continue to enhance our information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that we will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on our systems, or that any such incident will be discovered in a timely manner. Any such incident could affect our business and, among other things, result in the loss of revenue, the loss or unauthorized access to confidential information or other assets, the loss of or damage to trade secrets, damage to our reputation; litigation, regulatory enforcement actions, violation of privacy, security or other laws and regulations and remediation costs.

Future financing

We may deliver growth through further material acquisitions and/or investments, for which additional sources of finance may be required. There can be no assurance that should we seek to deliver such growth we will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing equity securities or convertible debt securities, the existing shareholdings may be diluted and the new securities may carry rights, privileges and preferences superior to the existing issued shares. If we were to seek to deliver such growth through debt financing, we may incur significant borrowing costs.

Conflicts of interest

Certain of the directors and officers of Thunderbird are or may become directors of other entertainment companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions of the Board. To the extent that such other companies may participate in ventures in which Thunderbird is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The corporate laws of British Columbia require the directors and officers to act honestly and in good faith with a view to the best interests of Thunderbird. However, in conflict of interest situations, Thunderbird's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the interests of Thunderbird will receive priority in all cases.

Increased costs and compliance risks as a result of being a public company

Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in recent years. Management of Thunderbird anticipates that general and administrative costs associated with regulatory compliance will continue to increase with recently adopted corporate governance requirements, including rules implemented by the Canadian Securities Administrators and the TSX-V, and will result in some activities becoming more time-consuming and costly. There can be no assurance that Thunderbird will be able to effectively meet all of the requirements of these new regulations, including National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). Any failure to effectively implement internal controls, or to resolve difficulties encountered in their implementation, could harm Thunderbird's operating results or result in the failure to meet reporting obligations. Any such result could cause investors to lose confidence in Thunderbird's reported financial information, which could have a material adverse effect on the market price of Thunderbird's Shares. These new rules and regulations may make it more difficult and more expensive for Thunderbird to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain appropriate coverage. As a result, it may be more difficult

for Thunderbird to attract and retain qualified individuals to serve on its board of directors or as executive officers. If Thunderbird fails to maintain the adequacy of its internal controls, Thunderbird's ability to provide accurate financial statements and comply with the requirements of NI 52-109 could be impaired, which could cause the market price of Thunderbird Shares to decrease.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
The Company's financial assets and liabilities consist of cash, trade receivables, accounts payable and accrued liabilities, interim production financing, long-term debt and redeemable preferred shares. The Company is exposed to credit risk, liquidity risk and market risk in the normal course of operations. The Company does not use derivative instruments to reduce its exposure.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework and monitors risk management activities. The Company identifies and analyzes the risks faced by the Company and may utilize financial instruments to mitigate these risks.

Credit risk
The Company is subject to credit risk with respect to cash and cash equivalents and trade receivables and production financing. Production financing receivable is mainly with Canadian broadcasters and large international distribution companies. For certain arrangements with licensees, the Company is considered the agent, and only reports the revenue net of the licensor's share. When the Company bills a third party in full where it is an agent for the licensor, the Company records an offsetting amount in accounts payable to the licensee when the amount is collected from a third party. This reduces credit risk, as the Company is only exposed to the amounts receivable related to the revenue it records.

At June 30, 2019, three broadcasters/distributors individually accounted for more than 10% of trade and production financing receivables. Receivables from these broadcasters/distributors accounted for 54% of the total trade and financing receivables.

The Company's customers are considered to have low default risk and the historical default rate and frequency of loss are low, therefore the lifetime expected credit loss allowance for trade receivables is nominal as at June 30, 2019.

All cash and cash equivalents balances are held at major Canadian banking institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking harm to the Company's reputation (see Note 17 of the audited consolidated financial statements for June 30, 2019 for further details).

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and government assistance risk, will affect the Company's net income and the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its interim production financing and long-term debt which bears a floating interest rate. Based on the average carrying value of these facilities, a fluctuation in interest rates of 1% would represent approximately a $439 change to net loss for the year ended June 30, 2019 (2018 - $532). The Company has no interest rate hedges or swaps outstanding at June 30, 2019.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's activities which expose it to currency risk involve the holding of foreign currencies as well as earning revenues and incurring expenses that are denominated in foreign currencies. The Company has not engaged in any foreign exchange hedging activities to date; however, the Company mitigates its currency exchange risk by entering into natural hedges whereby foreign currency liabilities are offset by assets pledged in the same foreign currency. For the year ended June 30, 2019, revenue denominated in US dollars accounted for 30% (2018 - 10%) of total revenue and revenue denominated in GBP accounted for 7% (2018 – 1%) of total revenue. As at June 30, 2019, a 5% fluctuation in the US dollar exchange rate would have an impact of approximately $701 (2018 - $513) on net loss and a 5% fluctuation in the GBP exchange rate would have an impact of approximately $204 (2018 - $71) on net loss.

The Company is also exposed to foreign exchange risk on its cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and interim production financing that are denominated in US dollars. A 5% fluctuation in the US dollar closing rate would result in a change to net loss for the year ended June 30, 2019 of approximately $207 (2018 - $28).

TRANSACTIONS WITH RELATED PARTIES

During the year ended June 30, 2019, dividends of $184 (2018 - $657) were paid to directors and key management personnel and companies owned by directors and key management personnel. Producer and consulting fees of $245 (2018 - $174) were paid to companies owned by directors and a president and revenue of nil (2018 - $435) was received from a company owned by a director and president. Contingent payments relating to the acquisition of Great Pacific Media of nil (2018 – 1,348) were paid to a director and president. Other payments of $49 (2018 – nil) relating to storage fees were paid to a company owned by a director and president. In relation to the RTO Transaction, a transaction fee of 188,777 common shares with a deemed value of $378, was issued to a company owned by a director (2018 - nil). At June 30, 2019, $55 (2018 - $607) was due from a company owned by a director and president; $64 (2018 - nil) was payable to companies owned by directors; and $99 (2018 - $66) was payable to a director and president.

The related party transactions are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables/payables.

Key Management Personnel Compensation

Key management includes all directors, as well as the Executive Chair, Vice Chair, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and President. The remuneration of directors and officers is as follows:

	For the three months ended June 30,		For the year ended June 30,	
	2019	**2018**	**2019**	**2018**
Short-term benefits	$ 700	$ 645	$ 2,875	$ 2,444
Share based payments	140	5	792	25
Total	**$ 840**	**$ 650**	**$ 3,667**	**$ 2,469**

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and for the periods presented. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to financial statements, have been set out in note 3 of Thunderbird's audited consolidated financial statements for the year-ended June 30, 2019 filed on www.sedar.com. Actual results may differ materially from these estimates (refer to page 1 of this MD&A for more information regarding forward-looking statements).

SIGNIFICANT ACCOUNTING POLICIES

The Company's critical accounting policies and estimates are disclosed in the "Significant Accounting Policies" note to the Annual Financial Statements.

Standards applied during the year

IFRS 9, Financial Instruments

Effective July 1, 2018, the Company adopted IFRS 9 on a modified retrospective basis and as such, comparative figures have not been restated. The final version of IFRS 9 was issued by the IASB in July 2014 and supersedes IAS 39, Financial Instruments: Recognition and Measurement. The standard provides guidance on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and general hedge accounting.

IFRS 9 establishes a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Under IFRS 9, the financial instrument classification categories are as follows:

Financial instrument	IAS 39 Category	IFRS 9 Category
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Interim production financing	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost
Redeemable preferred shares	Other financial liabilities	Amortized cost

Under IAS 39 the Company classified its financial assets as "loans and receivables" and its financial liabilities as "other financial liabilities" and these financial instruments are measured at amortized cost. Under IFRS 9, the Company's financial assets and financial liabilities category of classification has been amended to "amortized cost" while the measurement basis remains the same.

IFRS 9 also introduces an expected credit loss impairment model to replace the incurred loss model under IAS 39 and is generally expected to result in earlier recognition of credit losses. The Company has assessed the new requirement and determined that the effect of this change did not result in a significant or material change in loss allowances.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

Effective July 1, 2018, the Company adopted IFRIC 22. The IASB issued IFRIC 22 to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation establishes that the exchange rate to use on the initial recognition of the transaction is the exchange rate for the date on which an entity initially recognized the non-monetary asset or liability arising from the payment or receipt of advance consideration.

The Company has elected to apply IFRIC 22 on a prospective basis beginning July 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

Effective July 1, 2018, the Company adopted IFRS 15. IFRS 15 replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and some revenue related interpretations. The underlying principle is that an entity will recognize revenue when control of goods is transferred to, or a service is performed for, the customer at an amount the entity expects to be entitled to in exchange for those goods and services. The standard establishes a five-step model framework to assess the amount and timing of revenue recognized relative to the fulfilment of contractual performance obligations. The five steps are as follows: identify the contract(s) with the customer, identify the performance

obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue when (or as) each performance obligation is satisfied.

The Company adopted IFRS 15 using the modified retrospective method on the date of transition (July 1, 2018). On this date, the cumulative effect of initially applying the standard was recognized, and the financial information previously presented for the year ended June 30, 2018 has remained unchanged. The Company also elected to apply the practical expedient, as permitted by the standard, of applying IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application.

Revenue from Production Services: The Company enters into production services contracts with customers to provide services in the production of content, of which it does not own the intellectual property rights. The Company is responsible for delivering elements of the project in accordance with the production schedule provided in the contract. Under IAS 18, the Company's policy was the recognition of revenue from production services using the percentage-of-completion method, based on the proportion of actual costs incurred compared to the total expected costs. Under IFRS 15, the performance obligations are the delivery of the elements of the project and the transaction fee is determined at contract inception. The performance obligations were determined to be a series of distinct goods/services that are transferred to the customer and revenue is recognized over time, as per the pattern of transfer to the customer, based on the delivery of elements of the project. The Company has concluded that this method is consistent with IFRS 15.

Revenue from Licensing of Content: The Company enters into broadcast license contracts to transfer licensed program rights for a fee for a specific term. Under IAS 18, the Company's policy was the recognition of licensing revenue at the start of the license term or earlier, if the program had been delivered and accepted, and the broadcaster had access to the rights to air it. Under IFRS 15, the performance obligation was determined to be a distinct good/service transferred to the customer and revenue is recognized at a specific point in time when the customer has control of the program and has the license to air the program during the license term. The Company determined this to be the later of the start date of the license term and the satisfaction of the contractual delivery terms. Accordingly, the Company has changed its accounting policy to recognize revenue at the later of the start date of the license term and the satisfaction of the contractual delivery terms.

Revenue from Distribution: The Company enters into distribution contracts to transfer licensed film and television programs rights to customers for a fee for a specific term. The fee can be a fixed amount or a sales- or usage-based royalty. Under IAS 18, the Company's policy for fixed transaction price agreements was the recognition of revenue at a point in time (at the start of the license term or earlier if the program had been delivered and the customer had access rights to air the program). For sales- or usage-based royalties, the Company's policy was to recognize revenue when it was received. Under IFRS 15, the performance obligation was determined to be a distinct good/service transferred to the customer and revenue is recognized at a specific point in time as the customer has control of the program and has the license to air the program during the license term. Accordingly, for fixed transaction price agreements, the Company has changed its accounting policy to recognize revenue at the later of the start date of the license term and the satisfaction of the contractual delivery terms. The Company continues to account for sales- or usage-based royalties when received.

In addition, the Company has determined that, under IFRS 15, any contract acquisition costs (such as bonuses paid in regard to obtaining a contract) are capitalized and amortized over the same term as the underlying contract is recognized.

The cumulative effect of the changes made to the consolidated July 1, 2018 statement of financial position for the adoption of IFRS 15 are as follows:

	Balance at June 30, 2018	Adjustments due to IFRS 15	Balance at July 1, 2018
ASSETS			
Current			
Cash and cash equivalents	$ 12,886	$ -	$ 12,886
Trade receivables and other	57,246	(469)	56,777
Income taxes recoverable	357	-	357
Other current assets	80	-	80
	70,569	(469)	70,100
Long-term trade receivables	1,336	276	1,612
Investment in content	17,965	180	18,145
Deferred tax assets	4,448	403	4,851
Property and equipment	3,873	-	3,873
Goodwill and intangible assets	14,525	-	14,525
Total Assets	**$ 112,716**	**$ 390**	**$ 113,106**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 10,525	$ -	$ 10,525
Income taxes payable	2,523	4	2,527
Interim production financing	41,681	-	41,681
Deferred revenue	9,367	2,618	11,985
Current obligations under finance leases	1,390	-	1,390
Redeemable preferred shares	2,505	-	2,505
	67,991	2,622	70,613
Long-term debt	1,534	-	1,534
Long-term obligations under finance leases	1,421	-	1,421
Deferred tax liabilities	3,621	(323)	3,298
Total Liabilities	**74,567**	**2,299**	**76,866**
SHAREHOLDERS' EQUITY			
Common shares	29,799	-	29,799
Preferred shares	19,526	-	19,526
Accumulated other comprehensive income	269	-	269
Contributed surplus	1,777	-	1,777
Deficit	(13,214)	(1,909)	(15,123)
Equity attributable to owners of the Company	38,157	(1,909)	36,248
Non-controlling interest	(8)	-	(8)
Total Shareholders' Equity	**38,149**	**(1,909)**	**36,240**
Total Liabilities and Shareholders' Equity	**$ 112,716**	**$ 390**	**$ 113,106**

In accordance with the new revenue standard requirements, the disclosure of the impact of adoption on our consolidated statement of operations is as follows:

	For the year ended June 30, 2019		
	As Reported	**Balances without Adoption of IFRS 15**	**Effect of Change**
Revenue	$ 61,478	$ 58,175	$ 3,303
Expenses			
Direct operating	29,705	29,525	180
Distribution and marketing	3,763	3,763	-
General and administrative	23,532	23,427	105
Share-based compensation	1,521	1,521	-
Finance costs, net	198	198	-
Charge related to public company listing	5,316	5,316	-
	64,035	63,750	285
Loss before income taxes	(2,557)	(5,575)	3,018
Income tax expense	1,263	507	756
Net loss from continuing operations	$ (3,820)	$ (6,082)	$ 2,262

IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions
Effective July 1, 2018, the Company adopted the amendments to IFRS 2. There was no impact to the Company's consolidated financial statements upon adoption of the amendments to this standard.

Standards issued but not yet effective
The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

IFRS 16, Leases (effective for annual periods beginning on or after January 1, 2019)
IFRS 16 was issued by the IASB in January 2016 and supersedes IAS 17, Leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for leases, with limited exemptions for leases that are 12 months or less in duration or for leases of low-value assets. A lessee is required to recognize a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In addition, the nature of the expenses related to these leases will change as IFRS 16 replaces the straight-line operating lease expense with depreciation expense on the right-of-use asset and a finance charge on the lease obligation. This new standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The Company will apply the new standard for the fiscal year beginning July 1, 2019 using the modified retrospective transition approach, which does not require restatement of comparative periods; instead, the cumulative impact of applying IFRS 16 will be accounted for as an adjustment to opening retained earnings at the start of the accounting period in which it is first applied. The Company has elected to measure its right-of-use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be nil.

The Company is in the final stages of its assessment of IFRS 16 on its existing contracts and anticipates that the most significant impact of adopting the new standard will be the recognition of the ROU asset and the corresponding lease obligation on its existing operating leases of office space. On adoption of the new standard, the Company will recognize lease liabilities measured at the present value of the remaining lease payments, discounted by the Company's incremental borrowing rate as at July 1, 2019. The corresponding ROU asset will initially be measured at the amount equal to the lease liability on July 1, 2019, plus any prepaid lease payments.

IFRIC 23, Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after January 1, 2019)
IFRIC 23 was issued by the IASB in June 2017 and clarifies the accounting for uncertainties in income taxes under IAS 12, *Income Taxes*. The Company intends to adopt the interpretation in its consolidated financial statements for fiscal year beginning July 1, 2019. The Company does not expect the interpretation to have a material impact on its consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING
The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure and to provide reasonable assurance that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified in those rules. The CEO and CFO have also designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the liability of financial reporting and the preparation of financial statements for external purposes.

The CEO and the CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures, and internal control over financial reporting, concluded that as at June 30, 2019, both the Company's disclosure controls and procedures and internal control over financial reporting were operating effectively. It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitation in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected.

There were no changes in internal controls over financial reporting during the year ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

DISCLOSURE OF OUTSTANDING SHARE DATA
As at October 18, 2019 the Company had the following common and preferred shares and stock options outstanding.

Common Shares	46,631,475
Preferred Shares – redeemable	1,054,000
Warrants	337,342
Stock Options	4,556,000

Directors and Officers as at June 30, 2019

Directors

Ivan Fecan	Executive Chair, Director
Tim Gamble	Vice Chair, Director
Jennifer Twiner McCarron	CEO, Director
Mark Miller	President, Director
Frank Giustra	Lead Director
Francesco Aquilini	Director
Brian Paes-Braga	Director
Frank Holmes	Director
Azim Jamal	Director
Paul Sparkes	Director

Officers

Jennifer Twiner McCarron	CEO, Director
Mark Miller	President, Director
Barb Harwood	CFO
Ivan Fecan	Executive Chair
Tim Gamble	Vice Chair
Cameron White	Corporate Secretary
Sarah Nathanson	Vice President, Legal and Business Affairs