Interim Consolidated Financial Statements

For the Three Months Ended
March 31, 2022 and 2021
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 March 31, 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.

(in Canadian dollars)

	Notes		March 31, 2022		December 31, 2021
Assets					
Current assets:					
Cash and cash equivalents	4	$	201,096	$	497,725
Accounts receivable	5		14,311		11,954
Due from related parties	6(a)		6,332		6,501
Prepaid expenses			12,494		13,420
Total current assets			**234,233**		**529,600**
Non-current assets:					
Investment in joint venture	8		28,458,774		28,916,923
Property and equipment			17,283		16,938
Other assets			1,030		13,613
Total non-current assets			**28,477,087**		**28,947,474**
Total assets		**$**	**28,711,320**	**$**	**29,477,074**
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	9	$	158,776	$	324,039
Due to related parties	6(b)		1,600,759		1,522,765
Total current liabilities			**1,759,535**		**1,846,804**
Non-current liabilities:					
Retirement benefit payable	10		52,741		55,093
Deferred tax liability	11		466,040		569,116
Total non-current liabilities			**518,781**		624,209
Total liabilities			**2,278,316**		**2,471,013**
Equity attributable to shareholders of the Company:					
Share capital	12(b)		33,016,445		33,016,445
Contributed surplus	12(d)		7,074,580		7,074,580
Deficit			(8,106,946)		(8,973,285)
Translation reserves			(5,551,075)		(4,111,679)
Total equity			**26,433,004**		**27,006,061**
Total liabilities and equity		**$**	**28,711,320**	**$**	**29,477,074**

Commitment (note 18)
Subsequent Events (note 19)

The accompanying notes are an integral part of these interim consolidated financial statements.

On behalf of the Board:

"Clifford M. James"
Clifford M. James, Director

"C. Brian Cramm"
C. Brian Cramm, Director

(in Canadian dollars)

	Notes		Three months ended March 31 2022		2021
Expenses:					
Depreciation expense		$	1,340	$	1,483
Administrative and general costs	14		324,435		324,667
Total expenses			**325,775**		**326,150**
Operating loss			**(325,775)**		**(326,150)**
Other income (expenses):					
Interest income			(13,716)		(14,254)
Foreign exchange gain (loss)	16		(1,061)		(1,956)
Other gains	17		200,610		-
Share of gains of joint venture	8		1,006,281		966,906
Other income (expenses), net			**1,192,114**		**950,696**
Net income (loss) before income tax			866,339		624,546
Net income		**$**	**866,339**	**$**	**624,546**
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations			25,034		19,648
Foreign currency translation adjustment – associates and joint venture			(1,464,430)		(606,312)
Comprehensive income		**$**	**(573,057)**	**$**	**37,882**
Basic income per share	13	$	0.001	$	0.001
Diluted income per share	13		0.001		0.001
Weighted average number of common shares, basic	13		656,987,039		656,603,516
Weighted average number of common shares, diluted	13		683,551,478		681,227,993

The accompanying notes are an integral part of these interim consolidated financial statements.

(in Canadian dollars)

	Share capital (Note 12b)	**Contributed surplus** (Note 12d)	**Deficit**	**Accumulated other comprehensive income (loss)**	**Total equity**
January 1, 2022	**$ 33,016,445**	**$ 7,074,580**	**$ (8,973,285)**	**$ (4,111,679)**	**$ 27,006,061**
Comprehensive income/(loss)					
Net income	-	-	866,339	-	866,339
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(1,439,396)	(1,439,396)
Total comprehensive income (loss)	-	-	866,339	(1,439,396)	(573,057)
March 31, 2022	**$ 33,016,445**	**$ 7,074,580**	**$ (8,106,946)**	**$ (5,551,075)**	**$ 26,433,004**
January 1, 2021	**$ 33,003,350**	**$ 7,080,925**	**$ (21,307,131)**	**$ (2,533,601)**	**$ 16,243,543**
Transaction with owners					
Options exercised	13,095	(6,345)	-	-	6,750
Total transaction with owners	13,095	(6,345)	-	-	6,750
Comprehensive income/(loss)					
Net income	-	-	624,546	-	624,546
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(586,664)	(586,664)
Total comprehensive income (loss)	-	-	624,546	(586,664)	37,882
March 31, 2021	**$ 33,016,445**	**$ 7,074,580**	**$ (20,682,585)**	**$ (3,120,265)**	**$ 16,288,175**

The accompanying notes are an integral part of these interim consolidated financial statements.

(in Canadian dollars)

	Notes		Three months ended March 31 2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss) before income tax		$	866,339	$	624,546
Adjustments for:					
Depreciation expense			1,340		1,483
Unrealized foreign exchange loss	16		859		679
Interest expense			13,802		14,371
Gain on sale of TG World (BVI) Corp	17		(200,610)		-
Share of gains of joint venture	8		(1,006,281)		(966,906)
Changes in working capital	15		28,629		412,762
Net cash generated (used) in operating activities			**(295,922)**		**86,935**
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditures on property and equipment and other assets			(1,755)		-
Net cash used from investing activities			**(1,755)**		**-**
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares issued – Options exercised	12(c)		-		6,750
Net cash generated from financing activities			**1**		**6,750**
Effect of foreign exchange rates on cash			1,047		740
Net increase (decrease) in cash and cash equivalents			(296,629)		94,425
Cash and cash equivalents at beginning of the period			497,725		119,048
Cash and cash equivalents at end of the period		**$**	**201,096**	**$**	**213,473**

The accompanying notes are an integral part of these interim consolidated financial statements.

1. Corporate information, nature of operations and going concern:

TVI Pacific Inc. ("**TVI**" or **"the Company**") is a publicly listed resource company incorporated in Alberta, Canada on January 12, 1987, under the Alberta Business Corporations Act. TVI's shares are listed on the TSX Venture Exchange. TVI is focused on the acquisition of diversified resource projects in the Asia Pacific region and on evaluating and acquiring interests in resource projects that can be rapidly developed and put into production to generate revenue and cash flows. TVI does not presently have an active resource property but holds equity and joint venture investments in resource companies engaged in production, development and/or exploration activities in the Philippines.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. (**"TVIRD"**). TVIRD's assets include the Balabag gold-silver mine, the Siana gold mine (**"Siana"**), a 60% interest in the Agata nickel laterite and Direct Shipping nickel/iron projects and interests in the Agata processing project and various other exploration properties in the Philippines. At March 31, 2022, TVI also holds a 14.4% equity interest in Mindoro Resources Ltd. (**"Mindoro"**), a NEX listed issuer engaged in mining and exploration in the Philippines. TVI has established its principal business address at Suite 600, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated financial statements were authorized for issue by the Board of Directors on May 25, 2022.

Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**) issued by the International Accounting Standards Board (**"IASB"**) and interpretations of the International Financial Reporting Interpretations Committee (**"IFRIC"**) on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

For the three months ended March 31, 2022, TVI reported a net income of $866,399 (March 31, 2021 - $624,546 net income) resulting primarily from the share of gains from joint venture (note 8). TVI had a working capital deficit of $1,525,302 at March 31, 2022 (December 31, 2021 – $1,317,205 working capital deficit). As at March 31, 2022, the Company had accounts payable and accrued liabilities of $158,776 (December 31, 2021 - $324,039) and a payable to related parties of $1,600,759 (December 31, 2021 - $1,522,765) but has no other outstanding loans payable or any annual expenditure obligations.

During the three months ended March 31, 2022, no dividend was received (March 31, 2021 – $516,908 dividend received that had been declared in December 2020). 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 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.

The Company's ability to continue as a going concern is dependent upon its ability to fund its operations, distributions from its joint venture investment in TVIRD and the ability of TVI to develop its resource projects and generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation:

(a) Statement of compliance

These consolidated interim financial statements (**"consolidated interim financial statements"**) have been prepared in accordance with IFRS issued by the IASB and Interpretations of the IFRIC.

These consolidated interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. These consolidated interim financial statements have not been reviewed by the Company's auditor.

(b) Basis of measurement

These consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (note 3b). In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated interim financial statements are presented in Canadian Dollars which is the functional and reporting currency of TVI.

(c) New standards, amendments and interpretations issued but not yet effective:

The following new interpretations and amendments have been issued and are applicable for annual periods beginning on or after January 1, 2022. The Company is in the process of completing its assessment but does not expect the standard to have a material impact on the consolidated financial statements.

i) Amendment to IAS 16 (Proceeds before intended use):

The IASB issued new guidance in response to accounting and reporting of proceeds received against a respective asset while the asset continues to be prepared for its intended use. Specifically, the amendment (i) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use, (ii) requires an entity to clarify that it is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and (iii) requires certain related disclosures. The amendment is applied retroactively.

The Company is continually monitoring the situation and assessing for any potential impacts from the amendment.

There are no other new standards, amendments and interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Financial risk management:

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

(in Canadian dollars)

3. Financial risk management (continued):

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with TVI's audited consolidated financial statements for the year ended December 31, 2021.

a) *Financial risk management*

i) Currency risk

For the three months ended March 31, 2022:

(a) The impact on net income if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be $4,991.

(b) The impact on net income if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant would be $872.

The impact on net income of other currencies with all other variables held constant is not material for disclosure.

The following significant exchange rates have been applied during the current year and prior year:

	Average rate		Spot rate	
	Three months ended March 31, 2022	**Year ended December 31, 2021**	**March 31, 2022**	**December 31, 2021**
Canadian Dollar/US Dollar	1.2662	1.2535	1.2496	1.2678
Canadian Dollar/ Philippine Peso	0.0245	0.0254	0.0240	0.0251

ii) 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 for which the interest rate fluctuates, the Company's income and operating cash flows are not significantly impacted by changes in market interest rates. The Company did start to accrue interest in October 2020 on unpaid Management and directors' fees (note 6(b)) that is calculated on total unpaid fees due at a rate of four percent (4%) per annum, calculated daily and compounded annually.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk) whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting all similar financial instruments in the market or a market segment.

iv) Liquidity risk

As at March 31, 2022, the Company has a $1.5 million working capital deficit (December 31, 2021 - working capital deficit of $1.3 million) (see note 1: Going Concern).

The table below summarizes the Company's financial liabilities by relevant maturity groupings based on contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not considered to be significant.

		March 31, 2022		**December 31, 2021**
Due within 12 months:				
Accounts payable and accrued liabilities	$	158,776	$	324,039
Due to related parties		1,600,759		1,522,765
	$	**1,759,535**	**$**	**1,846,804**

(in Canadian dollars)

3. Financial risk management (continued):

The Company remains focused upon conserving cash through reducing expenditures but to continue operations and to fund expenses and to settle liabilities the Company is presently dependent on possible distributions from its joint venture investment in TVIRD, which the Company does not control.

Note 9 includes a further breakdown and explanation of accounts payable and accrued liabilities.

v) 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.

b) *Fair value measurements recognized in the statement of financial position*

The analysis of financial instruments that are measured subsequent to initial recognition at fair value can be classified into Levels 1 to 3 based on the degree to which fair value is observable.

- *Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.*
- *Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).*
- *Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

During the three months ended March 31, 2022, there were no transfers between levels in the fair value hierarchy of any fair value measurements. There were no changes in valuation techniques.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, short-term deposits, accounts receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at March 31, 2022 and December 31, 2021 due to their short-term nature.

c) *Capital risk management*

The Company monitors capital on the basis of the debt-to-equity and debt-to-assets ratios. Debt is composed of accounts payable and accrued liabilities and due to related parties. Equity comprises all components of equity other than amounts in accumulated other comprehensive income (loss). Assets are defined as the Company's total current and non-current assets. The Company's strategy is to improve the debt-to-equity ratio in order to secure access to financing at a reasonable cost by maintaining a good credit rating.

	March 31, 2022	December 31, 2021
Debt	$ 1,759,535	$ 1,846,804
Equity	31,984,079	31,117,740
Assets	28,711,320	29,477,074
Debt-to-equity	6%	6%
Debt-to-assets	6%	6%

The debt-to-equity and debt-to-assets ratios have been largely influenced by amounts due to related parties (note 6(b)) which continue to include deferred management and directors' fees since January 2017.

4. Cash and cash equivalents:

Cash in banks and money market funds earn interest at the prevailing market rates. The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents consist of:

reported in Canadian dollar equivalents		March 31, 2022		December 31, 2021
Cash on hand	$	360	$	626
Cash in banks		200,735		497,099
Total cash on hand and in banks		**201,096**		**497,725**

Cash and cash equivalents are denominated in the following currencies:

reported in Canadian dollar equivalents		March 31, 2022		December 31, 2021
US Dollars	$	99,822	$	421,738
Canadian Dollars		83,832		49,350
Philippine Pesos		17,442		26,637
Total cash on hand and in banks	$	**201,096**	**$**	**497,725**

Cash and cash equivalents are held in the following countries:

reported in Canadian dollar equivalents		March 31, 2022		December 31, 2021
Canada	$	137,385	$	423,338
Philippines		21,945		31,903
Singapore		41,679		42,484
Total cash on hand and in banks	$	**201,096**	**$**	**497,725**

5. Accounts receivable:

Accounts receivable consist of:

		March 31, 2022		December 31, 2021
Goods and services tax receivable	$	9,311	$	6,954
Others		5,000		5,000
Total Accounts Receivable	**$**	**14,311**	**$**	**11,954**

(in Canadian dollars)

6. Related party transactions:

The interim consolidated financial statements include the financial statements of TVI and the following subsidiaries, associates and joint venture:

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		March 31, 2022	December 31, 2021
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World Energy Corp	Canada	100%	100%
TVI Asia Pacific Resource Corporation	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World (BVI) Corporation [(1)]	British Virgin Islands	100%	100%
TG World Energy Inc.	United States	0%	100%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
Mindoro	Canada	14.40%	14.40%

(1) The sale of 100% of shares of TG World (BVI) Corporation by TG World Energy Corp. was completed on March 1, 2022.

Transactions with related parties are entered into at the exchange amounts which are the amounts established and agreed to by the parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

(a) Due from related parties

	March 31, 2022	December 31, 2021
TVIRD	$ 6,332	$ 6,501
Total due from related parties	**$ 6,332**	**$ 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

	March 31, 2022	December 31, 2021
Seajay Management	$ 698,416	$ 654,941
Directors' fees	743,652	711,084
Due to Officers	136,599	134,534
Regent Parkway	18,810	18,777
Exploration Drilling Corporation	3,281	3,429
Total due to related parties	**$ 1,600,759**	**$ 1,522,765**

Management fees related to services of the President were first deferred commencing in February 2016 and have continued to be deferred since that time as the Company is actively working to conserve cash. Since that time only management fees related to calendar year 2016 were paid out in 2018 and a $44,000 part payment made against each of 2017 and 2018 together with a further $88,000 part payment made during the year ended December 31, 2021, against 2019 and 2021 deferred fees. The balance of past years and current year charges continues to be deferred. Deferred management fees of $40,125 related to services of the President (March 31, 2021 - $40,125) and $2,166 for other payments were incurred during the three months ended March 31, 2022. During the three months ended March 31, 2022, the Company accrued interest expense of $5,516 on the unpaid Management fees (March 31, 2021 - $5,107).

(in Canadian dollars)

6. Related party transactions (continued):

Directors' fees were first deferred commencing in January 2016 and have continued to be deferred since that time as the Company is actively working to conserve cash. Since that time only directors' fees related to calendar year 2016 were paid out in 2018 while the balance of past and current year charges continues to be deferred. Deferred directors' fees of $25,375 were incurred during the three months ended March 31, 2022 (March 31, 2021 - $23,125). During the three months ended March 31, 2022, the Company accrued interest expense of $7,193 on the unpaid Directors' fees (March 31, 2021 - $5,516).

A portion of compensation due annually to the Chief Financial Officer has been deferred commencing in 2017.

During the three months ended March 31, 2022, the Company also incurred expenses of $61,189 (March 31, 2021 - $46,320) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVI.

7. Investment in equity securities:

(a) Investment in Mindoro

Mindoro is a publicly listed company incorporated in Canada with shares listed on the NEX. The annual reporting period of Mindoro ends as at December 31.

As at March 31, 2022, TVI holds 42,779,353 common shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

The book value of the Company'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 March 31, 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.

8. Investment in joint venture:

The carrying value of the investment in joint venture is adjusted at each reporting period to account for TVI's proportionate share of net income realized by the Philippine entities during the respective reporting period 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.

		March 31, 2021
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		(25,009)
Foreign exchange revaluation of other comprehensive income		(1,593,584)
Cash distribution from joint venture received, net of taxes of $211,400		(1,197,934)
Investment in joint venture at December 31, 2021		28,916,923
Share of net income		1,006,281
Foreign exchange revaluation of other comprehensive income		(1,464,430)
Investment in joint venture at March 31, 2022	$	28,458,774

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD continues to be the operator of the Agata joint ventures as well as the 100% owner and operator of the Balabag gold/silver mine and Siana.

(in Canadian dollars)

8. Investment in joint venture (continued):

A bargain purchase gain was recorded by TVIRD in 2021 with respect to its acquisition of Greenstone Resources Corporation (**"GRC"**) and the associated Siana gold mine. Purchase consideration to acquire 100% of the outstanding equity of GRC, the owner and operator of Siana and the Mapawa Project, consisted of US $19 million cash and a 3.25% net smelter return royalty (**"NSR"**), for which the management of TVIRD estimated and recorded contingent consideration based on an estimate of the expected NSR payments related to the potential open pit mining operations at Siana. Management determined that a reliable estimate with respect to NSR payments related to the potential underground mining operations at Siana cannot be reasonably determined at this time. Management of TVIRD considered also in its analysis of the purchase price allocation the fair value of the acquired physical assets that was determined by an independent appraiser engaged by TVIRD for this purpose. The purchase price allocation and related fair value exercise determined that the fair value of acquired net assets exceeded the total purchase consideration resulting in a bargain purchase gain of $30.0 million (the Company's share of this gain is $9.2 million). Management of TVIRD concluded that the bargain purchase gain is appropriate to record based on their analysis and the related fair value exercise, as well as consideration of facts and circumstances that led the seller of Siana to dispose of all of their Philippines operations which led to advantageous purchase terms for TVIRD.

On January 31, 2022, TVIRD obtained control of SageCapital Partners, Inc. (**"SageCapital"**) and therewith a 60% indirect interest in Mt. Labo Exploration and Development Corporation (**"MLEDC"**) and the Mabilo project (**"Mabilo"**) that MLEDC 100% owns and operates. 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. 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. Purchase consideration to acquire 100% of the outstanding equity of SageCapital includes staged payments, the first of which has consisted of US $3 million cash and US $3 million in listed shares of companies affiliated with a principal shareholder of TVIRD, the price per share of which is equivalent to the 15-day volume weighted average price. The balance of the purchase consideration is to be paid through the measurement period at which time TVIRD may more accurately calculate and record the resulting difference between purchase consideration and identifiable net assets. The purchase consideration includes also a 0.70% NSR, for which the management of TVIRD estimated and recorded contingent consideration based on an estimate of the expected NSR payments related to the potential open pit mining operations at Mabilo. 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.

9. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

		March 31, 2022		December 31, 2021
Trade payables	$	70,733	$	213,887
Other accrued expenses		88,043		110,152
Total Accounts Payable	$	158,776	$	324,039

Accrued expenses include accruals of personnel expenses, consultancy and other professional fees.

(in Canadian dollars)

10. Retirement benefit payable:

TVI Asia Pacific Resources Corporation provides a retirement benefit to its employees based on provisions of the RA.7641 "Philippine Retirement Law", and commenced recognizing non-current retirement benefit payable at December 31, 2021.

11. Income taxes:

Deferred tax liability of $466,040 at March 31, 2022 (December 31, 2021 - $569,116) as follows:

	March 31, 2022		December 31, 2021	
TVI Minerals	$	476,486	$	497,735
TVI Asia-Pacific Resources Corp		(10,446)		(10,912)
TG World (BVI) Corp		-		82,293
Deferred Tax Liability	$	466,040	$	569,116

12. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

Unlimited preferred non-voting shares without nominal or par value, issuable in series, none of which have been issued.

(b) Issued and fully paid

	March 31, 2022			March 31, 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
Common shares, end of period	656,987,039	$	33,016,445	656,987,039	$	33,016,445

(c) Share options

The Company has a stock option plan pursuant to which options may be granted to directors, officers, and employees of the Company. The options generally vest over a period of up to three years and expire no more than 5 years from the date of grant.

There were no stock options granted during the three months ended March 31, 2022, and twelve months ended December 31, 2021.

During the three months ended March 31, 2022, no options were exercised while a total of 450,000 stock options were exercised during the three months ended March 31, 2021. These stock options were exercised by non-insiders of TVI.

	March 31, 2022			December 31, 2021		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	39,900,000	$	0.015	40,350,000	$	0.015
Issued	-		-	-		-
Exercised	-		-	450,000		0.015
Options outstanding, end of period	39,900,000	$	0.015	39,900,000	$	0.015
Options exercisable, end of period	39,900,000	$	0.015	39,900,000	$	0.015

Price range		Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
$	0.015	39,900,000	0.75	39,900,000

(in Canadian dollars)

12. Share capital (continued):

As TVI has been in a continuous black-out period since 2019 and through to March 31, 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.

(d) Stock-based compensation and contributed surplus

During the three months ended March 31, 2022, $nil (March 31, 2021 - $nil) of stock-based compensation was charged to the consolidated statement of comprehensive income.

		Three months ended March 31, 2022		Three months ended March 31, 2021
Contributed surplus, beginning of period	$	7,074,580	$	7,080,925
Stock-based compensation		-		(6,345)
Contributed surplus, end of period	$	7,074,580	$	7,074,580

13. Per share data:

		Three months ended March 31, 2022		Three months ended March 31, 2021
Net income (loss)	$	866,339	$	624,546
Weighted average number of shares, basic		656,987,039		656,603,516
Weighted average numbers of shares, diluted		683,551,478		681,227,993
Basic income (loss) per share		0.001		0.001
Diluted income (loss) per share		0.001		0.001

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) through the 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.

14. Expenses by nature:

	Three months ended March 31			
		2022		2021
Personnel costs	$	155,897	$	149,505
Professional fees		44,537		44,392
Contracted services		36,476		49,131
Travel and transportation		28,068		27,731
Insurance		18,593		14,117
Investor relations		15,168		17,824
Rent		12,628		13,297
Taxes and licenses		5,553		4,966
Utilities		3,690		2,361
Materials and supplies		659		414
Others		3,166		929
Total administrative and general costs	$	324,435	$	324,667

(in Canadian dollars)

14. Expenses by nature (continued):

The company completed a review of presentation of its administrative and general costs and it was determined that certain amounts reflected as interest on promissory notes were more appropriately reflected as interest expense. Prior period comparative amounts have been classified to conform to the current period presentation. For the three months ended March 31, 2021, $14,371 was reclassified from interest on promissory notes to interest expense.

15. Changes in working capital:

	Three months ended March 31			
		2022		2021
Accounts receivable	$	(2,358)	$	520,851
Prepaid expenses		(11,824)		5,580
Income Tax Payable		81,112		-
Trade accounts payables and accrued liabilities		(103,435)		(157,139)
Due from related parties		(691)		(524)
Due to related parties		65,285		43,994
Total changes in working capital	$	28,629	$	412,762

16. Foreign exchange gain (loss):

	Three months ended March 31			
		2022		2021
Unrealized foreign exchange gain (loss)	$	(859)	$	(679)
Realized foreign exchange gain (loss)		(202)		(1,277)
	$	(1,061)	$	(1,956)

The unrealized foreign exchange gain (loss) during the period ended March 31, 2022 and 2021 pertains to the conversion of $US bank accounts.

17. Other gains (loss):

On March 1, 2022, TG World Energy Corp. completed the sale of 100% of TG World (BVI) Corporation shares to Sacgasco Limited (ASX: SGC), an Australian-based energy company, together with the total balance of intercompany receivables owing by TG World (BVI) Corporation to TG World Energy Corp. The consideration paid to TG World Energy Corp. includes a cash payment of A$1 and a royalty (which will be payable (to a maximum of US $530,000) after commercial production is achieved at SC54A). The Company has not recorded the royalty as a contingent asset and will record it only once received. Sacgasco Limited has also assumed certain liabilities that were outstanding at the level of TG World (BVI) Corporation on March 1, 2022. The sale has resulted in a net gain of $200,610.

18. Commitment:

The Company has revised its agreement with respect to its corporate office premises at March 31, 2021, such that the agreement for office premises is month-to-month and no commitments are in effect beyond 30 days.

19. Subsequent Events:

TVI Marketing received on April 18, 2022 a dividend of 18.4 million Philippine pesos ($443,740 Canadian dollars), representing a 30.66% share of a 60 million Philippine peso dividend declared by TVIRD to be issued among all shareholders of record and prior to Philippine dividend tax in the amount of 2.8 million Philippine pesos ($66,561 Canadian dollars), and the net amount of 15.6 million Philippine pesos ($377,179 Canadian dollars) was then transferred through to TVI as repayment of intercompany advances.

On April 25, 2022, TVIRD made its fifth repayment in relation to the 5-year term loan with China Banking Corporation in the amount of US $2.2 million and including US $0.3 million interest, bringing the total principal repaid to date against the US $28.5 million loan facility to US $9.5 million.

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