



## **Management's Discussion and Analysis**

**For the nine months ended September 30, 2022 and 2021**



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

This Management Discussion and Analysis (“**MD&A**”) of the financial condition and results of operations of TVI Pacific Inc. (“**TVI**” or “**the Company**”) should be read in conjunction with the unaudited interim consolidated financial statements and related notes for the nine months ended September 30, 2022 and 2021, in addition to the audited consolidated financial statements for the years ended December 31, 2021 and 2020, prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. This MD&A contains forward-looking statements that are subject to risks and uncertainties as discussed under “Forward-looking Statements”.

This MD&A also includes the disclosure of certain non-GAAP financial performance measures, including free cash flow used in operations, free cash outflow and free cash outflow per share. Refer to “Non-GAAP Financial Performance Measures” for further information, including a reconciliation to the comparable IFRS measures. As these non-GAAP financial performance measures do not have standardized meanings under IFRS, they may not be directly comparable to similarly titled measures used by others. Non-GAAP financial performance measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

All figures in this MD&A are expressed in Canadian dollars unless otherwise indicated. Additional information is available on TVI’s website at [www.tvipacific.com](http://www.tvipacific.com) or under the Company’s profile on SEDAR’s website at [www.sedar.com](http://www.sedar.com). Information in this MD&A is as of November 10, 2022 (“**effective date**”).

### **NOTICE TO READER**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of TVI Pacific Inc. for the interim reporting period ended September 30, 2022, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Company’s management.

The Company’s independent auditors, PricewaterhouseCoopers LLP, have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada (“**CPA Canada**”) for a review of interim financial statements by an entity’s auditor.

### **Forward-looking Statements**

*Certain information set out herein constitutes forward-looking information. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "believe", "scheduled", "to be", "will be" and similar expressions. Forward-looking statements are based upon the opinions and expectations of TVI as at the effective date of such statements and, in certain cases, information received from or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, TVI can give no assurance that those expectations will prove to have been correct.*



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**Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this MD&A and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.**

*Forward-looking statements are subject to certain risks and uncertainties (known and unknown) that could cause actual outcomes to differ materially from those anticipated or implied and should not be read as guarantees of future performance or results. These factors include, but are not limited to, such things as: (i) general economic conditions in Canada, the United States, the Philippines and elsewhere; (ii) volatility of prices for precious metals, base metals, and oil and gas; (iii) commodity supply and demand; (iv) fluctuations in currency and interest rates; (v) inherent risks associated with the exploration and development of mining properties, including but not limited to geological characteristics, metallurgical characteristics of the mineralization, the availability of equipment and facilities necessary to complete development and the ability to develop adequate processing capacity; (vi) the cost of consumables and mining and processing equipment; (vii) unforeseen technological and engineering problems; (viii) inherent risks associated with the exploration of oil and gas properties; (ix) ultimate recoverability of reserves; (x) production, timing, results and costs of exploration and development activities; (xi) political factors, political stability or civil unrest, including but not limited to acts of sabotage or terrorism; (xii) availability of financial resources or third-party financing; (xiii) changes in laws or regulations (domestic or foreign); (xiv) changes in administrative practices; (xv) changes in exploration plans or budgets; (xvi) the availability of skilled labour; (xvii) the failure of parties to contracts with the Company to perform as agreed, including its joint venture partners; (xviii) the impact of the COVID-19 pandemic or similar public health crises; and (xix) extreme weather conditions and forces of nature (i.e. typhoons, heavy rains, earthquakes, and the like) that may disrupt operations and explorations.*

*Forward-looking statements regarding TVIRD's operations and continuing development works at the Balabag Gold-Silver Mine are based upon, but are not limited to, TVIRD's past operational, construction and project development experience in the region and in such terrain, current and previous exploration activities, discussions with third parties, the availability of financing and TVIRD's overall plans, budget and strategy for Balabag (which are all subject to change).*

*The forward-looking statements include information relating to possible acquisition opportunities in the region of Agata Nickel Laterite Mine and possible development opportunities at the Agata Limestone project, in which TVIRD holds a 60% interest and is operator, and are based upon, but not limited to, TVIRD's past operational, construction and project development experience in the region and in such terrain, current and previous exploration activities and the ability and opportunity to find, determine and confirm additional mineral resource and reserves, discussions with third parties, the availability of financing and TVIRD's overall plans, budget and strategy as may be considered and agreed between TVIRD and its AMVI joint venture partners (which are all subject to change).*

*Forward-looking statements regarding TVIRD's plans to restart operations at the Siana Gold Mine ("Siana") are based upon, but are not limited to, TVIRD's past operational, construction and project development experience in the region and in such terrain, the condition of and ability to restore and/or replace equipment and infrastructure acquired with the acquisition of Siana, current and previous exploration activities, discussions with third parties, the availability of financing and TVIRD's overall plans, budget and strategy for Siana (which are all subject to change).*

*Forward-looking statements regarding the Mabilo project are based upon, but are not limited to, TVIRD's past operational, construction and project development experience in the region and in such terrain, current and previous exploration activities, discussions with third parties, the availability of financing and TVIRD's overall plans, budget and strategy for Mabilo as may be considered and agreed between TVIRD and its joint venture partner (which are all subject to change).*



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*Forward-looking information respecting the anticipated timing of various critical events associated with the IPO for TVIRD is based upon various assumptions and factors, including the receipt by TVIRD of all regulatory approvals required to permit the IPO and the listing of the TVIRD shares on the PSE (such as approvals from the SEC and PSE); advice received from professional advisors to TVIRD with respect to legally mandated time frames for various applications and steps/events associated with the IPO; there being no material changes in the business, affairs, capital, prospects or assets of TVIRD prior to completion of the IPO and the listing of the TVIRD shares on the PSE; and satisfaction or waiver of all conditions for the benefit of the underwriter set out in the underwriting agreement between the underwriter and TVIRD.*

*Forward-looking statements are based upon the opinions and expectations of TVI as at the effective date of such statements and, in certain cases, information received from or disseminated by third parties. Although TVI believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.*

*The forward-looking statements of TVI contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. Various risks to which TVI and its affiliates are exposed in the conduct of their business (including but not limited to mining) are described in detail in this MD&A under the heading "Risk Factors", any of which could cause actual results to differ materially from the projected forward-looking information, and in TVI's Annual Information Form for the year ended December 31, 2021, which was filed on SEDAR on April 28, 2022, and is available on [www.sedar.com](http://www.sedar.com). Subject to applicable securities laws, TVI does not undertake any obligation to publicly revise the forward-looking statements included in this MD&A to reflect subsequent events or circumstances, except as required by law.*

### Qualified Persons

Michael Bue, Bsc. Eng, M.Eng, P.Eng, has acted as the Qualified Person in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") reporting requirements by virtue of his membership in the Professional Engineers of Ontario and Canadian Institute of Mining and Metallurgy. He has approved any scientific and technical information that may be contained in this document and has confirmed compliance with NI 43-101 requirements.

Additional information on the Company, including the Company's Annual Information Form, is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.tvipacific.com](http://www.tvipacific.com).

### Corporate Profile

TVI is a publicly traded Canadian resource company focused on the evaluation and acquisition of interests in resource projects in the Asia Pacific region.

TVI management's track record of success includes putting the first foreign invested mine into production in the Philippines after the passage of the Philippine Mining Act of 1995. From 2004 to 2014, TVI produced 105,200 ounces of gold, 1.8 million ounces of silver, 199,778 tonnes of copper concentrate and 30,558 tonnes of zinc concentrate from the **Canatuan mines** and was recognized as one of the most responsible miners in the Philippines. Up until 2014, TVI carried out its work through its 100% owned Philippine operating subsidiary, TVI Resource Development (Phils.) Inc. ("TVIRD"), of which it has divested control in December 2013 but maintains a 30.66% interest in this joint venture, where TVI has joint control.

TVI management's track record of success has continued with the **Agata nickel/iron mine**, Agata Mining Ventures Inc. ("AMVI"), which commenced operations in October 2014 and has since shipped a total of



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20.05 million wet metric tonnes of nickel laterite through 368 shipments as at the end of September 2022, 22 shipments of which were completed within the first nine months of 2022 in the amount of 1.21 million wet metric tonnes. TVIRD has announced that AMVI will cease operations at the end of November 2022. AMVI is a joint venture company between TVIRD (60%), Mindoro Resources Ltd. (NEX:MIO.H) ("**Mindoro**") (15%) and Minimax Mineral Exploration Corporation ("**Minimax**") (25%), in which TVIRD is operator.

The first shipment of gold doré from TVIRD's 100%-owned **Balabag Gold-Silver mine** ("**Balabag**") was completed on September 30, 2021, and through to September 30, 2022, twenty-six (26) shipments had been completed in the amount of 27,821 kg doré containing 31,721 ounces of gold ("**Au**") and 845,343 ounces of silver ("**Ag**") for 41,469 gold equivalent ounces ("**AuEq oz**"). A further four (4) shipments have been completed since September 30, 2022 and through to the effective date of this MD&A, bringing the total number of shipments to date since completion of the first shipment on September 30, 2021 to 30 shipments in the amount of 47,752 AuEq oz. The project is situated approximately 75 kilometers (47 miles) east-northeast of TVIRD's Canatuan mine. Twenty-four-hour operation of the plant was introduced in late August 2021 and activities at site continue to be focused on optimizing the operation and the ramping-up of throughput to a consistent level beyond 2,000 tonnes per day ("**tpd**"). Plant throughput in October 2022 averaged 2,191 tpd. TVIRD has advised that commercial production was achieved at Balabag effective November 1, 2021. The tailings storage facility ("**TSF**") is being constructed in stages to accommodate both the increased throughput and progressively increasing resources as they may be defined. Ongoing placement of Zone 3 is proceeding together with construction of the Stage 3 spillway.

On November 4, 2021, TVIRD completed its acquisition of 100% of the outstanding equity in Greenstone Resources Corporation ("**GRC**"), the owner and operator of the **Siana Gold Mine** ("**Siana**") and the **Mapawa Project** ("**Mapawa**"), both of which are located in the southern Philippine island of Mindanao. Prior to the acquisition by TVIRD, GRC was the Philippines affiliate of Red 5 Limited ("**Red 5**") (ASX: RED), a Perth, Western Australian-based gold company, the shares of which are listed on the Australian Securities Exchange ("**ASX**"). Red 5 previously reported in their 2021 Annual Report a combined historical Indicated JORC 2012 mineral resource estimate for the Siana open pit and underground mine of 4.3Mt @ 4.6 g/t Au and 6.8 g/t Ag and combined Inferred JORC 2012 mineral resource estimate for the Siana open pit and underground mine of 0.5Mt @ 8.9 g/t Au and 10.6 g/t Ag. TVI is not treating this as a current mineral resource under National Instrument 43-101 – Standards of Disclosure for Mineral Projects as a qualified person has not done sufficient work to classify the historical estimate as current. TVIRD has been advised that all required permits are in place for the re-commencement of operations and TVIRD has progressed with rehabilitation of the plant to the stage of completing the crushing plant and the reagent circuit. The crushing plant is now undergoing early testing and commissioning using the ore stockpile and the filling of the carbon-in leach ("**CIL**") and detox tanks with water has also already commenced in preparation for the tank hydrotesting and air compressor pressure testing. Air and water supply commissioning is already ongoing. Dewatering and waste stripping of the Siana pit are proceeding together with TSF6 road construction, excavation and embankment placement works.

TVIRD has gained a 60% indirect interest in the **Mabilo Project** ("**Project**") through having acquired on January 31, 2022, all the outstanding capital stock of SageCapital Partners, Inc. ("**SageCapital**"). SageCapital is a holding company incorporated under the laws of the Philippines which, in turn, owns 60% of the outstanding capital stock of Mt. Labo Exploration and Development Corporation ("**MLED**C"), a Philippines mining and minerals exploration development company whose projects are based in Camarines Norte, Philippines, and which is the owner and operator of the Mabilo Project ("**Mabilo**"). With a near-surface deposit, Mabilo has potential for direct shipping ore ("**DSO**") operations and it is contemplated that mining will use an open-pit mining method. The Mabilo mineralized deposit is classified as a copper-gold-iron skarn deposit that offers potential for multi-metal products, namely copper, gold and silver, with by-products magnetite (Fe<sub>3</sub>O<sub>4</sub>) and pyrite (FeS<sub>2</sub>). A NI 43-101 Technical Report prepared by Lycopodium Minerals Pty Ltd. and filed on May 2, 2016, under the SEDAR profile of RTG Mining Inc. ("**RTG**"), which holds a 40% interest in MLED C through SRM Gold, reflects a historical Probable Mineral Reserves estimate of 7.8Mt at 2.0% Cu, 2.0g/t Au, 8.8g/t Ag and 45.5% Fe for Mabilo. TVIRD is currently proceeding with



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various organizational, community-related, permitting and site clean-up matters at Mabilo while considering next steps.

TVI does not operate or control any of the mines or projects of TVIRD.

As the previous 100% owner of TVIRD, TVI's focus upon responsible mining established the framework through which **TVIRD received and has continued to receive various environmental and safety awards for its exceptional performance.** Most recently, on November 2, 2022, TVIRD received notice from the Mines and Geosciences Bureau of the Department of Environment and Natural Resources ("DENR") that its 100%-owned Balabag mine had been awarded the 2022 Presidential Mineral Industry Environmental Award ("PMIEA") in the Surface Mining Operation Category and the Safest Mining Operation Award, and had been recognized also as second runner-up in the Best Mining Forest Contest (Metallic Category). Two individuals at Balabag were also recognized as the Best Surface Safety Inspector and Best Surface Mine Supervisor. The following is a full record of past and current awards:

TVIRD	Record of Awards										
Award	2010	2011	2012	2013	2015*	2016*	2017*	2018*	2019*	2021*	2022
<b>Presidential Mineral Industry Environment Awards ("PMIEA"):</b>											
<b>PMIEA</b>								Agata	Agata	Agata	Balabag
<b>Platinum</b>	Canatuan		Canatuan				Agata				
<b>Titanium</b>		Canatuan		Canatuan	Agata	Agata					
<b>Safest Mining Operation / Surface Operation</b>											
<b>Winner</b>		Canatuan	Canatuan								Balabag
<b>Safest Mineral Processing (Concentrator Category)</b>											
<b>Winner</b>	Canatuan	Canatuan	Canatuan	Canatuan							
<b>Best Mining Forest Award</b>											
<b>2nd Runner Up</b>				Canatuan							Balabag
<b>3rd Runner Up</b>	Canatuan		Canatuan								

Notes:

- ❖ TVIRD received awards up through 2013 as operator of the Canatuan Mine and commencing 2015 through 2021 has received awards as operator of the Agata Mining Ventures Inc. DSO operations since start-up of operations in October 2014. The Presidential Industry Environmental Award ("PMIEA") is the highest award given by the PMIEA Selection Committee ("PMIEA-SC"). Mining companies which fall short of the PMIEA requirements but exhibited excellent performance in environment, safety, health, and social development are awarded with the PMIEA-SC Achievement Awards, namely the Platinum and Titanium awards.
- ❖ TVIRD did not participate in the 2020 awards program.

Up to the end of 2013, TVI consolidated TVIRD as a subsidiary within its financial statements and reported related revenues and cash flows. Following completion in 2014 of the Transactions between TVI and Prime Resources Holdings, Inc. ("PRHI"), TVI's interest in TVIRD was reduced to 30.66% and management determined that TVI no longer had control in TVIRD due to the reduction of interest and by virtue of an agreement with PRHI which requires unanimous consent from both parties on decisions concerning relevant activities, resulting in joint control. Consequently, TVIRD and its 100% owned Exploration Drilling Corporation ("EDCO") were deconsolidated from TVI's financial statements. The retained interest of approximately 30.66% has subsequently been considered an investment in joint venture to be accounted for using the equity method in the consolidated financial statements of TVI. As such, TVI has, since the end of 2013, not reported any revenues and cash flows of TVIRD directly within its own financial statements but rather captures its share of net income or net loss of TVIRD as Other Income – Share of Income of



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Joint Venture and adjusts its investment in TVIRD, recorded on TVI Pacific's balance sheet as an investment in joint venture, at the end of each reporting period.

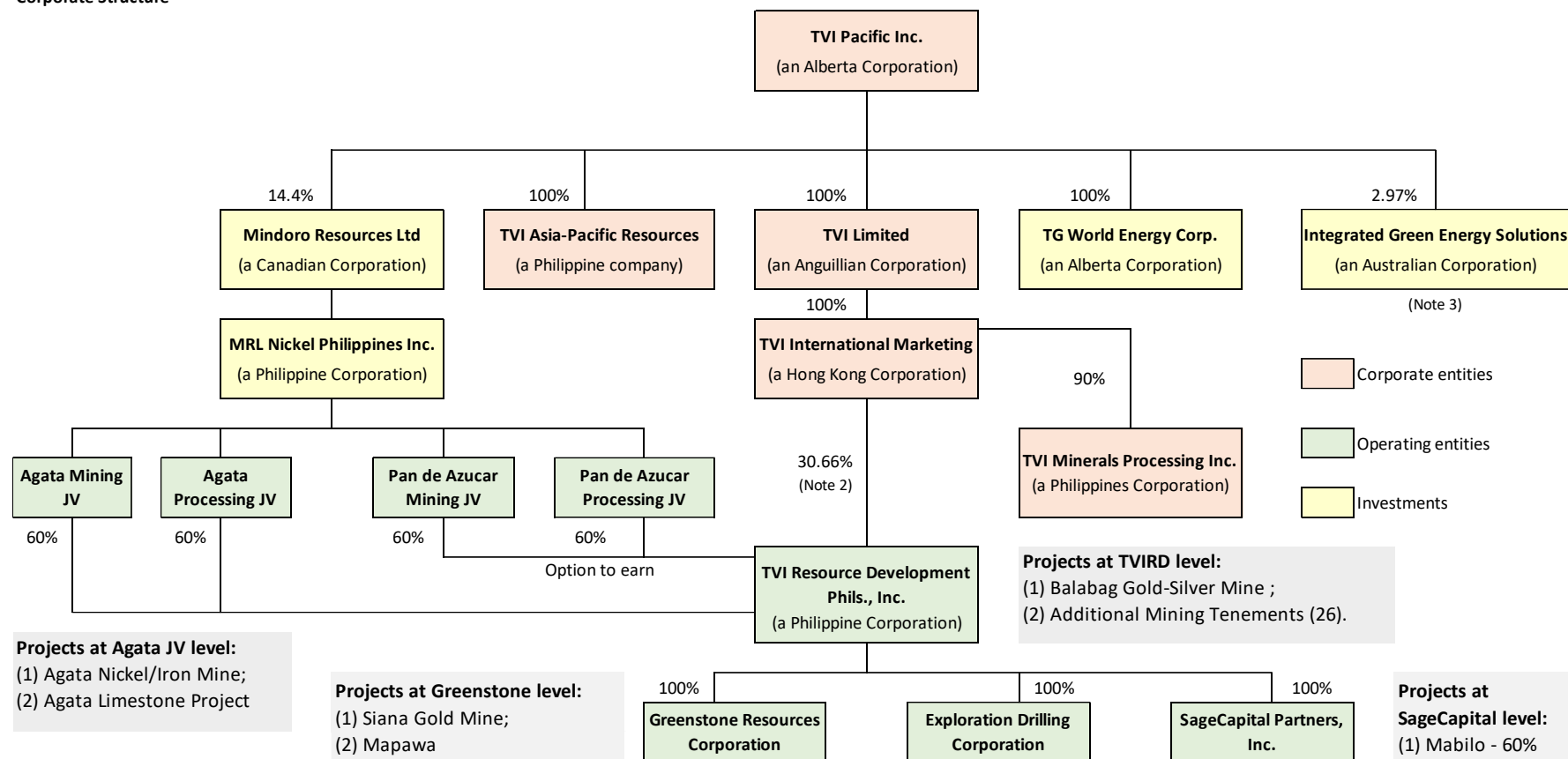
As part of PRHI's 2013 agreement to invest in TVI and TVIRD, the parties agreed that TVIRD would seek a listing on the Philippine Stock Exchange ("**PSE**") following completion of the Transactions, but all activities related to the proposed listing and initial public offering ("**IPO**") were placed on hold primarily as a result of the uncertain environment in which the Philippine mining industry began to operate following the nationwide audit of metallic mines ordered by the DENR Secretary under the Duterte Administration that came into power in June 2016. TVIRD is currently reviewing the situation following the recent election victory of Ferdinand Marcos Jr as president of the Philippines on May 9, 2022.

In addition to its interest in TVIRD and other Philippine subsidiaries, TVI directly held at September 30, 2022, a 14.4% equity interest in Mindoro and a 100% investment in shares of TG World Energy Corp. ("**TG World**").

TVI is presently dependent on possible distributions from its joint venture investment in TVIRD, which the Company does not control. While significant, the TVIRD dividends are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows so it can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

**As at September 30, 2022:**

**TVI Pacific Inc.  
Corporate Structure**



Notes:

- 1) Two non-voting, non-participating redeemable deferred shares are held by Prime Resource Holdings Inc., who also holds 68.42% of TVIRD and 10% of TVI Minerals Processing as well as 5% equity of TVI Pacific Inc.
- 2) TVI Resource Development Phils Inc. - the 30.66% interest is held directly by TVI Pacific Inc. while 68.42% is held by Prime Resource Holdings Inc. (a Philippine corporation) and 0.92% is held by other Class B shareholders.
- 3) Formerly FOY Group Ltd. Shares continue to be held at December 31, 2021, but IGES has been delisted from the ASX and found to be insolvent.



## INVESTMENT IN TVI RESOURCE DEVELOPMENT PHILS., INC.

TVIRD is a private Philippine resource company responsible for proudly having put the first foreign-invested mine into production after the passage of the Philippine Mining Act of 1995. This was the Canatuan mine which produced, while under the 100% control of TVI Pacific, over 105,200 ounces of gold and 1.8 million ounces of silver from 2004 to 2008 and 199,778 dry metric tonnes of copper concentrate and 30,548 dry metric tonnes of zinc concentrate from 2009 to 2014. During the 10-year period in which the Canatuan gold-silver and copper-zinc mines were in production, TVIRD generated over US\$479 million in revenues and US\$180 million in cash flows. TVIRD's Canatuan mining operations also received multiple prestigious awards from the annual Philippine PMIEA ceremony and established TVIRD as a preeminent mining company committed to the highest levels of safety, environmental stewardship and sustainable development.

As at the date of this MD&A, Canatuan is continuing its final rehabilitation activities under the supervision of the Multi-Partite Monitoring Team ("MMT") that includes representatives of the local community, the municipal and provincial government, and the DENR (as representatives of the national government).



Canatuan Tailings Storage Facility – November 2012.



Canatuan Tailings Storage Facility – June 2021

TVIRD is currently focused on maximizing its valuation, which would also maximize its investment value for TVI, by focusing on the following areas of growth:

- Operating while continuing ramp-up of gold production at its **Balabag Gold-Silver Mine** while adding additional reserves through ongoing exploration.
- Advancing development and the restart of operations at its **Siana Gold Mine**.
- Advancing the **Mabilo Project** towards development and production.
- Advancing the **Pan de Azucar Project** toward possible development and production.
- Advancing the **Agata Limestone Projects** toward possible development and production.
- Repeating its success by exploring and developing its large portfolio of exploration/development tenements while continuing to search for new resource properties that can be acquired, rapidly developed and placed into production.
- Progressing plans to list on the PSE.

TVIRD continues to monitor the DENR's position on various mining policies since having placed efforts to complete a PSE listing and IPO on hold following the election of the Administration of President Rodrigo Duterte in May 2016 (see RISK FACTORS: POLITICAL AND REGULATORY RISKS IN THE PHILIPPINES RELATED TO INVESTMENT IN TVIRD for additional information).



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TVIRD has issued the following cash dividends to date, all of which have been received by TVI International Marketing Limited (“**TVI Marketing**”), a subsidiary of TVI, as the direct shareholder of TVIRD:

Date Received	Total TVIRD Dividend Declared		Total TVI International Marketing Share			
	PHP (millions)	\$ \$CAD (thousands)	Prior to Philippine Dividend Tax		Net of Philippine Dividend Tax	
			PHP (millions)	\$ \$CAD (thousands)	PHP (millions)	\$ \$CAD (thousands)
Total 2017 Dividends	185.0	\$ 4,747.6	56.7	\$ 1,454.2	48.2	\$ 1,236.1
Total 2018 Dividends	60.0	\$ 1,480.1	18.4	\$ 454.0	15.6	\$ 386.1
Total 2019 Dividends	60.0	\$ 1,532.1	18.4	\$ 469.8	15.6	\$ 399.3
Total 2020 Dividends	129.0	\$ 3,446.8	39.6	\$ 1,056.8	33.6	\$ 898.3
Total 2021 Dividends	182.4	\$ 4,596.1	55.9	\$ 1,409.3	47.5	\$ 1,197.9
April 18, 2022	60.0	\$ 1,473.3	18.4	\$ 451.7	15.6	\$ 384.0
June 15, 2022	47.4	\$ 1,152.6	14.5	\$ 353.4	12.4	\$ 300.4
Total 2022 Dividends	107.4	\$ 2,625.9	32.9	\$ 805.1	28.0	\$ 684.3
<b>Total Dividends</b>	<b>723.8</b>	<b>\$ 18,428.7</b>	<b>221.9</b>	<b>\$ 5,649.2</b>	<b>188.5</b>	<b>\$ 4,802.0</b>

Withholding tax is 15%

All dividends received by TVI Marketing from TVIRD have been transferred through to TVI Pacific as a repayment of intercompany advances. TVI cannot independently control the declaration and payment of dividends from TVIRD as such decision requires both joint venture partners to approve. The Omnibus Loan and Surety Agreement concluded with China Banking Corporation and announced by TVI Pacific on October 22, 2019 that provided for a US \$28.5 million principal amount 5-year term loan facility (the “**Facility**”) for the purpose of development of Balabag does not preclude the declaration and payment of dividends by TVIRD but does require that TVIRD provide prior notice to China Banking Corporation to certify that TVIRD is in compliance with various terms associated with the Facility provided in relation to Balabag. Since the announcement of the Facility, TVIRD has issued eight (8) dividends as at the date of this MD&A for a total amount of Php 418.8 million (\$10.7 million), of which TVI has received its share equal to Php 128.4 million (\$3.3 million) prior to Philippine dividend tax.

Balabag Gold and Silver Mine

TVIRD owns 100% of Balabag. The mine covers a 4,779-hectare Mineral Production Sharing Agreement (“**MPSA**”, MPSA No. 086-1997-IX) located within the Municipality of Bayog, Province of Zamboanga del Sur and Municipalities of Diplahan and Kabasalan, Province of Zamboanga Sibugay, Mindanao, Philippines, 75 kilometers (47 miles) east-northeast of TVIRD’s Canatuan mine. The MPSA currently has an expiry date of November 20, 2047.

TVI announced on November 22, 2019 that TVIRD had determined to advance Balabag towards commercial production and continuous milling operations commenced in July, 2021 with the first shipment of gold doré completed on September 30, 2021. Commercial production was achieved at Balabag effective November 1, 2021.



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For the nine months ended September 30, 2022, Balabag completed eighteen (18) shipments that contained 23,871 ounces of Au and 615,339 ounces of Ag for 31,245 AuEq oz, generating a gross revenue of US \$56.3 million with an average Au price of US \$1,799.95 and Ag price of US \$21.62.

As at the effective date of this MD&A, Balabag has completed 30 shipments since start-up of production in July 2021 and 22 shipments in the current year, as indicated below:

		Since Start-up of Production: July 2021 to Nov.10.2022	Current Year: Jan.31.2022 to Nov.10.2022
Number of Shipments		30	22
Gold doré	(kg)	31,465	24,021
Gold	(oz)	36,727	28993
Silver	(oz)	953,972	727,193
Gold Equivalent	(oz)	47,752	37,087

Since the declaration of commercial production on November 1, 2021 and through to the effective date of this MD&A (November 10, 2022), a total of 44,250 AuEq oz have been produced.

A focus to optimize the operation has continued and has thus far resulted in a significant increase in mill throughput and plant availability, as reflected in the following table:

	December 2021		Full Year 2021 since Start-up (average)		October 2022		10 months ended October 31, 2022 (average)	
	Gold	Silver	Gold	Silver	Gold	Silver	Gold	Silver
Head Grade	2.25 g/t	93.40 g/t	1.91 g/t	69.58 g/t	2.21 g/t	61.69 g/t	1.94 g/t	68.46 g/t
Recoveries	90%	70%	88%	69%	88%	67%	86%	61%
Mill throughput	1,100 tonnes per day		1,151 tonnes per day		2,191 tonnes per day		1,751 tonnes per day	
Plant Availability	70%		76%		92%		86%	

Optimization works to improve plant efficiency have included:

- ✓ The fabrication, installation and commissioning of a column flotation cell to upgrade the quality of feed to the Merrill Crowe to result in improved metal recoveries.
- ✓ The introduction of a lead acetate dosing regime to improve the dissolution of both gold and silver. An oxygen generator is expected to also be installed to further increase the efficiency of the cyanidation process.
- ✓ Improvements in the powerhouse ventilation and insulation to prevent damage to the electronics and alternator windings of the gensets from moist air flowing through from the smelting room and assay laboratory.

- ✓ The testing of polyurethane screens to further increase the capacity of the carbon-in leach ("CIL") circuit's carbon interstage screens.

The cash cost per ounce for the nine (9) months ended September 30, 2022, was US \$1,198 per AuEq oz and the All-in Cost averaged US \$1,557 AuEq oz for the same period.

The TSF is being constructed in stages to accommodate both the increased throughput and progressively increasing resources as they may be defined. Ongoing placement of Zone 3 is proceeding together with construction of the Stage 3 spillway.







A key area of success in process improvements has been with the flotation column.

Most recently, on November 2, 2022, TVIRD received notice from the Mines and Geosciences Bureau of the DENR that its 100%-owned Balabag mine had been awarded the 2022 Presidential Mineral Industry Environmental Award in the Surface Mining Operation Category and the Safest Surface Mining Operation Award, and had been recognized also as second runner-up in the Best Mining Forest Contest (Metallic Category). Two individuals at Balabag were also recognized as the Best Surface Safety Inspector and Best Surface Mine Supervisor.

TVIRD is continuing also to finalize a Phase 7 exploration program that includes additional in-fill, step-out and vein extension resource drilling and follow-up mapping of Balabag and its immediately surrounding area. This program is expected to commence in 2023 and is currently estimated to include 27 drillholes for a total meterage of 3,975 meters. The primary focus of this program will be to more thoroughly explore and further define resources within an expanded ultimate pit and is to include lateral and down dip continuity of the West Tinago vein system, the southeast extension of South Tinago stockwork zones and the down dip continuity of the East Miswi and Lalab vein system.

Phase 5A, Phase 5B and Phase 6 drilling results, which have included 11,094 meters drilled over 101 drillholes, have not yet been included in the most recent Mineral Resource estimate presented in the NI 43-101 Technical Report entitled "NI 43-101 Exploration Results and Mineral Resource Update Report on the Balabag Gold-Silver Project" and filed under the Company profile on SEDAR on July 20, 2021. That Technical Report, prepared by Mr. Jaime C. Zafra, BSGeo. PGeo. FAusIMM, an independent consultant and a Fellow of the Australasian Institute of Mining and Metallurgy and dated July 19, 2021, has been based only on drill results collected through to completion of the Phase 4 drilling program in December 2020. Since that time a further 11,094 meters have been drilled over 101 drillholes, including the Phase 5A, Phase 5B and Phase 6 drilling programs.

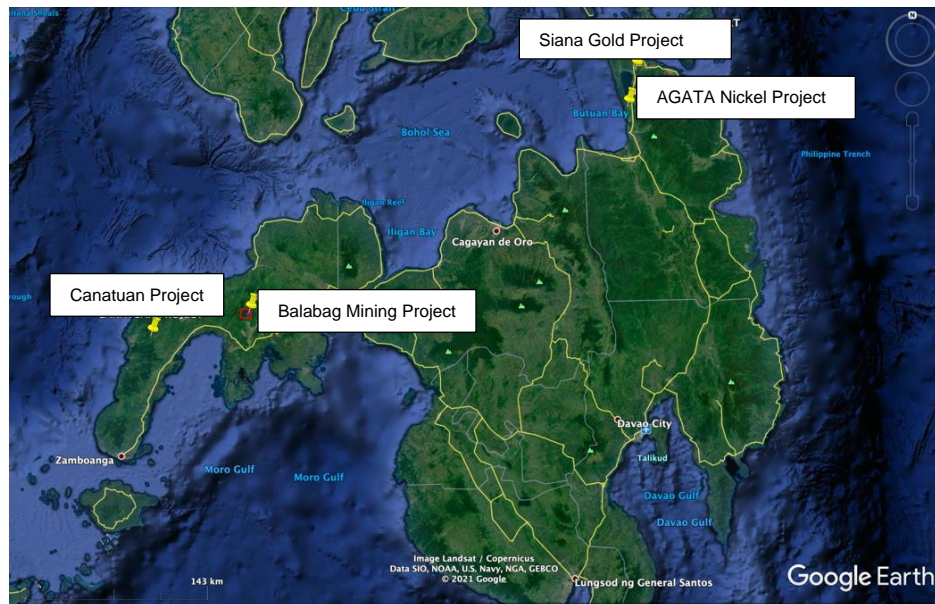
TVIRD has thus far made seven (7) payments against the 5-year term loan with China Banking Corporation ("Facility"), each in the amount of US \$2.1 million and each including an approximate US \$0.2 million of interest, bringing the total principal repaid to date against the US \$28.5 million Facility to US \$13.3 million (see Subsequent Events). The purpose of the Facility has been to finance development activities at Balabag. The remaining capital expenditure requirement until the end of mine life is expected to be funded directly by Balabag operations. TVI does not currently have any spending commitments with respect to Balabag. TVIRD is not funded by new shareholder capital or shareholder loans and TVIRD does not have the contractual right to compel TVI to provide any funding.

TVI Pacific wishes to clarify that in making the decision to put Balabag into production, TVIRD, a Philippine corporation that the Company does not control, relied exclusively on technical and economic analysis prepared under Philippine regulations and did not rely on any feasibility study classifying mineral reserves prepared in accordance with NI 43-101. Historically such projects have a much higher risk of economic and technical failure.

Siana Gold Mine

TVIRD owns 100% of Siana through its 100%-owned subsidiary, GRC. The mine covers a 3,289-hectare MPSA (MPSA No. 184-2002-XIII) in addition to 100% of the neighboring 1,482-hectare MPSA No. 280-2009-XIII for the Mapawa Project and the Ferrer Claim (as covered by the Application for Mineral Production Sharing Agreement No. A000046 and comprising of one Block of 595 hectares). The Siana MPSA was granted on December 11, 2002 and registered with the Philippine Mines and Geoscience Bureau (“**MGB**”) on December 27, 2002 for a term of 25 years. Siana is located along the Surigao Valley Fault, a major mineral structure, which is a part of the major Philippine Fault or Rift Zone. The Rift Zone constitutes multiple epithermal gold and porphyry-type copper-gold mineral deposits.

Siana is located in Tubod, Surigao del Norte, approximately 35 kilometers from Surigao City and near to Lake Mainit, while Mapawa is located 20 kilometers north of Siana and has the potential to be developed as a satellite source of ore feed for the Siana processing plant.



As noted in previous announcements, the Siana Mine was acquired by TVIRD complete with the following infrastructure:

- A modern 1.1mtpa Outotec mill, gravity and CIL mill facility commissioned in 2012 that includes a single stage SAG mill and 6 CIL tanks;
- Grid power with a backup 8MW diesel fired power station; and,
- Administration building, warehouse, mess hall, camp facilities and accommodation, engineering building and maintenance facilities.

Prior to the acquisition by TVIRD, GRC was the Philippines affiliate of Red 5 Limited (“**Red 5**”) (ASX: RED), a Perth, Western Australian-based gold company, the shares of which are listed on the ASX.



The Siana Gold Processing Plant – July 2022

With all required permits in place for re-commencement of operations, rehabilitation of the processing plant at Siana is proceeding and includes the restoration and repair of the plant equipment. To date, rehabilitation works have been completed as they relate to the crushing plant and the reagent circuit while work continues with the grinding circuit, the CIL and detoxification area, the elution and electrowinning area, and the power plant. The crushing plant is now undergoing early testing and commissioning using the ore stockpile and all agitators, pumps and screens have been tested. The filling of the CIL and detox tanks with water has also already commenced in preparation for the tank hydrotesting and air compressor pressure testing. Air and water supply commissioning is already ongoing.





The Siana assay lab became operational in July 2022.



TSF6 embankment on October 3, 2022.



Dewatering and waste stripping of the Siana pit are proceeding together with TSF6 road construction, excavation and embankment placement works. Construction of TSF6 forms part of the critical path to the restart of operations. The ore stockpile currently approximates 350 thousand tonnes.

Red 5 has previously published underground and open pit mineral resource and mineral reserve estimates for Siana and mineral resource estimates for Mapawa. These estimates, detailed below, were prepared using the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code" or "JORC 2012"). No estimates for either Siana or Mapawa have been prepared using the 2014 definition standards published by the Canadian Institute of Mining Metallurgy and Petroleum ("CIM 2014 Standard") and no technical report supporting this estimate has been prepared in accordance with NI 43-101. A "qualified person" (as defined in NI 43-101) has not done sufficient work to classify any of these mineral resource or mineral reserve estimates as current. As a result, the Company is treating the following estimates as historical in nature and not current mineral resources or mineral reserves, and they should not be relied upon. There are certain differences between the JORC Code and the CIM 2014 Standard described further below.



Red 5 announced on February 23, 2016 that Mining One Pty Ltd had completed a JORC 2012 underground mineral resource and reserves estimate using a 2.4 g/t gold cut-off that was then subsequently reviewed annually by Red 5 and most recently confirmed in their Annual Report at June 30, 2021. Further to the ASX announcement released by Red 5 on January 11, 2016, the database for the Siana resource estimate included 109 holes and approximately 47,300 meters in addition to 79 historic holes drilled by Suricon between 1980 and 1990 for approximately 10,600 meters. The database also includes a further 10,417 grade control channel samples conducted by GRC prior to April 2013.

Construction of main access portal at the Siana Underground Mine.  
Source: Red 5 Limited March 2017 Quarterly Activities Report, dated April 28, 2017.

The Red 5 2021 Annual Report as at June 30, 2021 reports the JORC 2012 underground mineral resource and reserves estimate to be:

**SIANA JORC 2012 UNDERGROUND MINERAL RESOURCE as at June 30, 2020:**

Classification	Cut-off Gold	Tonnes	Gold	Silver	Contained Gold	Contained Silver
	(g/t)	(kt)	(g/t)	(g/t)	(koz)	(koz)
Indicated	2.4	3,400	5.2	7.2	566	779
Inferred	2.4	500	9.3	11.2	153	186
<b>Total</b>	<b>2.4</b>	<b>3,900</b>	<b>5.7</b>	<b>7.7</b>	<b>719</b>	<b>965</b>

**SIANA JORC 2012 UNDERGROUND ORE RESERVE as at June 30, 2020:**

Classification	Cut-off Gold	Tonnes	Gold	Silver	Contained Gold	Contained Silver
	(g/t)	(kt)	(g/t)	(g/t)	(koz)	(koz)
Probable	2.4	3,010	4.1	6.7	396	644
<b>Total</b>	<b>2.4</b>	<b>3,010</b>	<b>4.1</b>	<b>6.7</b>	<b>396</b>	<b>644</b>

Source: Red 5 Limited 2020 Annual Report

In the Red 5 Annual Report at June 30, 2021, and due to what Red 5 has reported as pending construction of additional tailings storage capacity, no updated JORC 2012 reserve estimate is reported for the Siana open pit as at that date. As such, Red 5 has reported the open pit mineral resource and reserve estimate as at June 30, 2021 to be:



Mining west wall at Siana Gold Project.

Source: Red 5 Limited September 2015 Quarterly Activities Report.



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**SIANA JORC 2012 OPEN PIT MINERAL RESOURCE as at June 30, 2020:**

Classification	Cut-off Gold	Tonnes	Gold	Silver	Contained Gold	Contained Silver
	(g/t)	(kt)	(g/t)	(g/t)	(koz)	(koz)
Indicated	0.7	650	3.7	7.9	77	164
Inferred	0.7	30	2.8	1.2	3	1
ROM Stockpile	0.7	290	1.1	6.6	10	61
<b>Total</b>	<b>0.7</b>	<b>970</b>	<b>2.9</b>	<b>7.3</b>	<b>90</b>	<b>226</b>

**SIANA JORC 2012 OPEN PIT ORE RESERVE as at June 30, 2020:**

Classification	Cut-off Gold	Tonnes	Gold	Silver	Contained Gold	Contained Silver
	(g/t)	(kt)	(g/t)	(g/t)	(koz)	(koz)
Probable	-	-	-	-	-	-
ROM Stockpile	0.7	290	1.1	6.6	10	61
<b>Total</b>	<b>0.7</b>	<b>290</b>	<b>1.1</b>	<b>6.6</b>	<b>10</b>	<b>61</b>

Source: Red 5 Limited 2020 Annual Report

In summary, and further to the above tables as included in the Red 5 2021 Annual Report, the Siana open pit and underground mine have at June 30, 2021, a combined Indicated JORC 2012 mineral resource estimate of 4.3Mt @ 4.6 g/t Au and 6.8 g/t Ag and combined Inferred JORC 2012 mineral resource estimate of 0.5Mt @ 8.9 g/t Au and 10.6 g/t Ag. TVI is not treating this as a current mineral resource under NI 43-101 as a qualified person has not done sufficient work to classify the historical estimate as current, and the estimates should not be relied upon.

Red 5 also reported in the 2016 Annual Report that Mapawa hosts a known gold porphyry system with a number of significant gold occurrences throughout the project area and thereby considered the area to have significant potential.

Red 5 announced on June 14, 2016 that an inaugural JORC 2012 mineral resource estimate had been completed for Mapawa by Optiro Pty. Ltd., an independent group of Australian geological consultants who reported the following on a dry tonne basis based on a 0.7g/t gold cut-off and taking into account historic mining depletion:

**MAPAWA JORC 2012 OPEN PIT MINERAL RESOURCE as at June 30, 2020**

Classification	Cut-off Gold	Tonnes	Gold	Silver	Contained Gold	Contained Silver
	(g/t)	(kt)	(g/t)	(g/t)	(koz)	(koz)
Indicated	0.7	3,270	1.0	3.5	103	371
Inferred	0.7	5,560	1.0	2.5	185	438
<b>Total</b>	<b>0.7</b>	<b>8,830</b>	<b>1.02</b>	<b>2.9</b>	<b>288</b>	<b>809</b>

Source: Red 5 Limited 2020 Annual Report

Red 5 reported that the Mapawa JORC 2012 mineral resource estimate was calculated based on a total of 78 diamond core drill-holes totaling 13,798 meters of drilling, comprising 5,628 meters of historical drilling completed by Suricon and 8,170 meters of additional diamond drilling completed by GRC.

As noted above, TVI is not treating the estimates reported for Siana and Mapawa as current mineral resources as a qualified person acting in compliance with NI 43-101 reporting requirements has not done sufficient work to classify these estimates as current resources, has not verified this information and these estimates should not be relied upon. The historical estimates are believed to be based on reasonable



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assumptions, and neither the Company nor the qualified person responsible for the scientific and technical content of the summary provided here has any reason to contest their relevance and reliability.

TVIRD currently does not plan to conduct any work to verify the historical estimates other than using them to guide its exploration, resource modeling and possible development work.

TVIRD is presently assessing the GRC resource model, mine development and production plan for Siana in order to develop its own plan in furtherance of a potential recommencement of operations. TVIRD is evaluating steps that would be required to upgrade or verify the foregoing historical estimates as current under NI 43-101 standards, which would include a review of past drill results and Quality Assurance/Quality Control procedures applied as well as possibly resource modeling with the involvement of a qualified person. To that regard, the TVIRD Exploration team has also commenced a review of past drilling data of GRC that includes a total of 558 drillholes with an aggregate of 80,705.33 meters total meterage. Of the total drillholes included in the drill database file, only 504 drillholes have complete log data in the database which equates to 77,789.71 meters.

### Agata Nickel/Iron Mine

TVIRD holds a 60% interest in and is operator of the Agata direct shipping nickel/iron mine, AMVI, which commenced operations in October 2014 and includes Mindoro (15%) and Minimax (25%). The Agata site is situated in a 4,995 hectare MPSA area located in the adjacent municipalities of Tubay, Jabonga and Santiago in Agusan del Norte province, 3.5 km from AMVI's private port. The port is strategically located within proximity to main markets in Asia. The MPSA currently has an expiry date of May 26, 2049.

AMVI has completed a total project-to-date of 368 shipments of 20.05 million wet metric tonnes of nickel laterite through to September 30, 2022, 22 shipments of which were completed in the first nine months of 2022 in the amount of 1.21 million wet metric tonnes. A further 3 shipments have been completed in October bringing the project-to-date shipped through to October 31, 2022, to 371 shipments of 20.20 million wet metric tonnes of nickel laterite. Completed shipments exceed by more than two times the proven and probable reserves of 9.7 million wet metric tonnes of nickel laterite ore with a grade of 48% Fe and 0.9% Ni that had been reported in the National Instrument 43-101 compliant Feasibility Study entitled "Technical Report for the Agata North Nickel Laterite DSO Project, Mindanao, Philippines" ("**Feasibility Study**"), dated August 30, 2013 and filed under the Company's SEDAR profile on September 10, 2013. The Feasibility Study was prepared under the direction of Dallas Cox, an independent qualified person, with contributions from Mark Gifford and Michael Conan-Davies; independent qualified persons as defined by National Instrument 43-101 (Canada).

Further to the Company's announcement of May 18, 2022, that the Agata direct shipping nickel/iron mine is currently expected to cease operations in October 2022, TVIRD has confirmed that the final shipments are to be completed through mid to late November 2022. TVIRD is continuing to review several potential nickel laterite projects, near to AMVI, for possible acquisition and the Assay Laboratory at site is being used for the purpose of analyzing samples gathered from these properties but as at the current date the expectation is that AMVI will cease operations following completion of its final shipments in November 2022.

### Mabilo Project

On January 31, 2022, TVIRD obtained control of SageCapital through the acquisition of all of its outstanding capital stock. This acquisition has further provided TVIRD an indirect 60% equity interest in MLEDC, as held by SageCapital. MLEDC is a Philippines mining and minerals exploration development company and the owner and operator of Mabilo.



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Mabilo is located in Camarines Norte Province, Eastern Luzon, Philippines, one of the major traditional gold mining centers in the Philippines, and is covered by Philippines MPSA MLC-MRD V-459 Amended (Renewal) and two (2) additional blocks with an existing Exploration Permit (EP-019-202-V), covering 3,484.2 hectares and 165.9 hectares. With a near-surface deposit, Mabilo has potential for DSO and it is contemplated that mining will use an open-pit mining method prior to moving to a primary concentrate production through construction of a plant. Both the Declaration of Mining Project Feasibility (“DMPF”) for initial DSO operations and the ECC were approved in 2020. The Mabilo mineralized deposit is classified as a copper-gold-iron skarn deposit that offers potential for multi-metal products, namely copper, gold and silver, with by-products magnetite (Fe<sub>3</sub>O<sub>4</sub>) and pyrite (FeS<sub>2</sub>).

RTG Mining Inc. (“RTG”), which holds a 40% interest in MLEDC through SRM Gold, has filed on December 18, 2015, under RTG’s SEDAR profile a NI 43-101 compliant Mineral Resource estimate prepared on November 5, 2015, by CSA Global Ltd (“CSA Global”) that includes:

**Mineral Resource Estimate as at November 2015**

Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Cu Metal (Kt)	Au Oz ('000s)	Fe Metal (Kt)
Indicated	8.9	1.9	2.0	9.8	45.6	169.3	577.6	4,034.5
Inferred	3.9	1.5	1.5	9.1	29.0	58.0	184.9	1,134.1
<b>Total</b>	<b>12.8</b>	<b>1.8</b>	<b>1.9</b>	<b>9.6</b>	<b>40.5</b>	<b>227.3</b>	<b>762.5</b>	<b>5,168.6</b>

The Mineral Resource estimate is based on data obtained from 99 diamond drillholes (18,201 meters) completed as of the end of September 2015 and a 0.3 g/t Au or 0.3% Cu grade cut-off. Holes were drilled on a nominal 40 meter by 40 meter drill pattern along strike, with infill to a nominal 20 meter by 20 meter in parts.

On May 2, 2016, RTG filed under its SEDAR profile a feasibility study (“Feasibility Study”) for Mabilo supported by a NI 43-101 compliant technical report entitled "Mabilo Project National Instrument 43-101 Technical Report" (“Mabilo Technical Report”) prepared by Lycopodium Minerals Pty Ltd. (“Lycopodium”) that incorporates the CSA Global Mineral Resource estimate.

The Feasibility Study has included mining, processing and infrastructure and a detailed financial analysis. By applying various constraints as ore dilution, mining, processing, metallurgical, economic and infrastructures factors, the Indicated Mineral Resource was converted into Probable Mineral Reserves that include:

**Probable Mineral Reserve Estimate**

Class	Type	Ore					Waste	Strip Ratio
		Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold cap	0.351	40.1	3.11	0.38	3.26	77.13	10
	Supergene	0.104	36.5	2.20	20.70	11.90		
	Oxide Scarn	0.182	43.6	2.52	4.17	19.90		
	Fresh	7.155	45.9	1.97	1.70	8.73		
<b>Total Probable Ore</b>		<b>7.792</b>	<b>45.5</b>	<b>2.04</b>	<b>1.95</b>	<b>8.79</b>		

As summarized above, The Mabilo Technical Report reflects a historical Probable Mineral Reserves estimate of 7.8Mt at 2.0% Cu, 2.0g/t Au, 8.8g/t Ag and 45.5% Fe and includes 511koz gold and 152kt copper. Metal price assumptions applied in the Mabilo Technical Report were US\$5,200/tonne for Cu, US\$1,125/oz for Au, US\$15/oz for Ag and US\$65/tonne for magnetite. TVI considers the Mabilo Technical Report no longer current and cautions that it should not be relied upon.



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To date 112 drillholes with a total meterage of 19,542 meters have been completed by MLEDC through its drilling program commencing in 2013 and ending in 2015.

TVI is not treating either the Mineral Resource estimate or the Probable Mineral Reserve estimate as current under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") as a qualified person has not done sufficient work to classify the historical estimate as current, and the estimates should not be relied upon. Though historical, the estimates are fairly recent and were prepared to NI 43-101 standards, and TVIRD thus has no reason to believe they are not reliable within the context that they were initially prepared.

Qualified persons have not done sufficient work under NI 43-101 to verify the results of the Feasibility Study or to render it current and complete under NI 43-101, and therefore details of the Feasibility Study are not included in this news release. TVIRD currently does not plan to conduct any work to verify the historical estimates other than using them to guide its exploration, resource modeling and possible development work. At the appropriate time, TVIRD plans to assess the mine development and production plan as included in the Feasibility Study in order to develop its own plan for further exploration and possible development. TVIRD is evaluating steps that would be required to upgrade or verify the foregoing historical estimates as current under NI 43-101 standards, which would include a review of past drill results and Quality Assurance/Quality Control procedures applied as well as possibly resource modeling with the involvement of a qualified person.

Mr. Michael James Bue, Bsc. Eng, M.Eng, P.Eng, a "qualified person" for the purposes of NI 43-101 has reviewed the Mabilo Technical Report on behalf of TVI. To the best of the knowledge, information and belief of TVI, there is no new material scientific or technical information that would make the disclosure of the Mineral Resources in this release inaccurate or misleading. Revisions to the Mabilo Technical Report are required to reflect current technical advances, environmental standards and economic parameters. As a result, TVI considers the Feasibility Study and accompanying Mabilo Technical Report to be no longer current and should not be relied upon.

The scientific and technical content of the above description of Mabilo has been sourced from publicly available documents filed under RTG's SEDAR profile (that may be accessed at <https://www.sedar.com/>) and ASX profile (that may be accessed at <https://www2.asx.com.au/markets/company/RTG>).

TVIRD is currently proceeding with various organizational, community-related, permitting and site clean-up matters while considering next steps at Mabilo.



Construction of core house on October 25, 2022.



MMT Monitoring at Mt.Labo on September 28, 2022

Additional information related to the Mabilo Project may be found on the TVIRD website at <https://tvird.com.ph/>.

Pan de Azucar

TVIRD has an option to earn a 60% interest in the Pan de Azucar (“**PDA**”) Mining Joint Venture. At present the PDA Mining Joint Venture is held by Minimax (59%), Mindoro (40%, through MRL Nickel Philippines, Inc.) and TVIRD (1%). PDA is covered by MPSA 135-99-VI (held by Minimax) covering an area of 535 hectares, with an expiry date of July 2024. The MPSA is located on Pan de Azucar island and adjacent to Panay Island, central Philippines, 200 nautical miles to the northwest of the Agata nickel/iron DSO mine.

The Valderama massive sulphide is comprised of a pyrite-rich mineralized horizon exposed at the surface and is adjacent to a porphyry copper-gold system. Mindoro previously drilled 31 drillholes with an average depth of 1,023 meters.

The sixth (6th) renewal of the exploration permit has been granted on May 23, 2022, for a two-year period. There is as yet no approved DMPF or ECC.

TVIRD is currently focused on activities related to: (1) developing an exploration program; (2) pre-project planning, including identifying possible locations for a port, roads and the waste rock dump; (3) permitting and community relations; and, (4) assessing possible joint venture opportunities.

Agata Limestone Project

The Agata Limestone project is held by AMVI (in which TVIRD has a 60% interest) and is located in the same 4,995-hectare MPSA area as the Agata Nickel Laterite project. The MPSA has an expiry date of May 26, 2049. Due to the project's close proximity to the causeway where materials will be shipped, potential operations will benefit from having low transport and handling costs. It is also expected that if the Agata Limestone project is to proceed, it will further benefit from the use of the same infrastructure that has been developed to operate the Agata nickel/iron mine, including all administration buildings and offices, the laboratory, maintenance facilities, site roads and the port.



AMVI received on June 1, 2021, the Environmental Compliance Certificate (“**ECC**”) for the Agata Limestone project that is valid through to May 31, 2026. The permitting process is continuing, having already received endorsements from the required local government unit (“**LGU**”).

- Nickel Laterite mineralization
- Limestone





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The Agata Limestone project is currently judged to be of lesser importance to TVIRD, given its size and potential value, when compared relative to the growing number of important projects now held by TVIRD, including the operating gold and silver mine at Balabag, the restart of the Siana gold mine and the development of the Mabilo project.

#### Additional Mining Tenements

TVIRD currently owns the rights to an additional 26 mining tenements that it has prioritized for purposes of further exploration. These additional tenements are located primarily in the regions of Zamboanga and Caraga in the Philippines.

Various activities planned in the current year for those tenements identified as a key priority have commenced, including scout and definition drilling, ground verification of anomalies and grid soil sampling, geological and tunnel mapping and sampling.

One area of key focus has been the Main Malusok prospect where reconnaissance mapping and sampling is proceeding in the north-eastern side of the prospect. To date, forty-three (43) abandoned tunnels have been identified in Main Malusok. Detailed underground mapping has also been performed on the identified mine-workings at southeast Malusok Areas 3 & 4 where a further sixty-two (62) tunnels have been located, fifteen (15) of which have been mapped in detail to date.

#### **Carrying value of investment in TVIRD**

The carrying value of the investment in joint venture is \$29,397,045 as at September 30, 2022, adjusted from the balance reported at December 31, 2021 to account for TVI's proportionate share of net income realized by the Philippine entities during the nine months ended September 30, 2022, as well as TVI's proportionate share of other comprehensive loss arising from foreign exchange revaluation of TVIRD's stockholder's equity and the receipt of dividends from joint venture, as reflected in the table below.

	<b>September 30, 2022</b>	
Investment in joint venture at January 1, 2021	\$	18,074,780
Share of net income		4,458,345
Share of bargain purchase gain on acquisition of Siana		9,200,325
Share of other comprehensive loss <sup>(1)</sup>		(25,009)
Foreign exchange revaluation of other comprehensive income		(1,593,584)
Cash dividends received, net of Philippine taxes		(1,197,934)
Investment in joint venture at December 31, 2021		28,916,923
Share of net income		3,677,048
Foreign exchange revaluation of other comprehensive income		(2,512,480)
Cash dividends received, net of Philippine taxes		(684,446)
Investment in joint venture at September 30, 2022	\$	29,397,045

<sup>(1)</sup> Other comprehensive income (loss) is generated by the conversion from Philippine pesos of the Philippine books to \$CAD equivalent.

TVI's proportionate share of net income realized by the Philippine entities has been generated primarily by nickel laterite sales from TVIRD's 60%-owned Agata nickel/iron mine and the sale of gold and silver from TVIRD's 100%-owned Balabag gold mine. As reflected in the above table, TVI's proportionate share of net income for the nine months ended September 30, 2022 was \$3.68 million (September 30, 2021 - \$2.55 million). 98% of total revenue in the nine months ended September 30, 2021 from which the reported net income has resulted was generated by nickel laterite sales from Agata while for the same nine months ended September 30, 2022, nickel laterite sales have represented only 40% of total revenue and 59% was



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generated by the sale of gold and silver from Balabag. A remaining 1% of revenue in the nine months ended September 30, 2022 represents drilling revenue generated by EDCO. Nickel laterite sales decreased by 43% for the nine months ended September 30<sup>th</sup>, 2022 when compared to the same period in 2021 as available ore is reaching an end at Agata but has been replaced by increasing revenues generated by gold and silver sales from Balabag.

While TVIRD obtained control of SageCapital and therewith a 60% indirect interest in MLEDC on January 31, 2022, TVIRD has advised that, further to IFRS 3 and the guidance provided therein with respect to accounting for business combinations, it will finalize the accounting for its acquisition of SageCapital after consideration of a measurement period to better determine the value of certain aspects of the acquisition and has thus far recorded provisional amounts. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date. Accordingly, new information that may become available to TVIRD may impact the accounting for its acquisition of SageCapital and such adjustments may thereby also impact the financial statements of TVI.

### INVESTMENT IN MINDORO

Mindoro (NEX:MIO.H) is a publicly listed company incorporated in Canada and with shares listed on the NEX. The trading of common shares of Mindoro has been suspended since the date Mindoro announced its move to the NEX for failure to maintain the requirements for a TSX Venture Exchange Tier 2 company (January 26, 2018). The annual reporting period of Mindoro ends as at December 31.

As at September 30, 2022, TVI owns 42,779,353 shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

Although TVI holds less than 20% of the equity shares of Mindoro as at September 30, 2022, TVI has determined that it has significant influence by virtue of its right to have representation on the Board of Directors of Mindoro and various other contractual terms.

More information on TVI's transactional history with Mindoro is available in TVI's previous MD&As dating back to November 8, 2012.

### Carrying value of investments in Mindoro

The carrying value of TVI's investment in Mindoro was reduced to nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment. As at September 30, 2022, a further proportionate share of net losses has been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize.

### PETROLEUM AND NATURAL GAS PROPERTIES

On March 10, 2011, TVI acquired control of TG World, an international petroleum exploration and development company. Its major areas of focus were Alaska, Niger and the Philippines. Subsequently on November 9, 2011, the Company sold the Alaskan assets and in December 2011 withdrew from its Niger interests.

### Philippines Offshore

TVI announced on November 29, 2021, that TG World had signed a definitive share sale and purchase agreement with Sacgasco Limited (ASX: SGC), an Australian-based energy company ("**Sacgasco**"), providing for the sale of 100% of the TG World (BVI) Corporation shares held by TG World together with



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the total balance of intercompany receivables owing by TG World (BVI) Corporation to TG World. TG World (BVI) holds a 12.5% equity interest in SC54A in the Philippines. The consideration paid to TG World includes a royalty (which will be payable (to a maximum of US \$530,000) after commercial production is achieved at SC 54A). All closing conditions of the sale were fully completed on March 1, 2022, which had included the clearing of past security charges registered against the shares of TG World (BVI) for which past documents from prior years that requested their removal had not been received by the British Virgin Islands (“BVI”) Registrar of Corporate Affairs and thereby restricted the sale. TVI had previously fully written-down its investment in SC 54A during the year ended December 31, 2015.

Sagasco previously announced on July 5, 2021, that they had purchased BCP Energy International PTE. LTD. from Bangchak Corporation, which includes its fully owned subsidiary Nido Petroleum Pty Ltd and its interests in four Philippine Service Contracts, including SC 54A, and further announced on September 6, 2021, that they had acquired the 30.1% working interest in SC 54A previously held by IMC Oil and Gas Investments Ltd. As at the date of this MD&A, Hague and London Oil B.V. (“HALO”), the holder of the remaining 15% of SC54A, is in the process of being wound-up and is reported to have defaulted on payments due on its 15% share of SC54A; as such, its 15% interest in SC54A is said to be currently held by a third party. SC54A is situated offshore, northwest of the Palawan islands, and contains several development-ready discoveries and mutually exclusive exploration targets.

**QUARTERLY FINANCIAL INFORMATION**

(in thousands of Canadian dollars, except per share information)

	Revenue <sup>(1)</sup>	Net Income <sup>(1)</sup> (Loss)	Net Income (Loss) per Share <sup>(2)</sup>	
			Basic	Diluted
September 30, 2022	\$ -	\$ (15)	\$ 0.000	\$ 0.000
June 30, 2022		1,894	0.004	0.004
March 31, 2022		866	0.001	0.001
December 31, 2021		10,815	0.016	0.016
September 30, 2021		326	0.000	0.000
June 30, 2021	-	568	0.002	0.002
March 31, 2021	-	624	0.001	0.001
December 31, 2020	-	1,483	0.002	0.002
September 30, 2020	-	(251)	0.000	0.000
June 30, 2020	-	1,042	0.002	0.002
March 31, 2020	-	(981)	(0.001)	(0.001)
December 31, 2019	-	1,136	0.002	0.002
September 30, 2019	-	(1,284)	(0.002)	(0.002)
June 30, 2019	-	(1,604)	(0.002)	(0.002)

(1) Reported in thousands of dollars.

(2) Net of non-controlling interests.

**QUARTERLY CONSOLIDATED RESULTS OF OPERATIONS**

In Q1 2021, the Company reported a net income of \$0.6 million, which consists primarily of its \$0.9 million proportionate share of net income from investment in joint venture, offset by \$0.3 million in general and administrative expenses.

In Q2 2021, the Company reported a net income of \$0.6 million, which consists primarily of its \$1.0 million proportionate share of net income from investment in joint venture, offset by \$0.4 million in general and administrative expenses.



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In Q3 2021, the Company reported a net income of \$0.3 million, which consists primarily of its \$0.6 million proportionate share of net income from investment in joint venture, offset by \$0.3 million in general and administrative expenses.

In Q4 2021, the Company reported a net income of \$10.8 million, which consists primarily of its \$11.1 million proportionate share of net income from investment in joint venture and deferred tax recovery of \$0.2 million, offset by \$0.4 million in general and administrative expenses and \$0.1 million of interest expense. The Company's proportionate share of net income in the quarter includes a bargain purchase gain, the Company's proportionate share of which is \$9.2 million, resulting from TVIRD's acquisition of GRC (see INVESTMENT IN TVI RESOURCE DEVELOPMENT PHILS., INC.), the 100% owner and operator of the Siana gold mine.

In Q1 2022, the Company reported a net income of \$0.9 million, which consists primarily of its \$1.0 million proportionate share of net income from investment in joint venture and \$0.2 million gain on sale of 100% of the TG World (BVI) Corporation shares held by TG World Energy Corp, offset by \$0.3 million in general and administrative expenses.

In Q2 2022, the Company reported a net income of \$1.9 million, which consists primarily of its \$2.3 million proportionate share of net income from investment in joint venture, offset by \$0.4 million in general and administrative expenses.

In Q3 2022, the Company reported a net loss of \$0.01 million, which consists primarily of its \$0.3 million proportionate share of net income from investment in joint venture, offset by \$0.4 million in general and administrative expenses.

**CONSOLIDATED RESULTS OF OPERATIONS – NINE MONTHS ENDED SEPTEMBER 30, 2022**

For the nine months ended September 30, 2022, TVI had a consolidated net income of \$2.7 million as compared to a \$1.5 million net income for the nine months ended September 30, 2021.

Total general and administrative expense was \$1.1 million for the nine months ended September 30, 2022 as compared to \$1.0 million for the nine months ended September 30, 2021, and primarily included salaries and wages, professional and consultancy fees and other corporate expenses. TVI reported a \$0.2 million gain on sale of 100% of the TG World (BVI) Corporation shares held by TG World Energy Corp. as a result of the buyer taking on debt obligations related to intercompany indebtedness that TG World Energy Corp. assigned to the buyer and certain other debt obligations held at the level of TG World (BVI).

TVI recorded its proportionate share of income from its investment in joint venture in an amount equal to \$3.7 million for the nine months ended September 30, 2022, as compared to its proportionate share of income of \$2.6 million, which was generated at the TVIRD level and in 2021 related primarily to TVIRD's share in net income from AMVI and the sale of nickel laterite while in 2022 additional income has been generated largely by the sale of gold and silver from TVIRD's 100%-owned Balabag. Balabag completed its first shipment of gold doré on September 30, 2021 and thereby recorded its first revenue related to the sale of gold and silver from Balabag at the end of the third quarter in 2021.

TVI is not currently recognizing its proportionate share of any further losses in Mindoro as its investment has been fully impaired since March 2014; these losses will continue to accumulate and offset any future proportionate share of net income reported by Mindoro.



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**CONSOLIDATED CASH POSITION, LIQUIDITY AND CAPITAL RESOURCES**

Free cash flow used in operations at September 30, 2022 is a net cash used of \$410,872 (net cash used of \$207,351 at September 30, 2021) and free cash outflow is a net cash used of \$415,234 (net cash used of \$202,291 at September 30, 2021). Free cash flow used in operations and free cash outflow are non-GAAP financial performance measures used internally by the Company to measure its operating and financial performance and to assist in business decision making. The Company believes also that, in addition to conventional measures prepared in accordance with IFRS, certain investors and other stakeholders also use these non-GAAP financial performance measures as information to evaluate the Company's operating and financial performance. Refer to "Non-GAAP Financial Performance Measures" for further information, including a reconciliation to the comparable IFRS measures. As these non-GAAP financial measures do not have standardized meanings under IFRS, they may not be directly comparable to similarly titled measures used by others. Non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

At September 30, 2022, TVI's consolidated financial statements reflect a total cash and cash equivalents balance of \$0.2 million held by TVI, which includes TVI Pacific, TVI Marketing, TVI Asia-Pacific Resources Corporation ("**TVI Asia-Pacific**"), TVI Minerals and TG World, as compared to a consolidated cash balance of \$0.5 million at December 31, 2021.

**Capital Requirements**

TVI's capital expenditures through the nine months ended September 30, 2022 have been negligible as the Company is actively working to conserve cash and the primary focus has been at the level of TVIRD, where capital expenditure programs have been funded by operations at that level.

**Equity**

	September 30, 2022		September 30, 2021	
	Shares (#)	Value (\$)	Shares (#)	Value (\$)
Common shares, January 1	656,987,039	\$ 33,016,445	655,537,039	\$ 33,003,350
Options exercised during period	-	-	450,000	13,095
<b>Common shares, end of period</b>	<b>656,987,039</b>	<b>\$ 33,016,445</b>	<b>656,987,039</b>	<b>\$ 33,016,445</b>

During the nine months ended September 30, 2022, no options were exercised while a total of 450,000 stock options were exercised during the six months ended September 30, 2021. These stock options were exercised by non-insiders of TVI. As TVI has been in a continuous black-out period since 2019 and through to September 30, 2022, stock options that had been originally scheduled to expire in May 2019 and June 2020 have been extended in accordance with the Company's Stock Option Plan. The black-out period has applied to all insiders.

**Per Share Data**

	Nine months ended September 30, 2022		Nine months ended September 30, 2021	
Net income	\$	2,745,308	\$	1,519,142
Weighted average number of shares, basic		656,987,039		656,862,500
Weighted average number of shares, diluted		678,718,289		683,778,800
Basic income per share		0.004		0.002
Diluted income per share		0.004		0.002



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Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares consisting of share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

### **Stock Option Plan**

The Company has a Stock Option Plan that requires annual approval at the Annual Meeting of Shareholders. Options may be granted to directors, officers, and employees of the Company under the Stock Option Plan whereby each share option converts into one ordinary share of TVI on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options generally vest over a period of up to three years, may be exercised at any time from the date of vesting to the date of their expiry and expire no more than 5 years from the date of grant.

There were no stock options granted during the period ended September 30, 2022 and December 31, 2021. At September 30, 2022, TVI had 39.9 million options outstanding, all of which were vested and exercisable. In accordance with the Company's Stock Option Plan, unless otherwise determined by the Board, options scheduled to expire at a time when the holder of the options is subject to restrictions on trading of securities of the Company under a trading blackout established by the Company, or within five (5) business days after the termination of a blackout period, will, notwithstanding the scheduled expiry date of such options, expire as of the date that is ten (10) business days following the end of the applicable blackout period. As such, given the Company has been in a continuous trading black-out period since 2019 and through to the date of this MD&A, stock options that had been originally scheduled to expire have been extended in accordance with the Stock Option Plan. The trading black-out has applied to all insiders.

The Stock Option Plan was last ratified by the Company shareholders at the 2022 Annual General Meeting and accepted also for filing by the TSX Venture Exchange in July 2022.

During the nine months ended September 30, 2022, no stock-based compensation was charged to the statement of comprehensive income (loss) in the consolidated financial statements and no stock options were exercised (450,000 stock options were exercised during the 12 months ended December 31, 2021, all of which were exercised by non-insiders of TVI).

### **RISK FACTORS**

There are certain risks involved in TVI's operations, some of which are beyond its control. Additional risks and uncertainties not presently known, or not expressed or implied below, or that are presently deemed immaterial, could also have an impact to TVI's business, financial condition and operating results.

*Statements made in this MD&A regarding risk factors are based upon the opinions of management of TVI as at the effective date of such statements and, in certain cases, information received from or disseminated by third parties. Although TVI believes that the risk factors below are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, it can give no assurance that those expectations will prove to have been correct.*



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**Risk Management**

TVI's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), liquidity risk and credit risk. TVI's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on TVI's financial performance. The Board of Directors has the overall responsibility for the establishment and oversight of TVI's risk management framework.

(a) *Currency risk*

The Company faces currency risks mainly due to the substantial cross-border element of its operations. The Company has its office in Canada (Canadian Dollar), while TVIRD is located in the Republic of the Philippines (Peso). The Company has cash deposits denominated in US Dollar, which is revalued at spot rate.

There are no forward sales, and the Company does not engage in currency hedging activities. The Company minimizes risks by carefully planning the timing of settlement of foreign currency denominated balances and closely monitoring changes in foreign exchange rates.

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets or liabilities, the Company's income (loss) and operating cash flows are not significantly impacted by changes in market interest rates. The Company started to accrue interest in October 2020 on unpaid Management and directors' fees that is calculated on total unpaid fees. This rate was initially set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%.

(c) *Liquidity risk*

As at September 30, 2022, the Company had a working capital deficit of \$1.6 million (December 31, 2021 – \$1.3 million deficit), including total cash and cash equivalents of \$0.2 million (December 31, 2021 – \$0.5 million). During the nine months ended September 30, 2022, the Company realized net income of \$2.7 million (September 30, 2021 – \$1.5 million net income). At September 30, 2022, the Company had an accumulated deficit of \$6.2 million (December 31, 2021 – \$9.0 million deficit) and the Company also recorded for the nine months ended September 30, 2022 cash used in operations of \$0.4 million (September 30, 2021 - \$0.2 million cash generated) (see NON-GAAP FINANCIAL PERFORMANCE MEASURES). As at September 30, 2022, the Company had accounts payable and accrued liabilities of \$0.2 million (December 31, 2021 - \$0.3 million) and a payable to related parties of \$1.8 million (December 31, 2021 - \$1.5 million), but has no other outstanding loans payable or any annual expenditure obligations.

During the nine months ended September 30, 2022, TVI received \$0.7 million of TVIRD dividends declared and paid-out in the current year (September 30, 2021 – \$0.8 million) (net of Philippine withholding tax). The Company's ability to continue as a going concern is dependent upon possible distributions from its joint venture investment in TVIRD, which the Company does not control. This undertaking, while significant, is not sufficient in and of itself to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows



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so it can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

### (d) *Credit risk*

Credit risk arises from the potential that a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, accounts receivable, due from related parties and other assets. The Company manages credit risk associated with cash by maintaining its cash deposits in accounts with creditworthy banks, which were approved by the Board of Directors.

### **Cash flow and Liquidity**

TVI does not currently generate any cash directly and is dependent on cash sources over which it does not have control. Specifically, TVI is currently dependent on possible distributions from its joint venture investment in TVIRD.

Distributions from its joint venture in TVIRD currently require that TVIRD provide prior notice to China Banking Corporation certifying that TVIRD is in compliance with various terms associated with the Facility provided in relation to Balabag. Failure of TVIRD to comply with the various terms of the Omnibus Loan and Surety Agreement with China Banking Corporation and to thereby be able to declare and pay dividends could have a material and adverse effect on the Company. Since the announcement of the Facility, TVIRD has issued eight (8) dividends as at the date of this MD&A for a total amount of Php 418.8 million (\$10.7 million), of which TVI has received its share equal to Php 128.4 million (\$3.3 million) prior to Philippine dividend tax.

### **Risk on Investments**

In its joint venture investments in TVIRD and equity investments in Mindoro, as well as in its subsidiaries TG World, TVI Limited, TVI Marketing, TVI Asia-Pacific and TVI Minerals, TVI is exposed to the risk that it may not realize the expected returns from these investments. TVI and its management do not control the actions of TVIRD and Mindoro and projected cash flows from these investments may change depending on the outcome of the projects. Losses may also be incurred by TVIRD that would require a write-down in the value of TVI's investment. TVI does not have control over TVIRD's efforts to list on the PSE and TVIRD's listing efforts are subject to approval by the PSE and SEC and are also affected by general market conditions and investor sentiment. Similarly, TVI does not have control over its joint venture partner in TVIRD and failure of the Company's joint venture partner to meet their contractual obligations and commitments to TVIRD or to third parties in respect of TVIRD could have a material and adverse effect on the Company. The Company may experience disputes or disagreements within the joint venture and, if any were to arise, such could be time-consuming, costly and distracting for the Company and could also disrupt the timely progress of development of projects or even result in the loss of a project. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

In 2014, the carrying value of TVI's investment in Mindoro was fully written-down as a result of recognizing TVI's share in the losses of Mindoro. In 2020 TVI also wrote-down in full its investment in Integrated Green Energy Solutions Ltd ("**IGES**") following the suspension from trading of IGES securities announced by the ASX on January 20, 2020 and considering also the negative net asset position of IGES that was reported





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in its reports at that time. IGES was removed from the official list of the ASX on August 27, 2021 and has been found to be insolvent. As for the value of investment in TVIRD, this continues to be adjusted at the end of each reporting period by TVI's share in the income or loss of the joint venture.

### **Regulatory Risk**

#### ***Government Regulations***

Mining operations, including exploration drilling programs, require permits from state or federal governments. Any exploration, development or mining operations carried on by the Company and TVIRD will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The Company cannot predict whether or not such legislation, policies or controls, as presently in effect, will remain so, and any changes therein (for example, significant new royalties or taxes), which are completely outside the control of the Company, may materially adversely affect the ability of the Company to continue its planned business within any such jurisdictions.

The Company may be unable to obtain permits on reasonable terms in the future, on terms that provide the Company sufficient resources to develop its properties, or at all. Even if the Company is able to obtain such permits, the time and funding required by the permitting process is significant. The resource consenting process requires extensive stakeholder consultation, including public notification by the consenting authorities that enables interested third parties to participate in the consenting process. Nongovernmental organisations are active in the Company's areas of operation and are regarded as key stakeholders with whom communication is critical. Although the Company has experience with consenting frameworks and maintains a policy of early consultation with key stakeholders to identify and, where possible, address concerns, there is a risk of consents being delayed or rejected. If the Company cannot obtain or maintain the necessary permits, or if there is a delay in receiving these permits, the timetable and business plan for exploration or to develop mines and expand production, if any, will be adversely affected, which may adversely affect the Company's results of operations, financial condition and cash flow.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions which could have a material adverse effect on TVI's business, financial condition, results of operations or prospects.

#### ***Political and Regulatory Environment in the Philippines related to investment in TVIRD***

On April 15, 2021, President Duterte authorized the lifting of an almost 9-year moratorium on new mineral agreements in a bid to generate job opportunities and to encourage growth in the Philippines. In Executive Order 130 ("EO 130"), amendments were introduced to Executive Order 79 ("EO 79") from July 2012 that had suspended applications for mineral contracts in protected areas, prime agricultural lands, tourism development areas, and other critical places like island ecosystems, among others. Since the introduction of EO 79 the industry has operated in an environment of extreme uncertainty. Readers are referred to previous MD&A documents for a detailed analysis of EO 79 and the Implementing Rules and Regulations issued subsequently to execute the Executive Order.

The key elements of EO 79 in the view of TVIRD Management were that (a) no new mining projects would be allowed until new fiscal legislation had been passed by Congress; (b) the Government was to cause LGU to rescind and/or not pass legislation contravening the Mining Act; (c) companies would be issued new exploration permits on the condition that they be subject to the fiscal terms passed subsequently by Congress; and (d) there would be a definitive map published of "No Go" areas that would be off limits to



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minerals exploration and development.

Amidst EO 79 the government continued to honour existing contracts such as those held by TVIRD, and in fact proceeded to approve the ECC (as well as an extension of expiry date in the ECC), the DMPF and the tree-cutting permit for the Balabag project, as well as the DMPF for the Agata project. Agata commenced operations in October 2014 and has completed a total project-to-date of 371 shipments of 20.20 million wet metric tonnes of nickel laterite through to October 31, 2022, while Balabag has completed 29 doré shipments for a total of 46,154 AuEq oz through to October 31, 2022, following TVI's announcement on November 22, 2019 that TVIRD had determined to advance Balabag towards commercial production. As further evidence of the government's commitment to honour existing contracts, on March 19, 2021, Secretary Roy A. Cimatu of the DENR issued an Order approving the renewal of MPSA No. 086-1997-IX, the Balabag MPSA, for another twenty-five (25) year period through to November 20, 2047, and issued on June 1, 2021 the ECC in relation to the Agata Limestone project.

With the introduction on April 15, 2021, of EO 130, the Philippine government has announced that it sees the mining industry to be an opportunity to support various government projects and to usher in significant economic benefits to the country through stimulating countryside development. EO 130 has also taken note that the country has tapped less than 5 percent of its mineral resources' endowment to date.

DENR Administrative Order (“**DAO**”) No. 2021-40 issued by the DENR on December 23, 2021, represented a key development that made reference to a repealing clause included in EO 130 and lifted the open-pit mining ban in the Philippines together with several other surface mining methods that had been in place for the extraction of copper, gold, silver and/or complex ores in the Philippines under the previously issued DAO No. 2017-10.

EO 130 formally states that the Philippine government may now enter into new mineral agreements, subject to compliance with the Philippine Mining Act of 1995 and other applicable laws, rules and regulations, while the DENR may continue to grant and issue Exploration Permits under existing laws, rules and guidelines over the approved exploration area. EO 130 also directs the DENR to formulate terms and conditions in the new mining agreements that will maximize government revenues and share from production, and to review existing mining contracts and agreements for possible renegotiation of the terms and conditions such that they are mutually acceptable to the government and the mining contractor. The DENR and the Department of Finance have also been ordered to take measures to rationalize the existing revenue-sharing scheme.

TVIRD is currently monitoring the situation following the election victory of Ferdinand Marcos Jr as president of the Philippines on May 9, 2022.

***Political and Regulatory Risks in the Philippines related to investment in TVIRD***

Emerging from the above policy environment are certain risks faced by TVI through its investment in TVIRD, including, but not limited to:

- The government's intention is to review existing mining contracts and agreements for possible renegotiation of the terms and conditions such that they are mutually acceptable to the government and the mining contractors. This follows earlier announcements that the government's intent is to increase the level of taxation for all new mining projects in the Philippines in its new fiscal regime. Existing mining projects in the Philippines are expected to be subject to any new fiscal regime which continues to be discussed at the time of reporting while existing mining contracts and agreements may also be subject to renegotiation. Several house bills have been proposed to the Congressional Ways and Means Committee of the 19th Congress with the objective to rationalize and institute a single fiscal regime applicable to all mineral agreements and to all existing and



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prospective large metallic, non-metallic and small-scale mines. The government has stated that the intent is to enhance the equitable share of the government in the utilization of natural resources without compromising the mining sector's need for a reasonable return on investment.

- While the government has stated that Motions for Reconsideration will be processed for Application for Mineral Production Sharing Agreements (“**APSA**”) and Applications for Financial and Technical Assistance Agreements (“**AFTA**”), including TVIRD's AFTA 13, AFTA 14 and APSA 39, initial Motions have been denied and there is a risk that the *Motions for Reconsideration* may not be approved and that the Free Prior Informed Consent (“**FPIC**”) process required for these tenements may drag out and/or not be secured.
- The Supreme Court has heard arguments before it from Petitioners in the case of Baraquel vs. DENR Secretary, Sagittarius Mining Inc., Oceana Gold Corporation and TVIRD, which seeks to challenge the constitutionality of certain sections of the Mining Act of 1995 and in effect to revisit the Court's La Bugal judgment that upheld its constitutionality. TVIRD is a respondent with regards to an application for a Financial and Technical Assistance Agreement (“**FTAA**”), which has subsequently been denied but which denial TVIRD has appealed. Three sessions of oral argument have taken place before the Court and all parties to the case, as well as the Chamber of Mines of the Philippines, have provided final written submissions to the Court. At the time of writing the Court continues to deliberate the case in camera. A risk exists that the Supreme Court could choose not to reject the petition and make a new ruling on the constitutionality of key provisions in the Mining Act. In that event, there is a risk that the mining agreements cited in the case would be ruled null and void and TVIRD's appeal of the denial would be rejected; or that all mining agreements in the country would be ruled null and void and their taxation agreements would have to be renegotiated (which would affect TVIRD along with all other tenement holders). On March 5, 2015, TVIRD filed a manifestation with the Supreme Court that House Bill No. 5367 is filed in Congress which proposes the new fiscal regime and revenue sharing arrangement between the Government and the mining contractor for large scale metallic mineral mining operations. TVIRD is of the position that the determination of the government's share in mining is a policy matter and Congress is acting on said authority by deliberating on House Bill No. 5367. This case is still pending decision.
- In August 2016, the DENR conducted a mining audit of all metallic mines operating in the country which included AMVI, a subsidiary of TVIRD, engaged in a direct shipping project in Agusan del Norte. While it was later announced in February 2017 that AMVI had passed the audit, a risk continues to exist that similar audits may be performed in the future and their result may not be predicted if to consider the composition of the team that performed the audit in calendar years 2016 and 2017, which included representatives of non-government organizations (“**NGO**”) who are vocal critics of the mining industry.
- Further to the recommended cancelation by the Philippine DENR of 75 MPSAs on February 14, 2017, said to be operating within critical watershed areas, TVIRD's ability to expand the Balabag ECC beyond the currently approved 180 hectares defined within the existing ECC may be affected.

### Social and Economic Environment

Although TVIRD has obtained a title opinion with respect to its Philippine properties, there is no guarantee that title to such mining rights will not be challenged.

There are continuing risks that communities or local politicians could withdraw support for TVIRD projects and mount protests or refuse to provide the necessary endorsements to support project titles and applications. TVIRD has been successful to date in gaining community support for its operations, and



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management is committed to continuing the policies of community development, sustainable development and corporate social responsibility that have been effective and rewarding up to this time. Accordingly, management believes the risk of the withdrawal of community and local political support is low but will continue to monitor developments further to the election victory of Ferdinand Marcos Jr as president of the Philippines on May 9, 2022 and the appointment of Maria Antonia Yulo-Loyzaga as secretary of the DENR on July 20, 2022.

In addition, there is a continuing background security risk involved in any operation in the Philippines, including Mindanao – over and above the normal security risks of theft and robbery that may generally affect any mine elsewhere.

**Exploration, Development and Operating Risks**

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by TVI or TVIRD, in which it holds a 30.66% equity interest, will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in TVI not receiving an adequate return on invested capital.

One critical area of development relates to construction of the TSF that must be fully operational and of sufficient capacity prior to commencement of initial operations or expansion of operations, as may be required to accommodate progressively increasing mineral resources as they may be defined at a producing mine or project, and the ramp-up of production. Added approvals from authorities and regulators may be required which, together with the time required to complete construction of the TSF, may result in delays in development, the ramp-up of production or the temporary suspension of operations until such time that the TSF, and sufficient capacity as may be required of the TSF, is fully operational. Such delays could have a material adverse effect on TVI's business, financial condition, results of operations or prospects.

Mining operations generally involve a high degree of risk. Any future operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

TVI may or may not be able to insure against these hazards or to cover its risks at economically feasible premiums. This may result in destruction of mines and other facilities, damage to life and property, environmental damage, delayed production, increased production and exploration costs, and possible legal liability for any and all damages. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Losses from these events may cause the Company to incur



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significant costs which could have a material adverse effect on TVI's business, financial condition, results of operations or prospects.

### **Production Estimates**

The Company cannot give any assurance that it or the mines or projects held at the level of its investments will achieve their respective production estimates, forecasts and guidance for any reporting period or over the life of mine. The failure of the Company to achieve its production estimates could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. The realization of production estimates are dependent on, among other matters: the accuracy of Mineral Reserve and Resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; ground conditions (including hydrology and water mitigation measures); physical characteristics of ores; the presence or absence of particular metallurgical characteristics; and the accuracy of estimated rates and costs of mining, ore haulage and processing.

Actual production may vary from estimates, forecasts and guidance for a variety of reasons, including: the availability of certain types of ores; actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena, such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. In addition to adversely affecting mineral production, such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production. Each of these factors also applies to the Company's mines not yet in production, and to operations that are to be expanded. In these cases, the Company does not have the benefit of actual experience in verifying its estimates and there is a greater likelihood that actual production results will vary from the estimates, forecasts and guidance.

### **Funding and Liquidity**

Future development and exploration depends on the ability of TVI and its investments to obtain funding through project and mining cash flows, joint ventures, debt financing, equity financing, the sale of investments and other means. Failure to obtain additional funding when needed or on terms acceptable or favourable to TVI or its affiliates, associates or joint ventures may cause TVI or its affiliates, associates or joint ventures to postpone its exploration and development plans, forfeit rights in some or all of its properties, or reduce or terminate some or all of its operations. This could have a material adverse effect on TVI.

The ability to make scheduled payments of expenses depends on the financial condition and operating performance of TVI and its affiliates and associates or joint ventures, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As at September 30, 2022, the Company had accounts payable and accrued liabilities of \$0.2 million (December 31, 2021 - \$0.3 million) and a payable to related parties of \$1.8 million (December 31, 2021 - \$1.5 million) but has no other outstanding loans payable or any annual expenditure obligations. TVI has no material contracts as at September 30, 2022 (other than contracts entered into in the ordinary course of business, that are material to TVI and that are required to be filed under Section 12.2 of NI 51-102) that were entered



## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

into within the most recently completed quarter or financial year, or entered into before the most recently completed financial year, that are still in effect.

Current financial markets remain volatile due to uncertainties in the global economy and, most recently, the COVID-19 pandemic and geopolitical instability originating between Russia and Ukraine. Commodity markets have seen substantial volatility and uncertainty in the current markets could lead to difficulties in raising funds. There can be no assurance that amounts will be adequate for future financial obligations and internal cash available for investments of TVI. TVI remains focused upon conserving cash through reducing expenditures and expects also possible distributions from its investment in joint venture to help settle liabilities and be a source of funding to help the Company pursue resource projects that can be rapidly developed and put into production to generate revenue and cash flows. Risk nonetheless exists that the Company may not be successful in its various cash raising efforts.

### **Property Competition**

Competition in the mining industry may adversely affect the Company. There are large and well established mining companies, many of which have greater technical and financial resources in the worldwide market. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties on terms it considers acceptable, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Accordingly, there can be no assurance that TVI will acquire any interest in additional operations that would yield reserves or result in commercial mining operations and the Company's inability to compete with other mining companies for these resources could have a material adverse effect on TVI's business, financial condition, results of operations or prospects. As many competitors also conduct refining and marketing operations on a worldwide basis in addition to their exploration and mining activities, the Company may also compete with such mining companies in refining and marketing its products to international markets.

### **Environmental Protection**

The mining and mineral processing industries are subject to extensive government regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety. These laws, regulations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining royalties) could cause additional expense or capital expenditure, or result in restrictions or delays in the Company's development plans. TVI cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws, whether inadvertent or not, or environmental pollution, will not occur. In the event of environmental misconduct, the Company's rights to develop certain mineral interests may be canceled or suspended and result also in possible fines, penalties or other civil or criminal sanctions as well as lawsuits, all of which could have a material adverse effect on TVI's business, financial condition, results of operations or prospects.

### **Climate Change**

The continuing rise in the global average temperatures has created varying changes to regional climates across the world, resulting in risks to equipment and personnel. Governments at all levels are amending or enacting additional legislation to address climate change by regulating, among other things, carbon emissions and energy efficiency, or where legislation has already been enacted, regulation regarding



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emission levels and energy efficiency are becoming more stringent. The mining industry is particularly exposed to such regulations and there is no assurance that compliance with such legislation, including the associated costs, will not have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Extreme weather events have the potential to disrupt the Company's operations and extended disruptions could result in interruption to production which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company's facilities depend on regular and steady supplies of consumables to operate efficiently that may be put under stress due to more extreme weather and climate events. Changing climate patterns may also affect the availability of water. If the effects of climate change cause prolonged disruption to the delivery of essential commodities then production efficiency may be reduced which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, climate change is perceived as a threat to communities and governments globally and stakeholders may demand reductions in emissions or call upon mining companies to better manage their consumption of climate-relevant resources. Negative social and reputational attention towards operations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In the Philippines there is currently no specific regulation that obliges companies to specifically monitor and report greenhouse gas emissions ("GHG") though a Climate Change Commission has been established pursuant to the provisions of Section 22 of the Republic Act 9729, known as the "Climate Change Act of 2009", in addition to Implementing Rules and Regulations ("IRR"). The State is also party to the United Nations Framework Convention on Climate Change and is thereby dedicated to the stabilization of GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Both the Company and TVIRD share in the commitment to protect the environment and TVIRD carefully monitors and controls the potential impact of its operations upon the environment. Climate change regulation in the Philippines has the potential to significantly affect the regulatory environment of the mining industry in the Philippines. Such regulations impose certain costs and risks on the industry, and there remains some uncertainty with regard to the impact of climate change and environmental laws and regulations on TVIRD and the Company, as TVIRD and the Company are unable to predict additional legislation or amendments that the Philippine government may enact in the future. Any new laws and regulations, or additional requirements to existing laws and regulations could have a material impact on the operations and cashflow of TVIRD and thereby possible distributions that the Company may receive from its joint venture, TVIRD. As at September 30, 2022, climate change has no significant impact on the Company's operations and cashflows.

### **Public Health Crises**

In March 2021, the World Health Organization declared a global pandemic related to COVID-19. The continuing potential impacts on global commerce remain to be uncertain and possibly far-reaching as a result of COVID-19 and any outbreak of similar epidemics, pandemics or other health crises and by reactions by government and private actors to such outbreaks. To date there has been significant stock market volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding such public health crises and the extent and duration of the impacts that these may have on the Company and its investments with respect to current and planned exploration and development programs, interest rates, credit ratings, credit risk, availability of financing and inflation, on employees and on global financial markets. The Company cannot provide any assurance that it and its investments will not be adversely affected by the COVID-19 virus or any similar public health crises, whether directly or indirectly. The Company and TVIRD have made efforts to safeguard the health of employees and are monitoring the situation and following guidance from public health officials in all respective jurisdictions. Countries in which the Company operates and also holds investments, namely Canada and the Philippines, have at various times since March 2021 declared full or partial country-wide lock downs. The potential inability for a prolonged period of time of employees,



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contractors and other personnel to continue to work on the projects as well as potential delays in the supply chain as a result of the COVID-19 pandemic may materially delay or affect the development of projects in addition to operations. As well, should the COVID-19 virus be contracted by any person working at any projects of the Company or its investments, such an event may cause a halt, delay or even an entire suspension of development and/or operating activities until such time as the project's workforce can be quarantined and cleared. Any such events could have a material adverse effect on TVI's business and financial condition.

**Geopolitical Instability**

On February 24, 2022, Russia began a military operation in Ukraine that has resulted in various financial and trade sanctions being imposed against Russia that include prohibitions or restrictions from doing business anywhere in the world with listed Russian individuals or companies. While these events in and of themselves are not expected to directly impact the Company's ability to carry on business, the outcome of these events is uncertain at this time and may impact the peace and stability of the region and the world and could affect the global economy including regions and markets in which the Company operates. Any subsequent oil and gas supply shortages or volatile commodity prices could have adverse impacts on the world economy and the Company's business. If these events continue, re-occur or escalate, they could have a material adverse effect on TVI's business, financial condition or results of operations.

**NON-GAAP FINANCIAL PERFORMANCE MEASURES**

The Company has included certain non-GAAP financial performance measures throughout this MD&A, including free cash flow used in operations, free cash outflow and free cash outflow per share, each as defined in this section. The Company employs these measures internally to measure its operating and financial performance and to assist in business decision making. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and other stakeholders also use these non-GAAP financial performance measures as information to evaluate the Company's operating and financial performance. As there are no standardized methods of calculating these non-GAAP financial performance measures, the Company's procedures may differ from those used by others. Therefore, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-GAAP financial performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

*Free Cash Flow Used in Operations*

Free cash flow used in operations comprises of net cash from (used in) operating activities before changes in non-cash working capital. Management believes that free cash flow used in operations is a useful supplemental measure to analyze TVI's ability to generate cash flow to fund capital investment and working capital requirements.

The following table reconciles the Company's net cash from (used in) operating activities, being the most directly comparable financial measure disclosed in the Company's consolidated financial statements, to free cash flow used in operations:

	<b>Nine months ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Net cash from operating activities	\$ (244,018)	\$ 396,407
Changes in non-cash working capital	(166,854)	(603,760)
Free cash flow generated (used) in operations	(410,872)	(207,353)





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*Free Cash Outflow and Free Cash Outflow per Share*

Free cash outflow represents net cash from (used in) operating activities, before changes in non-cash working capital, plus funds received in relation to any Company stock options exercised less cash expenditures on property and equipment and other assets. Free cash outflow per share is calculated as free cash outflow over the number of common shares outstanding. Management believes that free cash outflow and free cash flow per share are useful measures that represents cash available for reinvestment or growth after considering all the expenditures necessary to maintain TVI's asset base.

The following table reconciles the Company's net cash from (used in) operating activities, being the most directly comparable financial measure disclosed in the Company's consolidated financial statements, to free cash outflow and free cash outflow per share:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Operating cash flow used in operations	\$ (275,305)	\$ 249,156	\$ (244,018)	\$ 396,407
Change in working capital	(64,578)	(161,678)	(166,854)	(603,760)
Funds used in operations	(339,883)	87,478	(410,872)	(207,353)
Options exercised	-	-	-	6,750
Expenditure on property & equipment	55	(1,690)	(4,362)	(1,690)
Free cash outflow <sup>(1)</sup>	\$ (339,828)	\$ 85,788	\$ (415,234)	\$ (202,293)
Common shares outstanding	656,987,039	656,862,500	656,987,039	656,862,500
Free cash flow per share	\$ (0.001)	\$ 0.000	\$ (0.000)	\$ 0.000

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Management is responsible for applying judgement in preparing accounting estimates. Certain estimates and related disclosures included within the consolidated financial statements are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgements. The following are significant accounting estimates and judgements:

- The Company uses the Black-Scholes option pricing model to assess under the fair value method the value of stock options granted to employees and directors under the share option plan. Management must estimate the volatility, forfeiture rate, expected life and risk-free interest rates in using the model to assess the fair value of stock options.
- The Company reviews and tests the carrying amounts of investments in associates and joint ventures as well as property and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the amount by which the carrying value of assets exceeds their estimated recoverable value is charged to the statement of comprehensive income (loss). There were no indicators of impairment of the Company's investment in joint venture (TVIRD) noted for the nine months ended September 30, 2022.
- Accounting for business combinations using the acquisition method requires the consideration transferred in the acquisition and the identifiable assets acquired to be measured at fair value. The determination of fair value often requires management to make assumptions and estimates about future events. On November 4, 2021, TVIRD closed its acquisition of GRC and the associated Siana Gold



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Mine. Management of TVIRD engaged an independent appraiser to complete a fair valuation of the acquired physical assets of the Siana Gold Mine. Management of TVIRD also estimated and recorded contingent consideration related to Net Smelter Return royalty (“NSR”) payable to the seller which was based on an estimate of the expected NSR payments related to the proposed open pit mining operations. Similarly, on January 31, 2022, TVIRD obtained control of SageCapital and therewith a 60% indirect interest in MLEDC, for which TVIRD also estimated and recorded contingent consideration related to a NSR payable to the seller which was based on an estimate of the expected NSR payments related to the proposed open pit mining operations. TVIRD has also advised that, further to IFRS 3 and the guidance provided therein with respect to accounting for business combinations, it will finalize the accounting for its acquisition of SageCapital after consideration of a measurement period to better determine the value of certain aspects of the acquisition. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date. Accordingly, new information that may become available to TVIRD may impact the accounting for its acquisition of SageCapital and such adjustments may thereby also impact the financial statements of TVI.

- Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. TVI recognizes liabilities for any anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.
- The Board of Directors of TVIRD considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions related to and affecting TVIRD. The Philippine Peso is the currency of the primary economic environment in which TVIRD operates. It is the currency in which TVIRD and its related group of Philippine entities measures its performance and reports its results.

The Board of Directors of TVI has considered the Company's current activities, funding position and projected funding requirements for the period of at least twelve months from the date of approval of the unaudited interim consolidated financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the consolidated financial statements for the nine months ended September 30, 2022. The assessment of the Company's ability to execute its strategy to meet its future funding requirements involves judgement.

**OFF BALANCE SHEET ARRANGEMENTS**

TVI does not have any off-balance sheet arrangements.



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**TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are recorded at the exchange amounts which are the amounts established and agreed to by the parties.

**(a) Due from related parties**

	September 30, 2022		December 31, 2021	
TVIRD	\$	5,089	\$	6,501
	\$	5,089	\$	6,501

The Company's receivable from TVIRD relates to reimbursable expenses and services provided by TVI Pacific to TVIRD.

**(b) Due to related parties**

	September 30, 2022		December 31, 2021	
Seajay Management	\$	779,953	\$	654,941
Director's fees		814,603		711,084
Due to Officers		162,747		134,534
Regent Parkway		10,195		18,777
Exploration Drilling Corporation		0		3,429
	\$	1,767,498	\$	1,522,765

The Company has not fully paid Seajay Management for management fees related to services of the President dating back to 2017 as the Company has been actively working to conserve cash. Since that time, unpaid management fees have only been paid in part with \$30,107 paid during the nine months ended September 30, 2022 (September 30, 2021 - \$44,000). Management fees of \$40,125 and \$120,375 related to services of the President were incurred during the three and nine months ended September 30, 2022 (September 30, 2021 - \$40,125 and \$120,375, respectively).

During the three and nine months ended September 30, 2022, the Company accrued interest expense of \$10,100 and \$22,371, respectively, on the unpaid Management fees (September 30, 2021 - \$5,856 and \$16,871 respectively).

The Company has not fully paid directors' fees dating back to 2017 as the Company has been actively working to conserve cash. Unpaid directors' fees have only been paid in part with \$31,623 paid during the nine months ended September 30, 2022 (September 30, 2021 - nil). Directors' fees of \$36,375 and \$111,125 were incurred during the three and nine months ended September 30, 2022 (September 30, 2021 - \$30,875 and \$97,125, respectively). During the three and nine months ended September 30, 2022, the Company accrued interest expense of \$12,214 and \$27,959, respectively on the unpaid Director's fees (September 30, 2021 - \$7,083 and \$19,650, respectively).

The Company has not fully paid the Chief Financial Officer dating back to 2017. During the three and nine months ended September 30, 2022, the Company accrued interest expense of \$2,208 and \$4,758, respectively on the unpaid CFO fees (September 30, 2021 - \$1,108 and \$2,964, respectively).

During the three and nine months ended September 30, 2022, the Company also incurred expenses of \$31,949 and \$144,840 respectively (September 30, 2021 - \$25,297 and \$96,875,



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respectively) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVI.

### CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company's agreement with respect to corporate office premises is month-to-month and no commitments are in effect beyond 30 days.

#### Legal Actions

The Company has no known current or pending claims filed against it.

### CONTROLS AND PROCEDURES

#### Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant material information is gathered and reported to management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the design and effectiveness of TVI's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that for the period ending September 30, 2022, such disclosure controls and procedures are effective and designed to ensure they are aware of all material information relating to the Company.

#### Internal Controls over Financial Reporting

TVI's internal controls over financial reporting ("ICOFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Management has evaluated the effectiveness of TVI's ICOFR and has concluded that TVI's ICOFR were designed and operating effectively, with no material weaknesses related to operations existing as at September 30, 2022.

It should be noted that while TVI's Chief Executive Officer and Chief Financial Officer believe that ICOFR provide a reasonable level of assurance, they do not expect that the ICOFR would prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable assurance that the objectives of the control system are met.

### SUBSEQUENT EVENTS

On October 25, 2022, TVIRD made its seventh repayment in relation to the 5-year term loan with China Banking Corporation in the amount of US \$2.1 million and including US \$0.2 million interest, bringing the total principal repaid to date against the US \$28.5 million loan facility to US \$13.3 million.



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***Share Listing:***

TSX-Venture Exchange Symbol: TVI

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