



## **Interim Consolidated Financial Statements**

**For the Three Months Ended  
March 31, 2024 and 2023  
(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, 2024, 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.

TVI Pacific Inc.  
**Consolidated Statements of Financial Position**  
**March 31, 2024**  
**(in Canadian dollars)**



	Notes	March 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	\$ 73,553	\$ 266,155
Accounts receivable	5	9,175	18,338
Due from related parties	6(a)	3,025	3,012
Prepaid expenses		8,874	3,050
<b>Total current assets</b>		<b>94,627</b>	<b>290,555</b>
<b>Non-current assets:</b>			
Investment in joint venture	8	21,658,468	22,545,440
Property and equipment		8,620	9,300
Other assets		6	6
<b>Total non-current assets</b>		<b>21,667,094</b>	<b>22,554,746</b>
<b>Total assets</b>		<b>\$ 21,761,721</b>	<b>\$ 22,845,301</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	9	\$ 419,445	\$ 315,126
Due to related parties	6(b)	3,238,017	3,114,720
Income tax payable		4	4
<b>Total current liabilities</b>		<b>3,657,466</b>	<b>3,429,850</b>
<b>Non-current liabilities:</b>			
Retirement benefit payable	10	224,220	208,944
Deferred tax liability	11	327,098	322,715
<b>Total non-current liabilities</b>		<b>551,318</b>	<b>531,659</b>
<b>Total liabilities</b>		<b>4,208,784</b>	<b>3,961,509</b>
<b>Equity attributable to shareholders of the Company:</b>			
Share capital	12(b)	34,374,277	34,374,277
Contributed surplus	12(d)	7,326,748	7,326,748
Deficit		(18,620,122)	(17,050,786)
Translation reserves		(5,527,966)	(5,766,447)
<b>Total equity</b>		<b>17,552,937</b>	<b>18,883,792</b>
<b>Total liabilities and equity</b>		<b>\$ 21,761,721</b>	<b>\$ 22,845,301</b>

Going concern (note 1)  
Commitment (note 18)  
Subsequent events (note 19)

The accompanying notes are an integral part of these consolidated interim 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 Loss**  
**March 31, 2024 and 2023**  
(in Canadian dollars)



	Notes	Three months ended March 31	
		2024	2023
<b>Expenses:</b>			
Depreciation expense		\$ 680	\$ 1,537
Administrative and general costs	14	382,756	338,110
<b>Total expenses</b>		<b>383,436</b>	<b>339,647</b>
<b>Operating loss</b>		<b>(383,436)</b>	<b>(339,647)</b>
<b>Other income (expenses):</b>			
Interest income (expense), net	16	(54,277)	(39,281)
Foreign exchange gain (loss)	17	2,109	(497)
Share of loss of joint venture	8	(1,133,732)	(1,794,677)
<b>Other income (expenses), net</b>		<b>(1,185,900)</b>	<b>(1,834,455)</b>
Net loss before income tax		(1,569,336)	(2,174,102)
Income tax expense		-	-
<b>Net loss</b>		<b>\$ (1,569,336)</b>	<b>\$ (2,174,102)</b>
<b>Other comprehensive income (loss):</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustment – foreign operations		(8,279)	(11,193)
Foreign currency translation adjustment – associates and joint venture		246,760	818,173
<b>Comprehensive loss</b>		<b>\$ (1,330,855)</b>	<b>\$ (1,367,122)</b>
Basic loss per share	13	\$ (0.002)	\$ (0.003)
Diluted loss per share	13	(0.002)	(0.003)
Weighted average number of common shares, basic	13	690,050,022	656,987,039
Weighted average number of common shares, diluted	13	690,050,022	656,987,039

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

**TVI Pacific Inc.**  
**Unaudited Interim Consolidated Statements of Changes in Equity**  
**March 31, 2024 and 2023**  
**(in Canadian dollars)**

	Share capital (Note 12b)	Contributed surplus (Note 12d)	Deficit	Translation reserves	Total equity
<b>January 1, 2024</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ (17,050,786)</b>	<b>\$ (5,766,447)</b>	<b>\$ 18,883,792</b>
<b>Comprehensive loss</b>					
Net loss			(1,569,336)		(1,569,336)
Other comprehensive gain:					
Foreign currency translation adjustment				238,481	238,481
<b>Total comprehensive loss</b>	-	-	(1,569,336)	238,481	(1,330,855)
<b>March 31, 2024</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ (18,620,122)</b>	<b>\$ (5,527,966)</b>	<b>\$ 17,552,937</b>
<b>January 1, 2023</b>	<b>\$ 33,016,445</b>	<b>\$ 7,074,580</b>	<b>\$ (8,466,859)</b>	<b>\$ (5,242,126)</b>	<b>\$ 26,382,040</b>
<b>Comprehensive loss</b>					
Net loss	-	-	(2,174,102)	-	(2,174,102)
Other comprehensive gain:					
Foreign currency translation adjustment	-	-	-	806,980	806,980
<b>Total comprehensive loss</b>	-	-	(2,174,102)	806,980	(1,367,122)
<b>March 31, 2023</b>	<b>\$ 33,016,445</b>	<b>\$ 7,074,580</b>	<b>\$ (10,640,961)</b>	<b>\$ (4,435,146)</b>	<b>\$ 25,014,918</b>

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, 2024 and 2023**  
**(in Canadian dollars)**

	Notes	Three months ended March 31	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss before income tax		\$ (1,569,336)	\$ (2,174,102)
Adjustments for:			
Depreciation expense		680	1,537
Unrealized foreign exchange gain (loss)	17	(2,083)	469
Share of loss of joint venture	8	1,133,732	1,794,677
Changes in non-cash working capital	15	232,047	380,443
Changes in retirement benefit payable	10	12,160	-
<b>Net cash used in operating activities</b>		<b>(192,800)</b>	<b>3,024</b>
<hr/>			
Effect of foreign exchange rates on cash		198	568
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Net increase (decrease) in cash and cash equivalents		(192,602)	3,592
Cash and cash equivalents at beginning of the period		266,155	134,886
<b>Cash and cash equivalents at end of the period</b>		<b>\$ 73,553</b>	<b>\$ 138,478</b>

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 wholly-owned Balabag gold-silver mine and 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 wholly 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, 2024, TVI also holds a 14.4% equity interest in Mindoro Resources Ltd. (“**Mindoro**”), an entity incorporated in Canada that is engaged in mining and exploration in the Philippines. TVI has established its principal business address at Suite 600, 505 2<sup>nd</sup> St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated interim financial statements were authorized for issue by the Board of Directors on May 24, 2024.

**Going concern**

These consolidated interim financial statements (“**consolidated interim financial statements**”) have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) 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, 2024, the Company had a working capital deficit of \$3.6 million (March 31, 2023 – \$2.5 million deficit), including total cash and cash equivalents of \$0.1 million (March 31, 2023 – \$0.1 million). During the three months ended March 31, 2024, the Company realized a net loss of \$1.6 million (March 31, 2023 – \$2.2 million net loss). At March 31, 2024, the Company had an accumulated deficit of \$18.6 million (March 31, 2023 – \$10.6 million). In addition, the Company recorded cash outflows from operations of \$0.2 million for the three months ended March 31, 2024 (March 31, 2023 - \$0.1 million cash outflow). As at March 31, 2024, the Company had accounts payable and accrued liabilities of \$0.4 million (March 31, 2023 - \$0.4 million) and a payable to related parties of \$3.2 million (March 31, 2023 - \$2.3 million), but has no other outstanding loans payable or any annual expenditure obligations.

During the three months ended March 31, 2024, and March 31, 2023, no dividends were 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.

**1. Corporate information, nature of operations and going concern (continued):**

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 interim 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 have been prepared in accordance with IFRS Accounting Standards.

**(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.

**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.

*a) Financial risk management*

*(i) Currency risk*

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

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

For the three months ended March 31, 2024:

- a) the impact on net loss if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$2,558.
- b) the impact on net loss if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$598.

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

	Average rate		Spot rate	
	Three months ended Mar.31.2024	Year ended Dec.31.2023	Mar.31.2024	Dec.31.2023
Canadian Dollar/US Dollar	1.3486	1.3497	1.3550	1.3226
Canadian Dollar/ Philippine Peso	0.0236	0.0243	0.0241	0.0238



**3. Financial risk management (continued):**

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 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, 2024 (March 31, 2023 – 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) Liquidity risk*

As at March 31, 2024 and March 31, 2023, the Company has a \$3.6 million and \$2.5 million working capital deficit, respectively.

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, 2024	December 31, 2023
Due within 12 months:		
Accounts payable and accrued liabilities (note 9)	\$ 419,445	\$ 315,126
Due to related parties (note 6)	3,238,017	3,114,720
Income tax payable	4	4
	<b>\$ 3,657,466</b>	<b>\$ 3,429,850</b>

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.

*(iv) 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 that have been approved by the Board of Directors.

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

	March 31, 2024	December 31, 2023
Due within 12 months:		
Accounts receivable	\$ 9,175	\$ 18,338
Due from related parties	3,025	3,012
	<b>\$ 12,200</b>	<b>\$ 21,350</b>

The carrying amounts of cash and cash equivalents, accounts receivable, due from related parties and other assets at March 31, 2024 represent the Company's maximum credit risk exposure.

**3. Financial risk management (continued):**

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).

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, retirement benefit payable, and accounts payable and accrued liabilities approximate their fair values at March 31, 2024 and March 31, 2023 due to their short-term nature.

c) *Capital risk management*

The Company monitors capital on the basis of the debt-to-equity ratio and the debt-to-assets ratio. Debt is composed of accounts payable, 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, 2024	December 31, 2023
Debt	\$ 3,657,466	\$ 3,429,850
Equity	23,080,903	24,650,239
Assets	21,761,721	22,845,301
Debt-to-equity	16%	14%
Debt-to-assets	17%	15%

**4. Cash and cash equivalents:**

Cash and cash equivalents consist of:

	March 31, 2024	December 31, 2023
Cash on hand	\$ 362	\$ 357
Cash in banks	73,191	265,798
	\$ 73,553	\$ 266,155

Cash in banks earns interest at the prevailing bank deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value.

**5. Accounts receivable:**

Accounts receivable consists of:

	March 31, 2024	December 31, 2023
Goods and services tax receivable	\$ 9,161	\$ 18,229
Others	14	109
	\$ 9,175	\$ 18,338

**TVI Pacific Inc.**  
**Notes to the Unaudited Interim Consolidated Financial Statements**  
**March 31, 2024 and 2023**  
**(in Canadian dollars)**

**6. Related party transactions:**

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

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		March 31, 2024	December 31, 2023
<b>Subsidiaries of TVI:</b>			
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%
<b>Associates/Joint Venture:</b>			
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, 2024	December 31, 2023
TVIRD	\$ 3,025	\$ 3,012
Total due from related parties	\$ 3,025	\$ 3,012

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, 2024	December 31, 2023
Seajay Management	\$ 1,857,883	\$ 1,795,523
Directors' fees	1,148,770	1,094,906
Due to Officers	188,491	182,646
Regent Parkway 3202 Management Inc (" <b>Regent Parkway</b> ")	42,873	41,645
	\$ 3,238,017	\$ 3,114,720

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 \$nil paid during the three months ended March 31, 2024 (December 31, 2023 - \$nil). Management fees of \$40,125 related to services of the President were incurred during the three months ended March 31, 2024 and 2023.

During the three months ended March 31, 2024, the Company accrued interest expense of \$24,278 on the unpaid management fees (March 31, 2023 - \$17,077).

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 \$27,000 were incurred during the three months ended March 31, 2024 (March 31, 2023 - \$25,375).

During the three months ended March 31, 2024, the Company accrued interest expense of \$26,864 on the unpaid Director's fees (March 31, 2023 - \$17,037).

**6. Related party transactions (continued):**

The Company has not fully paid the Chief Financial Officer dating back to 2017. At March 31, 2024, unpaid fees of \$174,825 are outstanding (December 31, 2023 - \$169,506) and during the three months ended March 31, 2024, the Company accrued interest expense of \$4,537 (March 31, 2023 - \$3,503) on the unpaid CFO fees.

During the three months ended March 31, 2024, the Company also incurred expenses of \$63,110 (March 31, 2023 - \$61,113) 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 an entity incorporated in Canada that is engaged in mining and exploration in the Philippines. The trading of common shares of Mindoro has been suspended since the date Mindoro announced its move to the NEX for failure to maintain the requirements for a TSX Venture Exchange Tier 2 company (January 26, 2018). Effective then on May 25, 2021, the shares of Mindoro were delisted from the NEX for failure to pay its NEX listing maintenance fees. The annual reporting period of Mindoro ends as at December 31.

As at March 31, 2024, 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, 2024, 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:**

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing).

Investment in joint venture at December 31, 2022	\$	28,984,522
Share of net loss		(5,905,425)
Share of other comprehensive loss		(15,738)
Foreign exchange revaluation		(517,919)
Investment in joint venture at December 31, 2023		22,545,440
Share of net loss		(1,133,732)
Foreign exchange revaluation		246,760
Investment in joint venture at March 31, 2024	\$	21,658,468

TVIRD continues to be the 100% owner and operator of the Balabag gold/silver mine and the Siana gold mine and holds also a 60% interest in both the Agata mining projects and Mabilo.

Through the three months ended March 31, 2024, and the twelve months ended December 31, 2023, a net loss from TVIRD operations has been generated largely as a result of: (1) the adoption of amendments to IAS 16 that became effective January 1, 2022, and has required TVIRD to fully realize development and rehabilitative costs associated with Siana following commencement of sales of gold doré produced in December 2022 rather than to defer them. Prior to January 1, 2022, such costs would have been deferred and then subsequently amortized following the declaration of commercial production; and (2) site overhead costs at Agata that have continued in the absence of shipments and related revenue (March 31, 2024 – nil shipments year-to-date as operations have ceased, as compared to seven (7) shipments of nickel laterite through the twelve months ended December 31, 2023).

**TVI Pacific Inc.**  
**Notes to the Unaudited Interim Consolidated Financial Statements**  
**March 31, 2024 and 2023**  
**(in Canadian dollars)**

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**8. Investment in joint venture (continued):**

The joint venture had no material contingent liabilities as at March 31, 2024. The information above reflects the amounts presented in the financial statements of TVIRD adjusted for differences in accounting policies between TVI and TVIRD.

Dividends received from the joint venture reduce the book value of investment in joint venture. As of December 31, 2023, the Company's 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 twelve months ended December 31, 2023 (December 31, 2022 - \$0.7 million).

**9. Accounts payable and accrued liabilities:**

Accounts payable consist of the following:

	March 31, 2024	December 31, 2023
Trade payables	\$ 275,232	\$ 117,865
Other accrued liabilities	144,213	197,261
	<u>\$ 419,445</u>	<u>\$ 315,126</u>

Accrued liabilities 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, 2024, the company recorded retirement benefit payable of \$224,220 (December 31, 2023 - \$208,944).

**11. Deferred tax liability:**

	March 31, 2024	December 31, 2023
TVI Minerals	\$ 369,405	\$ 364,455
TVI Asia-Pacific Resources Corp.	(42,307)	(41,740)
Deferred Tax Liability	<u>327,098</u>	<u>322,715</u>

Deferred tax liability is calculated as anticipated tax rate multiplied by the difference between taxable income and net loss (income) before taxes.

**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.

**TVI Pacific Inc.**  
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**12. Share capital (continued):**

**(b) Issued and fully paid**

	March 31, 2024		March 31, 2023	
	Shares (#)	Value (\$)	Shares (#)	Value (\$)
Common shares, January 1	728,587,039	\$ 34,374,377	656,987,039	\$ 33,016,445
Options exercised during the period	-	-	-	-
Common shares, end of the period	728,587,039	\$ 34,374,377	656,987,039	\$ 33,016,445

During the year ended December 31, 2023, the Company has: (1) completed a non-brokered private placement to Prime Resources Holdings, Inc. (“**PRHI**”) in August 2023 of 53,600,000 common shares in the capital of the Company, at a price of \$0.025 per share, for gross proceeds of \$1,340,000; and (2) In April 2023 received a further \$270,000 of proceeds through the exercise of 18,000,000 stock options by the Chairman and CEO of the Company in compliance with the Company’s Stock Option Policy, \$17,832 of which has been allocated to the share value and the balance of \$252,168 has been charged to contributed surplus.

**(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 (3) years and expire no more than five (5) years from the date of grant.

There were no stock options granted during the three months ended March 31, 2024, and twelve months ended December 31, 2023.

During the three months ended March 31, 2024, no stock options were exercised but during the twelve months ended December 31, 2023, 18,000,000 stock options were exercised (in April 2023) by the Chairman and CEO of the Company in compliance with the Company’s Stock Option Policy.

	March 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	21,900,000	\$ 0.015	39,900,000	\$ 0.015
Exercised	-	-	18,000,000	0.015
Options outstanding, end of period	21,900,000	\$ 0.015	21,900,000	\$ 0.015
Options exercisable, end of period	21,900,000	\$ 0.015	21,900,000	\$ 0.015

Price range	Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
\$ 0.015	21,900,000	0.25	21,900,000

As TVI has been in a continuous black-out period since 2019 and through to March 31, 2024, stock options that had been scheduled to expire in May 2019 and June 2020 have been extended through to the date of these consolidated interim financial statements in accordance with the Company’s Stock Option Plan. The black-out period has applied to all insiders.

**12. Share capital (continued):**

**(d) Stock-based compensation and contributed surplus**

During the three months ended March 31, 2024, \$nil (December 31, 2023 - \$nil) of stock-based compensation was charged to the consolidated statement of comprehensive income (loss).

	Three months ended March 31, 2024	Three months ended March 31, 2023
Contributed surplus, beginning of period	\$ 7,326,748	\$ 7,074,580
Stock-based compensation	-	-
Contributed surplus, end of period	\$ 7,326,748	\$ 7,074,580

The increase in contributed surplus at January 1, 2024, is attributed to the exercise of 18,000,000 stock options by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy in April 2023.

**13. Per share data:**

	Three months ended March 31, 2024	Three months ended March 31, 2023
Net income (loss)	\$ (1,569,336)	\$ (2,174,102)
Weighted average number of shares, basic	690,050,022	656,987,039
Weighted average number of shares, diluted	690,050,022	656,987,039
Basic income per share	(0.002)	(0.003)
Diluted income per share	(0.002)	(0.003)

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, 2024	Three months ended March 31, 2023
Personnel costs	\$ 192,609	\$ 168,821
Contracted services	59,447	33,066
Professional fees	52,429	51,160
Travel and transportation	28,131	31,361
Insurance	15,073	19,949
Investor relations	14,366	14,193
Rent	11,729	12,766
Taxes and licenses	4,095	3,186
Utilities	2,003	2,235
Materials and supplies	705	265
Others	2,169	1,108
Total administrative and general costs	\$ 382,756	\$ 338,110

**TVI Pacific Inc.**  
**Notes to the Unaudited Interim Consolidated Financial Statements**  
**March 31, 2024 and 2023**  
**(in Canadian dollars)**

**15. Changes in working capital:**

	Three months ended March 31	
	2024	2023
Accounts receivable	\$ 9,164	\$ 915
Prepaid expenses	(5,824)	(374)
Trade accounts payables and accrued liabilities	110,929	81,019
Due from related parties	(13)	(75)
Due to related parties	117,791	298,958
Total changes in working capital	\$ 232,047	\$ 380,443

**16. Interest income (expense):**

	Three months ended March 31	
	2024	2023
Interest income	\$ 530	\$ 182
Interest (expense)	(54,807)	(39,463)
	\$ (54,277)	\$ (39,281)

The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 6b) that is calculated on total unpaid fees. The interest 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 (3) months ended March 31, 2024 (March 31, 2023 – nil).

**17. Foreign exchange gain (losses):**

	Three months ended March 31	
	2024	2023
Unrealized foreign exchange gain (loss)	\$ 2,083	\$ (469)
Realized foreign exchange gain (loss)	26	(28)
	\$ 2,109	\$ (497)

**18. Commitment:**

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

**19. Subsequent events:**

On April 16, 2024, the Company announced that pursuant to the terms and conditions of unsecured interest-bearing promissory notes (the "Notes") issued by TVI, Prime Resources Holdings, Inc. ("PRHI") has advanced loans in the principal amounts of \$171,732 and \$71,196, respectively, for aggregate proceeds of \$242,928 to fund certain accrued expenses of the Company. Pursuant to the terms of the Notes, outstanding indebtedness under the Notes accrues interest at prime plus 2.0% per annum and, subject to certain acceleration events, mature in October 2025.

On April 23, 2024, TVIRD made its thirteenth (13) quarterly amortization repayment in relation to the 5-year term loan with China Banking Corporation in the amount of US \$1.971 million and including US\$0.071 million interest, reducing the original principal loan balance of the US\$28.5 million facility to approximately US\$3.8 million.

On May 13, 2024, the Company announced a voluntary suspension of mining operations at Siana as a result of an unforeseen failure of the embankment of Tailings Storage Facility 3 (TSF3) that occurred on May 11, 2024. There has been no reported loss of life or injury to GRC personnel or members of the immediate community nor has there been any damage incurred to the current mining operations,



**19. Subsequent events (continued):**

including the mine infrastructure and equipment, the active TSF (TSF6) or the mine itself. Milling operations are currently continuing using the existing run-of-mine stockpile.

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**TVI Pacific Inc.**  
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**(in Canadian dollars)**

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***Corporate Head Office:***

Suite 600, 505 2nd St. SW  
Calgary, Alberta  
Canada T2P 1N8  
Telephone: (403) 265-4356  
Email: [tv-info@tvipacific.com](mailto:tv-info@tvipacific.com)  
Web: [www.tvipacific.com](http://www.tvipacific.com)

***Corporate Directory:***

Clifford M. James, President and Chief Executive Officer  
Telephone: (403) 265-4356  
Email: [tv-info@tvipacific.com](mailto:tv-info@tvipacific.com)

Patrick B. Hanna, Chief Financial Officer  
Telephone: (403) 265-4356  
Email: [tv-info@tvipacific.com](mailto:tv-info@tvipacific.com)

***Registrar and Transfer Agent:***

Computershare Trust Company of Canada  
800, 324–8<sup>th</sup> Avenue SW  
Calgary, Alberta, Canada T2P 2Z2  
Telephone: (403) 267-6800

***Share Listing:***

TSX Venture Exchange Symbol: TVI

***Auditors:***

PricewaterhouseCoopers LLP  
3100, 111–5<sup>th</sup> Avenue SW  
Calgary, Alberta, Canada T2P 5L3  
Telephone: (403) 509-7500