FTV Pacific Inc.

Interim Consolidated Financial Statements

For the Three Months Ended
March 31, 2023 and 2022
(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, 2023, 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, 2023		December 31, 2022
Assets					
Current assets:					
Cash and cash equivalents	4	$	138,478	$	134,886
Accounts receivable	5		10,597		11,512
Due from related parties	6(a)		3,146		3,071
Prepaid expenses			9,469		9,093
Total current assets			**161,690**		**158,562**
Non-current assets:					
Investment in joint venture	8		28,008,017		28,984,522
Property and equipment			14,276		15,739
Other assets			5		5
Total non-current assets			**28,022,298**		**29,000,266**
Total assets		**$**	**28,183,988**	**$**	**29,158,828**
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	9	$	432,275	$	350,894
Due to related parties	6(b)		2,259,489		1,960,061
Total current liabilities			**2,691,764**		**2,310,955**
Non-current liabilities:					
Retirement benefit payable	10		70,009		68,326
Deferred tax liability	11		407,297		397,507
Total non-current liabilities			**477,306**		**465,833**
Total liabilities			**3,169,070**		**2,776,788**
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			(10,640,961)		(8,466,859)
Translation reserves			(4,435,146)		(5,242,126)
Total equity			**25,014,918**		**26,382,040**
Total liabilities and equity		**$**	**28,183,988**	**$**	**29,158,828**

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 2023	2022
Expenses:			
Depreciation expense		$ 1,537	$ 1,340
Administrative and general costs	14	338,110	324,435
Total expenses		**339,647**	**325,775**
Operating loss		**(339,647)**	**(325,775)**
Other income (expenses):			
Interest income (expense), net		(39,281)	(13,716)
Foreign exchange (loss)	16	(497)	(1,061)
Other gains	17	-	200,610
Share of gains (loss) of joint venture	8	(1,794,677)	1,006,281
Other income (expenses), net		**(1,834,455)**	**1,192,114**
Net income (loss) before income tax		(2,174,102)	866,339
Income tax expense		-	-
Net income (loss)		**$ (2,174,102)**	**$ 866,339**
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustment – foreign operations		(11,193)	25,034
Foreign currency translation adjustment – associates and joint venture		818,173	(1,464,430)
Comprehensive income		**$ (1,367,122)**	**$ (573,057)**
Basic income (loss) per share	13	$ (0.003)	$ 0.001
Diluted income (loss) per share	13	(0.003)	0.001
Weighted average number of common shares, basic	13	656,987,039	656,987,039
Weighted average number of common shares, diluted	13	656,987,039	683,551,478

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, 2023	**$ 33,016,445**	**$ 7,074,580**	**$ (8,466,859)**	**$ (5,242,126)**	**$ 26,382,040**
Comprehensive income/(loss)					
Net income/(loss)	-	-	(2,174,102)	-	(2,174,102)
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	806,980	806,980
Total comprehensive income (loss)	-	-	(2,174,102)	806,980	(1,367,122)
March 31, 2023	**$ 33,016,445**	**$ 7,074,580**	**$ (10,640,961))**	**$ (4,435,146)**	**$ 25,014,918**
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**

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
March 31, 2023 and 2022
(in Canadian dollars)

	Notes		Three months ended March 31 2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss) before income tax		$	(2,174,102)	$	866,339
Adjustments for:					
Depreciation expense			1,537		1,340
Unrealized foreign exchange loss	16		469		859
Interest expense			-		13,802
Other gains	17		-		(200,610)
Share of gains of joint venture	8		1,794,677		(1,006,281)
Changes in working capital	15		380,443		28,630
Net cash generated (used) in operating activities			**3,024**		**(295,921)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditures on property and equipment and other assets			-		(1,755)
Net cash used from investing activities			**-**		**(1,755)**
Effect of foreign exchange rates on cash			568		1,047
Net increase (decrease) in cash and cash equivalents			3,592		(296,629)
Cash and cash equivalents at beginning of the period			134,886		497,725
Cash and cash equivalents at end of the period		**$**	**138,478**	**$**	**201,096**

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, a 60% indirect interest in Mt. Labo Exploration and Development Corporation (**"MLEDC"**) and the Mabilo project (**"Mabilo"**) that MLEDC 100% owns and operates, and various other exploration properties in the Philippines. TVIRD holds the 60% indirect interest in MLEDC through its 100% ownership of SageCapital Partners, Inc. (**"SageCapital"**). At March 31, 2023, 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 June 9, 2023.

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, 2023, TVI reported a net loss of $2,174,102 (March 31, 2022 - $866,339 net income) resulting primarily from the share of loss from joint venture (note 8). TVI had a working capital deficit of $2,530,075 at March 31, 2023 (December 31, 2022 – $2,152,394 working capital deficit). As at March 31, 2023, the Company had accounts payable and accrued liabilities of $432,275 (December 31, 2022 - $350,894) and a payable to related parties of $2,259,489 (December 31, 2022 - $1,960,061) but has no other outstanding loans payable or any annual expenditure obligations.

During the three months ended March 31, 2023 and March 31, 2022, no dividend was received from TVIRD. 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, 2022. 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 amendments and improvements to existing standards and interpretations are effective for the financial year beginning on January 1, 2022 which are relevant to the Company's financial statements.

i) *Amendments to IAS 16, Property, Plant and Equipment - Proceeds before Intended Use:* The amendment prohibits deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing an asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in the Statements of Comprehensive Income (Loss). The amendment must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

The impact of adoption of the amendment was recognized as at December 31, 2021 and for the year then ended and carried into the opening balances at January 1, 2022.

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, 2022.

a) *Financial risk management*

i) Currency risk

For the three months ended March 31, 2023:

(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 $3,287.

(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 $965.

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, 2023	**Year ended December 31, 2022**	**March 31, 2023**	**December 31, 2022**
Canadian Dollar/US Dollar	1.3525	1.3013	1.3533	1.3544
Canadian Dollar/ Philippine Peso	0.0247	0.0239	0.0248	0.0242

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. The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 6(b)) that is calculated on total unpaid fees. This rate was set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%. No payment of interest on unpaid Management and directors' fees has been made in the three months ended March 31, 2023 (December 31, 2022 – nil). The Company has no other significant interest-bearing assets or liabilities for which the interest rate fluctuates and may thereby significantly impact the Company's income (loss) and operating cash flows.

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, 2023, the Company has a $2.5 million working capital deficit (December 31, 2021 - working capital deficit of $2.2 million).

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.

(in Canadian dollars)

3. Financial risk management (continued):

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

		March 31, 2023		December 31, 2022
Due within 12 months:				
Accounts payable and accrued liabilities	$	432,275	$	350,894
Due to related parties		2,259.489		1,960,061
	$	**2,691,764**	**$**	2,310,955

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.

- *<u>Level 1</u> – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.*
- *<u>Level 2</u> – 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).*
- *<u>Level 3</u> – 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, 2023, 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, accounts receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at March 31, 2023 and December 31, 2022 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.

3. Financial risk management (continued):

		March 31, 2022		December 31, 2022
Debt	$	2,691,764	$	2,310,955
Equity		29,450,064		31,624,166
Assets		28,183,988		29,158,828
Debt-to-equity		9%		7%
Debt-to-assets		10%		8%

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, 2023		December 31, 2022
Cash on hand	$	374	$	365
Cash in banks		138,104		134,521
Total cash on hand and in banks		**138,478**		**134,886**

Cash and cash equivalents are denominated in the following currencies:

reported in Canadian dollar equivalents		March 31, 2023		December 31, 2022
US Dollars	$	65,745	$	94,337
Canadian Dollars		53,426		23,403
Philippine Pesos		19,307		17,146
Total cash on hand and in banks	$	**138,478**	**$**	**134,886**

Cash and cash equivalents are held in the following countries:

reported in Canadian dollar equivalents		March 31, 2023		December 31, 2022
Canada	$	66,669	$	67,710
Philippines		26,789		22,078
Singapore		45,020		45,098
Total cash on hand and in banks	$	**138,478**	**$**	**134,886**

5. Accounts receivable:

Accounts receivable consist of:

		March 31, 2023		December 31, 2022
Goods and services tax receivable	$	10,597	$	11,512
Total accounts receivable	**$**	**10,597**	**$**	**11,512**

(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, 2023	December 31, 2022
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 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

	March 31, 2023	December 31, 2022
TVIRD	$ 3,146	$ 3,071
Total due from related parties	**$ 3,146**	**$ 3,071**

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, 2023	December 31, 2022
Seajay Management	$ 972,384	$ 857,073
Directors' fees	907,110	860,592
Due to Officers	275,520	199,035
Regent Parkway	104,475	43,361
Total due to related parties	**$ 2,259,489**	**$ 1,960,061**

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 no payment made during the three months ended March 31, 2023 (December 31, 2022 - $30,107). Management fees of $40,125 related to the services of the President were incurred during the three months ended March 31, 2023 (March 31, 2022 - $40,125).

During the three months ended March 31, 2023, the Company accrued interest expense of $17,077 on the unpaid management fees (March 31, 2022 - $5,516).

The Company has not fully paid directors' fees dating back to 2017 as the Company has been actively working to conserve cash. Directors' fees of $25,375 were incurred during the three months ended March 31, 2023 (March 31, 2022 - $25,375).

During the three months ended March 31, 2023, the Company accrued interest expense of $17,037 on the unpaid Director's fees (March 31, 2022 - $7,193).

(in Canadian dollars)

6. Related party transactions (continued):

The Company has not fully paid the Chief Financial Officer dating back to 2017. During the three months ended March 31, 2023, the Company accrued interest expense of $3,503 (March 31, 2022 - $1,124) on the unpaid CFO fees.

During the three months ended March 31, 2023, the Company also incurred expenses of $61,113 (March 31, 2022 - $61,189) 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, 2023, 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, 2023, 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, 2023
Investment in joint venture at January 1, 2022		29,618,255
Share of net income		1,194,186
Share of other comprehensive loss		(5,943)
Foreign exchange revaluation		(1,137,530)
Cash distribution from joint venture, net of taxes of $120,785		(684,446)
Investment in joint venture at December 31, 2022	$	28,984,522
Share of net loss		(1,794,677)
Foreign exchange revaluation of other comprehensive income		818,173
Investment in joint venture at March 31, 2023	$	28,008,017

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 mining projects as well as the 100% owner and operator of the Balabag gold/silver mine and the Siana gold mine.

The joint venture had no material contingent liabilities as at March 31, 2023. The information above reflects the amounts presented in the financial statements of TVIRD adjusted for differences in accounting policies between TVI and TVIRD.

On January 31, 2022, TVIRD obtained control of SageCapital and therewith a 60% indirect interest in MLEDC and has now completed its purchase price allocation related to the acquisition which consists primarily of mining claims and deferred exploration costs, working capital and other non-current assets and did not generate any bargain purchase gain.

(in Canadian dollars)

8. Investment in joint venture (continued):

Dividends received from the joint venture reduce the book value of investment in joint venture. As of March 31, 2023, investment in joint venture has been reduced by a total of $4.8 million in dividends received to date by TVI since TVIRD started to distribute dividends in 2017. No dividends were received in the three months ended March 31, 2023 (March 31, 2022 - $nil).

9. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

	March 31, 2023		December 31, 2022	
Trade payables	$	242,951	$	152,081
Other accrued expenses		189,324		198,813
Total Accounts Payable	$	432,275	$	350,894

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

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. As at March 31, 2023, the company recorded retirement benefit payable of $70,009 (December 31, 2022 - $68,326).

11. Income taxes:

Deferred tax liability of $407,297 at March 31, 2023 (December 31, 2022 - $397,507) as follows:

	March 31, 2023		December 31, 2022	
TVI Minerals	$	421,231	$	411,106
TVI Asia-Pacific Resources Corp		(13,934)		(13,599)
Deferred Tax Liability	$	407,297	$	397,507

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, 2023			March 31, 2022		
	Shares (#)		Value ($)	Shares (#)		Value ($)
Common shares, January 1	656,987,039	$	33,016,445	656,987,039	$	33,016,445
Options exercised during period	-		-	-		-
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.

(in Canadian dollars)

12. Share capital (continued):

There were no stock options granted during the three months ended March 31, 2023, and twelve months ended December 31, 2022.

During the three months ended March 31, 2023 and March 31, 2022, no options were exercised.

	March 31, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	39,900,000	$ 0.015	39,900,000	$ 0.015
Issued	-	-	-	-
Exercised	-	-	-	-
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	0.25	39,900,000

As TVI has been in a continuous black-out period since 2019 and through to March 31, 2023, 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, 2023, $nil (March 31, 2022 - $nil) of stock-based compensation was charged to the consolidated statement of comprehensive income.

	Three months ended March 31, 2023	Three months ended March 31, 2022
Contributed surplus, beginning of period	$ 7,074,580	$ 7,074,580
Stock-based compensation	-	-
Contributed surplus, end of period	$ 7,074,580	$ 7,074,580

13. Per share data:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Net income (loss)	$ (2,174,102)	$ 866,339
Weighted average number of shares, basic	656,987,039	656,987,039
Weighted average numbers of shares, diluted	656,987,039	683,551,478
Basic income (loss) per share	(0.003)	0.001
Diluted income (loss) per share	(0.003)	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.

(in Canadian dollars)

14. Expenses by nature:

	Three months ended March 31	
	2023	2022
Personnel costs	$ 168,821	$ 155,897
Professional fees	51,160	44,537
Contracted services	33,066	36,476
Travel and transportation	31,361	28,068
Insurance	19,949	18,593
Investor relations	14,193	15,168
Rent	12,766	12,628
Taxes and licenses	3,186	5,553
Utilities	2,235	3,690
Materials and supplies	265	659
Others	1,108	3,166
Total administrative and general costs	$ 338,110	$ 324,435

15. Changes in working capital:

	Three months ended March 31	
	2023	2022
Accounts receivable	$ 915	$ (2,358)
Prepaid expenses	(374)	(11,824)
Trade accounts payables and accrued liabilities	81,019	(103,435)
Income tax payable	-	81,112
Due from related parties	(75)	(150)
Due to related parties	298,958	65,285
Total changes in working capital	$ 380,443	$ 28,630

16. Foreign exchange gain (loss):

	Three months ended March 31	
	2023	2022
Unrealized foreign exchange gain (loss)	$ (469)	$ (859)
Realized foreign exchange gain (loss)	(28)	(202)
	$ (497)	$ (1,061)

The unrealized foreign exchange gain (loss) during the period ended March 31, 2023 and 2022 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, 2023, such that the agreement for office premises is month-to-month and no commitments are in effect beyond 30 days.

19. Subsequent Events:

On April 20, 2023, the Chairman and CEO of the Company exercised an aggregate of 18,000,000 stock options resulting in gross proceeds to the Company of $270,000.

On April 24, 2023, TVIRD made its ninth 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, reducing the outstanding principal loan balance of the US$28.5 million facility to approximately US $11.4 million.

On May 30, 2023, the Company announced it has entered into a binding term sheet, dated May 29, 2023, which sets out certain terms of a proposed private placement to Prime Resources Holdings, Inc., directly or through one or more of its subsidiaries or affiliates (collectively, **"PRHI"**), of common shares in the capital of the Company. The private placement contemplates that PRHI will subscribe for an purchase up to 53,600,000 Common Shares at a price of $0.025 per share representing an aggregate price of $1,340,000 (or approximately US$1,000,000).

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Share Listing:

TSX Venture Exchange Symbol: TVI

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