



Interim Consolidated Financial Statements

**For the Six Months Ended
June 30, 2021 and 2020
(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 June 30, 2021, 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, 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.

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
June 30, 2021
(in Canadian dollars)



| | Notes | June 30, 2021 | December 31, 2020 |
|--|-------|----------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | 4 | \$ 274,363 | \$ 119,048 |
| Accounts receivable | 5 | 7,433 | 529,266 |
| Due from related parties | 6(a) | 23,034 | 23,332 |
| Prepaid expenses | | 23,473 | 18,832 |
| Total current assets | | 328,303 | 690,478 |
| Non-current assets: | | | |
| Investment in joint venture | 8 | 18,506,420 | 18,074,780 |
| Property and equipment | | 17,417 | 20,338 |
| Other assets | | 1,095 | 14,357 |
| Total non-current assets | | 18,524,932 | 18,109,475 |
| Total assets | | \$ 18,853,235 | \$ 18,799,953 |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 9 | \$ 352,495 | \$ 518,858 |
| Due to related parties | 6(b) | 1,348,559 | 1,248,617 |
| Income tax payable | | - | 4 |
| Total current liabilities | | 1,701,054 | 1,767,479 |
| Deferred tax liability | 10 | 755,094 | 788,931 |
| Total liabilities | | 2,456,148 | 2,556,410 |
| Equity attributable to shareholders of the Company: | | | |
| Share capital | 11(b) | 33,016,445 | 33,003,350 |
| Contributed surplus | 11(d) | 7,074,580 | 7,080,925 |
| Deficit | | (20,114,224) | (21,307,131) |
| Translation reserves | | (3,579,714) | (2,533,601) |
| Total equity | | 16,397,087 | 16,243,543 |
| Total liabilities and equity | | \$ 18,853,235 | \$ 18,799,953 |

Commitment (note 16)
Subsequent Events (note 17)

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)
June 30, 2021 and 2020
(in Canadian dollars)



| | Notes | Three months ended June 30 | | Six months ended June 30 | |
|---|-------|----------------------------|-------------------|--------------------------|---------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Expenses: | | | | | |
| Depreciation expense | | \$ 1,379 | \$ 1,734 | \$ 2,862 | \$ 3,307 |
| Administrative and general costs | 13 | 370,600 | 281,795 | 709,638 | 786,299 |
| Total expenses | | 371,979 | 283,529 | 712,500 | 789,606 |
| Operating loss | | (371,979) | (283,529) | (712,500) | (789,606) |
| Other income (expenses): | | | | | |
| Interest income | | 110 | 184 | 227 | 657 |
| Interest expense | | - | - | - | - |
| Foreign exchange gain (loss) | 15 | 1,483 | (4,559) | (473) | 1,827 |
| Other gains (loss) | | (2,550) | - | (2,550) | 42,760 |
| Fair market valuation of equity investment | | - | - | - | (1,708,498) |
| Share of income of joint venture | 8 | 941,297 | 1,330,009 | 1,908,203 | 2,513,385 |
| Other income (expenses), net | | 940,340 | 1,325,634 | 1,905,407 | 850,131 |
| Net income (loss) before income tax | | 568,361 | 1,042,105 | 1,192,907 | 60,525 |
| Income tax recovery (expense) | | - | - | - | - |
| Net income (loss) | | 568,361 | 1,042,105 | 1,192,907 | 60,525 |
| Other comprehensive income (loss): | | | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | | | | |
| Foreign currency translation adjustment – foreign operations | | 16,098 | 23,687 | 35,746 | (41,149) |
| Foreign currency translation adjustment – joint venture | | (475,547) | (342,811) | (1,081,859) | 1,150,583 |
| Comprehensive income (loss) | | \$ 108,912 | \$ 722,981 | \$ 146,794 | \$ 1,169,959 |
| Basic income (loss) per share | 12 | \$ 0.001 | \$ 0.002 | \$ 0.002 | \$ 0.000 |
| Diluted income (loss) per share | 12 | 0.001 | 0.002 | 0.002 | 0.000 |
| Weighted average number of common shares, basic | 11(b) | 656,798,492 | 655,537,039 | 656,798,492 | 655,537,039 |
| Weighted average number of common shares, diluted | 11(b) | 683,769,223 | 655,537,039 | 683,769,223 | 655,537,039 |

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Changes to Equity
June 30, 2021 and 2020
(in Canadian dollars)



| | Share capital (Note 11b) | Contributed surplus (Note 11d) | Deficit | Accumulated other comprehensive income (loss) | Total equity |
|--|-----------------------------|--------------------------------------|------------------------|--|----------------------|
| 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 | - | - | 1,192,907 | - | 1,192,907 |
| Other comprehensive income: | | | | | |
| Foreign currency translation adjustment | - | - | - | (1,046,113) | (1,046,113) |
| Total comprehensive income (loss) | - | - | 1,192,907 | (1,046,113) | 146,794 |
| June 30, 2021 | \$ 33,016,445 | \$ 7,074,580 | \$ (20,114,224) | \$ (3,579,714) | \$ 16,397,087 |
| January 1, 2020 | \$ 32,974,070 | \$ 7,095,205 | \$ (22,600,212) | \$ (3,131,558) | \$ 14,337,505 |
| Comprehensive income/(loss) | | | | | |
| Net income | - | - | 60,525 | - | 60,525 |
| Other comprehensive income: | | | | | |
| Foreign currency translation adjustment | - | - | - | 1,109,434 | 1,109,434 |
| Total comprehensive income (loss) | - | - | 60,525 | 1,109,434 | 1,169,959 |
| June 30, 2020 | \$ 32,974,070 | \$ 7,095,205 | \$ (22,539,687) | \$ (2,022,124) | \$ 15,507,464 |

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
June 30, 2021 and 2020
(in Canadian dollars)



| | Notes | Three months ended June 30 | | Six months ended June 30 | |
|---|-------|----------------------------|-------------------|--------------------------|-------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net income (loss) before income tax | | \$ 568,361 | \$ 1,042,105 | \$ 1,192,907 | \$ 60,525 |
| Adjustments for: | | | | | |
| Depreciation expense | | 1,379 | 1,734 | 2,862 | 3,307 |
| Unrealized foreign exchange (gain) loss | 15 | (679) | 2,390 | - | (2,226) |
| Other (gains) loss | | - | - | - | (34,081) |
| Fair market valuation of equity investment | 7 | - | - | - | 1,708,499 |
| Proceeds from sale of IGES shares | 7 | - | - | - | 115,938 |
| Share of loss (gains) of joint venture | 8 | (941,297) | (1,330,009) | (1,908,203) | (2,513,385) |
| Changes in working capital | 14 | 37,847 | 140,428 | 464,980 | 383,059 |
| Distribution from investment in joint venture, net of tax | 8 | 394,704 | - | 394,704 | - |
| Net cash used in operating activities | | 60,315 | (143,352) | 147,250 | (278,364) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Shares issued – Options exercised | 11(c) | - | - | 6,750 | - |
| Net cash used from financing activities | | - | - | 6,750 | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expenditures on property and equipment and other assets | | - | (3,252) | - | (10,480) |
| Net cash used from investing activities | | - | (3,252) | - | (10,480) |
| Effect of foreign exchange rates on cash | | 575 | (1,141) | 1,315 | 1,657 |
| Net decrease in cash and cash equivalents | | 60,890 | (147,745) | 155,315 | (287,187) |
| Cash and cash equivalents at beginning of the period | | 213,473 | 327,621 | 119,048 | 467,063 |
| Cash and cash equivalents at end of the period | | \$ 274,363 | \$ 179,876 | \$ 274,363 | \$ 179,876 |

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 as well as the commercialization of plastics-to-fuel technology and biomass to fuel and energy conversion technologies in Australia and internationally.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. (“**TVIRD**”). TVIRD’s assets include the 100% owned Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and Direct Shipping Nickel/iron projects and interests in the Agata processing project and various other exploration properties in the Philippines. At June 30, 2021, TVI also holds a 2.97% equity interest in Integrated Green Energy Solutions Ltd (“**IGES**”), an Australian Stock Exchange (“**ASX**”) listed issuer engaged in the commercialization of technologies related to plastics and biomass to fuel and energy conversion and the construction of waste plastics-to-diesel conversion plants internationally but whose shares have been suspended from trading since January 2020 (see note 7), and holds also 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 August 11, 2021.

Going Concern

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”), as well as Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

For the six months ended June 30, 2021, TVI reported a net income of \$1,192,907 (June 30, 2020 – net income of \$60,525) resulting primarily from the share of gains from joint venture (note 8). TVI had a working capital deficit of \$1,372,752 at June 30, 2021 (December 31, 2020 – \$1,076,997 working capital deficit). As at June 30, 2021, the Company had accounts payable and accrued liabilities of \$352,495 (December 31, 2020 - \$518,858) and a payable to related parties of \$1,348,559 (December 31, 2020 - \$1,248,617) but has no other outstanding loans payable or any annual expenditure obligations.

These circumstances 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.

During the six months ended June 30, 2021, TVI received a dividend of \$394,704 from TVIRD (net of Philippine dividend withholding tax; June 30, 2020 – no dividends were received). The Company did not sell any IGES shares during the six months ended June 30, 2021 ((June 30, 2020 - \$115,938 gross proceeds received). 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, and the sale of portions of its interest in IGES shares, although IGES’ shares are currently suspended and TVI has fully written-down to nil its investment in IGES given current information available (see note 7(a)). 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, as well as generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

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, 2020. 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 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, 2021. 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.

a. Amendment to IFRS 7, IFRS 9, and IFRS 16 (Interest Rate Benchmark Reform):

The IASB issued new guidance in response to the interest rate benchmark reform in August 2020 that is to be effective for annual periods beginning on or after January 1, 2021. The new guidance provides the use of a practical measure to account for the change in the basis for determining the contractual cash flows as a result of the cessation of the London Interbank Offered Rate (“**LIBOR**”) benchmark and is expected to apply to such considerations as the discount rate used by the Company in performing future impairment tests. The Company is continually monitoring and assessing the situation for any potential impacts resulting 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.

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, 2020.

a) *Financial risk management*

i) *Currency risk*

For the six months ended June 30, 2021:

- (a) The impact on net income (loss) if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$10,635.
- (b) The impact on net income (loss) if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$1,644.

The impact on net income (loss) 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 | |
|------------------------------------|------------------|-------------------|---------------|-------------------|
| | Six months ended | Year ended | June 30, 2021 | December 31, 2020 |
| | June 30, 2021 | December 31, 2020 | | |
| Canadian Dollar/US Dollar | 1.2470 | 1.3415 | 1.2394 | 1.2732 |
| Canadian Dollar/ Australian Dollar | 0.9619 | 0.9247 | 0.9295 | 0.9835 |
| Canadian Dollar/ Philippine Peso | 0.0258 | 0.0270 | 0.0255 | 0.0267 |

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 (loss) 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. Exposure to other price risk is primarily in investment in equity securities of IGES where changes in quoted prices on investments in equity securities have historically impacted the underlying value of the investment prior to this investment being fully written-down at March 31, 2020 (note 7 (a)).

iv) *Liquidity risk*

As at June 30, 2021, the Company has a \$1.4 million working capital deficit (December 31, 2020 - working capital deficit of \$1.1 million) (see note 1: Going Concern).

3. Financial risk management (continued):

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.

| | June 30, 2021 | December 31, 2020 |
|--|---------------------|---------------------|
| Due within 12 months: | | |
| Accounts payable and accrued liabilities | \$ 352,495 | \$ 518,858 |
| Due to related parties | 1,348,559 | 1,248,617 |
| Income tax payable | - | 4 |
| | \$ 1,701,054 | \$ 1,767,479 |

The Company remains focused upon conserving cash through reducing expenditures but to continue operations and to fund expenses and settle liabilities the Company is presently dependent on possible distributions from its joint venture investment in TVIRD, which the Company does not control, and the sale of portions of its interest in IGES shares, although IGES' shares are currently suspended and TVI has fully written-down to nil its investment in IGES given current information available (see note 7(a)).

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 six months ended June 30, 2021, 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 June 30, 2021 and December 31, 2020 due to their short-term nature.

3. Financial risk management (continued):

c) Capital risk management

The Company monitors capital on the basis of the debt-to-equity and the 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.

| | June 30, 2021 | December 31, 2020 |
|----------------|---------------|-------------------|
| Debt | \$ 1,701,054 | \$ 1,767,479 |
| Equity | 19,976,801 | 18,777,144 |
| Assets | 18,853,235 | 18,799,953 |
| Debt-to-equity | 9% | 9% |
| Debt-to-assets | 9% | 9% |

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:

| <i>reported in Canadian dollar equivalents</i> | June 30, 2021 | December 31, 2020 |
|--|---------------|-------------------|
| Cash on hand | \$ 638 | \$ 667 |
| Cash in banks | 273,725 | 118,381 |
| Total cash on hand and in banks | \$ 274,363 | \$ 119,048 |

Cash and cash equivalents are denominated in the following currencies:

| <i>reported in Canadian dollar equivalents</i> | June 30, 2021 | December 31, 2020 |
|--|---------------|-------------------|
| US Dollars | \$ 212,695 | \$ 61,498 |
| Canadian Dollars | 28,794 | 29,406 |
| Philippine Pesos | 32,874 | 28,144 |
| | \$ 274,363 | \$ 119,048 |

Cash and cash equivalents are held in the following countries:

| <i>reported in Canadian dollar equivalents</i> | June 30, 2021 | December 31, 2020 |
|--|---------------|-------------------|
| Canada | \$ 185,057 | \$ 41,688 |
| Philippines | 47,613 | 34,283 |
| Singapore | 41,693 | 43,077 |
| | \$ 274,363 | \$ 119,048 |



5. Accounts receivable:

Accounts receivable consist of:

| | June 30, 2021 | December 31, 2020 |
|-----------------------------------|-----------------|-------------------|
| Goods and services tax receivable | \$ 7,433 | \$ 7,358 |
| Dividends receivable | - | 516,908 |
| Others | - | 5,000 |
| Total Accounts Receivable | \$ 7,433 | \$ 529,266 |

Dividends receivable at December 31, 2020 were fully received in January 2021.

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) | |
|---------------------------------------|--------------------------|---|-------------------|
| | | June 30, 2021 | December 31, 2020 |
| 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 | British Virgin Islands | 100% | 100% |
| TG World Energy Inc. | United States | 100% | 100% |
| Associates/Joint Venture: | | | |
| TVIRD and affiliates | Philippines | 30.66% | 30.66% |
| Mindoro | Canada | 14.40% | 14.40% |

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

| | June 30, 2021 | December 31, 2020 |
|---------------------------------------|------------------|-------------------|
| TVIRD | \$ 6,646 | \$ 6,944 |
| Due from Officers | 16,388 | 16,388 |
| Total due from related parties | \$ 23,034 | \$ 23,332 |

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

Due from Officers includes advances to officers of the Company to acquire shares in joint venture on behalf of the Company.

6. Related party transactions (continued):

(b) Due to related parties

| | June 30, 2021 | December 31, 2020 |
|-------------------------------------|---------------------|---------------------|
| Seajay Management | \$ 595,567 | \$ 564,206 |
| Director's fee | 606,500 | 540,250 |
| Due to Officers | 135,025 | 113,466 |
| Regent Parkway | 7,979 | 27,042 |
| Exploration Drilling Corporation | 3,488 | 3,653 |
| Total due to related parties | \$ 1,348,559 | \$ 1,248,617 |

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 against each of 2017, 2018 and 2019 uncompensated fees has also been paid out. Deferred management fees of \$40,125 and \$80,250 related to services of the President were incurred during the three and six months ended June 30, 2021, respectively (June 30, 2020 - \$40,125 and \$80,250, respectively).

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 have continued to be deferred. Deferred directors' fees of \$43,125 and \$66,250 were incurred during the three and six months ended June 30, 2021, respectively (June 30, 2020 - \$34,125 and \$61,250, respectively).

Due to officers represents a compensation due to the Chief Financial Officer, a portion of which has been deferred annually commencing in 2017.

During the three and six months ended June 30, 2021, the Company also incurred expenses of \$25,259 and \$71,578, respectively (June 30, 2020 - \$26,999 and \$76,871, respectively) 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 Integrated Green Energy Solutions Ltd

IGES is a publicly listed company incorporated in Australia with shares listed on the ASX. Its annual reporting period ends at June 30. TVI holds 11,705,894 shares as at June 30, 2021 representing a 2.97% equity interest (December 31, 2020 – 11,705,894 IGES shares representing a 2.97% interest).

TVI has written-down to nil the fair market value of its equity interest in IGES during the year ended December 31, 2020, following the suspension from trading of IGES securities announced by the ASX on January 20, 2020, under Listing Rule 17.3 pending further enquiries by the ASX on issues of funding. In TVI's valuation of its investment, TVI has also considered the negative net asset position of IGES that was reported in its most recent report and a creditor's statutory demand placed against IGES by an investor during the year ended 2020. On June 2, 2021, the Supreme Court of New South Wales ordered the winding-up of IGES and appointed a liquidator for this purpose.

TVI measures its investment in IGES as an investment in equity securities at Fair Value Through Profit or Loss ("FVTPL") under IFRS 9.

7. Investment in equity securities (continued):

| Fair Market Value: | | |
|---|---------------|---------------|
| | June 30, 2021 | June 30, 2020 |
| Investment in IGES, January 1 | \$ - | \$ 1,790,355 |
| Fair market valuation of equity investment | - | (1,708,498) |
| Book value of sold shares of investment in IGES | - | (81,857) |
| Investment in IGES, end of period | \$ - | \$ - |

| IGES Shares Held: | | |
|-----------------------------------|-------------------|-------------------|
| | June 30, 2021 | June 30, 2020 |
| Investment in IGES, January 1 | 11,705,894 | 12,266,741 |
| Shares sold through period | - | (560,847) |
| Investment in IGES, end of period | 11,705,894 | 11,705,894 |

(b) 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 June 30, 2021, 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 June 30, 2021, a proportionate share of net losses in excess of \$3.5 million had been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize at a future date.

8. Investment in joint venture:

| | June 30, 2021 | |
|---|---------------|-------------------|
| Investment in joint venture at January 1, 2020 | \$ | 13,849,841 |
| Share of net income | | 4,513,227 |
| Share of other comprehensive loss | | (87,513) |
| Foreign exchange revaluation of other comprehensive income | | 697,623 |
| Cash distribution from joint venture received, net of taxes of \$67,321 | | (381,490) |
| Cash distribution from joint venture receivable, net of taxes of \$91,220 | | (516,908) |
| Investment in joint venture at December 31, 2020 | | 18,074,780 |
| Share of net income | | 1,908,203 |
| Foreign exchange revaluation of other comprehensive income | | (1,081,859) |
| Cash distribution from joint venture received, net of taxes of \$69,654 | | (394,704) |
| Investment in joint venture at June 30, 2021 | \$ | 18,506,420 |

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. TVIRD has declared and paid out cash dividends through the six months ended June 30, 2021, as reflected in the table below:

| Date Received | Total TVIRD Dividend Declared | | Total TVI International Marketing Share | | | |
|---------------|-------------------------------|-------------------|--|-------------------|--|-------------------|
| | | | Prior to Philippine Dividend Withholding Tax | | Net of Philippine Dividend Withholding Tax | |
| | PHP (millions) | \$CAD (thousands) | PHP (millions) | \$CAD (thousands) | PHP (millions) | \$CAD (thousands) |
| May 17, 2021 | 60.0 | \$ 1,514.5 | 18.4 | \$ 464.3 | 15.7 | \$ 394.7 |

8. Investment in joint venture (continued):

Dividends received from the joint venture reduce the book value of investment in joint venture. As of June 30, 2021, investment in joint venture has been reduced by a total of \$3.3 million in dividends received to date by TVI since TVIRD started to distribute dividends in 2017.

9. Accounts payable and accrued liabilities:

Account consists of the following:

| | June 30, 2021 | | December 31, 2020 | |
|------------------------|---------------|---------|-------------------|---------|
| Trade payables | \$ | 104,630 | \$ | 266,954 |
| Other accrued expenses | | 247,865 | | 251,904 |
| Total Accounts Payable | \$ | 352,495 | \$ | 518,858 |

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

10. Income taxes:

Deferred tax liability of \$755,094 at June 30, 2021 (December 31, 2020 - \$788,931) as follows:

| | June 30, 2021 | | December 31, 2020 | |
|---------------------------------|---------------|---------|-------------------|---------|
| TVI Minerals | \$ | 662,433 | \$ | 693,741 |
| TVI Asia-Pacific Resources Corp | | 88 | | 93 |
| TG World BVI Corp | | 92,573 | | 95,097 |
| Deferred Tax Liability | \$ | 755,094 | \$ | 788,931 |

11. 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

| | June 30, 2021 | | June 30, 2020 | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | Shares (#) | Value (\$) | Shares (#) | Value (\$) |
| Common shares, January 1 | 656,537,039 | \$ 33,003,350 | 655,537,039 | \$ 32,974,070 |
| Options exercised during period | 450,000 | 13,095 | 1,000,000 | 29,280 |
| Common shares, end of period | 656,987,039 | \$ 33,016,445 | 656,537,039 | \$ 33,003,350 |

(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 six months ended June 30, 2021, and twelve months ended December 31, 2020.

11. Share capital (continued):

During the six months ended June 30, 2021, a total of 450,000 stock options were exercised and a total of 1,000,000 stock options exercised during the 12 months ended December 31, 2020. These stock options were exercised by non-insiders of TVI.

| | June 30, 2021 | | December 31, 2020 | |
|--|-------------------|---------------------------------|-------------------|---------------------------------|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Options outstanding, beginning of period | 40,350,000 | \$ 0.015 | 41,450,000 | \$ 0.015 |
| Issued | - | - | - | - |
| Exercised | 450,000 | 0.015 | 1,000,000 | 0.015 |
| Options outstanding, end of period | 39,900,000 | \$ 0.015 | 40,350,000 | \$ 0.015 |
| Options exercisable, end of period | 39,900,000 | \$ 0.015 | 40,350,000 | \$ 0.015 |

| Price range | Number outstanding | Weighted average remaining contractual life (years) | Number Exercisable |
|-------------|--------------------|---|--------------------|
| \$ 0.015 | 39,900,000 | 0.00 | 39,900,000 |

As TVI has been in a continuous black-out period since stock options were originally scheduled to expire in May 2019 and June 2020, these stock options 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 and six months ended June 30, 2021, \$nil (June 30, 2020 - \$nil) of stock-based compensation was charged to the consolidated statement of comprehensive income.

| | Six months ended June 30, 2021 | Six months ended June 30, 2020 |
|--|--------------------------------|--------------------------------|
| Contributed surplus, beginning of period | \$ 7,080,925 | \$ 7,095,205 |
| Stock-based compensation | (6,345) | - |
| Contributed surplus, end of period | \$ 7,074,580 | \$ 7,095,205 |

12. Per share data:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|----------------------------|--------------|--------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net income (loss) | \$ 568,361 | \$ 1,042,105 | \$ 1,192,907 | \$ 60,525 |
| Weighted average number of shares, basic | 656,798,492 | 655,537,039 | 656,798,492 | 655,537,039 |
| Weighted average numbers of shares, diluted | 683,769,223 | 655,537,039 | 683,769,223 | 655,537,039 |
| Basic income (loss) per share | 0.001 | 0.002 | 0.002 | 0.000 |
| Diluted income (loss) per share | 0.001 | 0.002 | 0.002 | 0.000 |

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.

13. Expenses by nature:

| | Six months ended June 30 | |
|--|--------------------------|------------|
| | 2021 | 2020 |
| Personnel costs | \$ 315,533 | \$ 288,444 |
| Professional fees | 116,003 | 83,564 |
| Contracted services | 110,515 | 248,108 |
| Advertising and investor relations | 40,901 | 22,052 |
| Travel and transportation | 30,937 | 36,379 |
| Insurance | 28,677 | 37,528 |
| Rent | 26,226 | 45,791 |
| Interest on promissory notes | 25,377 | - |
| Taxes and licenses | 6,440 | 10,360 |
| Utilities | 4,906 | 5,468 |
| Materials and freight | 1,191 | 2,618 |
| Others | 2,932 | 5,987 |
| Total administrative and general costs | \$ 709,638 | \$ 786,299 |

14. Changes in working capital:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|----------------------------|------------|--------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Accounts receivable | \$ 983 | \$ 1,106 | \$ 521,834 | \$ 2,723 |
| Prepaid expenses | (10,082) | 8,763 | (4,502) | 40,714 |
| Trade accounts payables and accrued liabilities | 1,133 | 52,705 | (152,591) | 233,985 |
| Due to/from related parties | 45,813 | 77,854 | 100,239 | 105,637 |
| Total changes in working capital | \$ 37,847 | \$ 140,428 | \$ 464,980 | \$ 383,059 |

Dividends receivable, included in Accounts Receivable at December 31, 2020 were fully received in January 2021.

15. Foreign exchange gain:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|----------------------------|------------|--------------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Unrealized foreign exchange gain (loss) | \$ 3,158 | \$ (2,390) | \$ 2,479 | \$ 2,226 |
| Realized foreign exchange gain (loss) | (1,675) | (2,169) | (2,952) | (399) |
| | \$ 1,483 | \$ (4,559) | \$ (473) | \$ 1,827 |

The unrealized foreign exchange gain (loss) during the period ended June 30, 2021, and 2020 pertains to the conversion of \$US bank accounts.

16. Commitment:

Commencing January 1, 2021, the Company's agreement with respect to corporate office premises is month-to-month and no commitments are in effect beyond 30 days.



17. Subsequent Events:

On July 28, 2021, TVIRD signed an investment agreement to acquire 100% of the outstanding equity in Greenstone Resources Corporation (“GRC” and the “GRC Shares”), the owner and operator of the Siana Gold Project (“Siana”) and the Mapawa Project, 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. TVIRD has confirmed to TVI that it intends to fund the cash portion of the purchase price for the GRC Shares from internal resources. Red 5 has previously reported in their 2020 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’s plan is to recommence operations at Siana as soon as possible and TVIRD is presently developing plans in furtherance of this objective. Completion of the GRC acquisition is subject to the satisfaction or waiver of a number of conditions.

On July 23, 2021, TVIRD made its second repayment against the US \$28.5 million 5-year term Omnibus Loan and Surety Agreement with China Banking Corporation that had been announced on October 22, 2019, to finance development activities at Balabag. The payment was in the amount of US \$2.2 million and included \$0.3 million of interest.

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