



## **Interim Consolidated Financial Statements**

**For the Six Months Ended  
June 30, 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 June 30, 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.

TVI Pacific Inc.  
 Unaudited Interim Consolidated Statements of Financial Position  
 June 30, 2023  
 (in Canadian dollars)



	Notes	June 30, 2023	December 31, 2022
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	\$ 68,376	\$ 134,886
Accounts receivable	5	21,937	11,512
Due from related parties	6(a)	3,012	3,071
Prepaid expenses		6,521	9,093
<b>Total current assets</b>		<b>99,846</b>	<b>158,562</b>
<b>Non-current assets:</b>			
Investment in joint venture	8	25,735,959	28,984,522
Property and equipment		13,013	15,739
Other assets		5	5
<b>Total non-current assets</b>		<b>25,748,977</b>	<b>29,000,266</b>
<b>Total assets</b>		<b>\$ 25,848,823</b>	<b>\$ 29,158,828</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	9	\$ 636,454	\$ 350,894
Due to related parties	6(b)	2,299,639	1,960,061
<b>Total current liabilities</b>		<b>2,936,093</b>	<b>2,310,955</b>
<b>Non-current liabilities:</b>			
Retirement benefit payable	10	67,450	68,326
Deferred tax liability	11	392,409	397,507
<b>Total non-current liabilities</b>		<b>459,859</b>	<b>465,833</b>
<b>Total liabilities</b>		<b>3,395,952</b>	<b>2,776,788</b>
<b>Equity attributable to shareholders of the Company:</b>			
Share capital	12(b)	33,034,277	33,016,445
Contributed surplus	12(d)	7,326,748	7,074,580
Deficit		(12,304,684)	(8,466,859)
Translation reserves		(5,603,470)	(5,242,126)
<b>Total equity</b>		<b>22,452,871</b>	<b>26,382,040</b>
<b>Total liabilities and equity</b>		<b>\$ 25,848,823</b>	<b>\$ 29,158,828</b>

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

TVI Pacific Inc.  
**Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)**  
**June 30, 2023 and 2022**  
**(in Canadian dollars)**



	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
<b>Expenses:</b>					
Depreciation expense		\$ 1,166	\$ 1,484	\$ 2,703	\$ 2,824
Administrative and general costs	14	543,101	431,258	881,211	755,693
<b>Total expenses</b>		<b>544,267</b>	<b>432,742</b>	<b>883,914</b>	<b>758,517</b>
<b>Operating loss</b>		<b>(544,267)</b>	<b>(432,742)</b>	<b>(883,914)</b>	<b>(758,517)</b>
<b>Other income (expenses):</b>					
Interest income		45	224	227	310
Interest expense		(42,437)	(16,303)	(81,900)	(30,105)
Foreign exchange gain (loss)	16	(246)	10,016	(743)	8,955
Other gains	17	-	-	-	200,610
Share of income of joint venture	8	(1,076,818)	2,332,882	(2,871,495)	3,339,163
<b>Other income (expenses), net</b>		<b>(1,119,456)</b>	<b>2,326,819</b>	<b>(2,953,911)</b>	<b>3,518,933</b>
Net income (loss) before income tax		(1,663,723)	1,894,077	(3,837,825)	2,760,416
<b>Net income (loss)</b>		<b>(1,663,723)</b>	<b>1,894,077</b>	<b>(3,837,825)</b>	<b>2,760,416</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		26,916	(2,646,964)	15,724	34,931
Foreign currency translation adjustment – joint venture		(1,195,241)	(912,535)	(377,068)	(2,376,965)
<b>Comprehensive income (loss)</b>		<b>\$ (2,832,048)</b>	<b>\$ (1,665,422)</b>	<b>\$ (4,199,169)</b>	<b>\$ 418,382</b>
Basic income (loss) per share	13	\$ (0.003)	\$ 0.003	\$ (0.006)	\$ 0.004
Diluted income (loss) per share	13	(0.003)	0.003	(0.006)	0.004
Weighted average number of common shares, basic	13	664,126,704	656,894,064	664,126,704	656,987,039
Weighted average number of common shares, diluted	13	681,312,547	679,668,013	681,312,547	679,668,013

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

TVI Pacific Inc.  
**Unaudited Interim Consolidated Statements of Changes in Equity**  
**June 30, 2023 and 2022**  
**(in Canadian dollars)**



	Share capital (Note 12b)	Contributed surplus (Note 12d)	Deficit	Accumulated other comprehensive income (loss)	Total equity
<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>Transactions with owners</b>					
Options exercised (note 12(c))	17,832	252,168			270,000
<b>Total transaction with owners</b>	<b>17,832</b>	<b>252,168</b>			<b>270,000</b>
<b>Comprehensive income/(loss)</b>					
Net income (loss)	-	-	(3,837,825)	-	(3,837,825)
Other comprehensive income (loss):					
Foreign currency translation adjustment	-	-	-	(361,344)	(361,344)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>(3,837,825)</b>	<b>(361,344)</b>	<b>(4,199,169)</b>
<b>June 30, 2023</b>	<b>\$ 33,034,277</b>	<b>\$ 7,326,748</b>	<b>\$ (12,304,684)</b>	<b>\$ (5,603,470)</b>	<b>\$ 22,452,871</b>
<b>January 1, 2022</b>	<b>\$ 33,016,445</b>	<b>\$ 7,074,580</b>	<b>\$ (8,973,285)</b>	<b>\$ (4,111,679)</b>	<b>\$ 27,006,061</b>
<b>Comprehensive income (loss)</b>					
Net income	-	-	2,760,416	-	2,760,416
Other comprehensive income (loss):					
Foreign currency translation adjustment	-	-	-	(2,342,034)	(2,342,034)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>2,760,416</b>	<b>(2,342,034)</b>	<b>418,382</b>
<b>June 30, 2022</b>	<b>\$ 33,016,445</b>	<b>\$ 7,074,580</b>	<b>\$ (6,212,869)</b>	<b>\$ (6,453,713)</b>	<b>\$ 27,424,443</b>

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, 2023 and 2022**  
**(in Canadian dollars)**



	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income (loss) before income tax		\$ (1,663,723)	\$ 1,894,077	\$ (3,837,825)	\$ 2,760,416
Adjustments for:					
Depreciation expense		1,166	1,484	2,703	2,824
Unrealized foreign exchange (gain) loss	16	276	(9,867)	745	(9,008)
Interest expense			16,303		30,105
Gain on sale of TG World (BVI) Corp	17	-	-	-	(200,610)
Share of loss (gains) of joint venture	8	1,076,818	(2,332,881)	2,871,495	(3,339,163)
Changes in working capital	15	246,090	74,034	626,534	102,277
Distribution from investment in joint venture, net of tax	8	-	684,446	-	684,446
<b>Net cash used in operating activities</b>		<b>(339,373)</b>	<b>327,596</b>	<b>(336,348)</b>	<b>31,287</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Shares issued – Options exercised	12(c)	270,000	-	270,000	-
<b>Net cash used from financing activities</b>		<b>270,000</b>	<b>-</b>	<b>270,000</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Expenditures on property and equipment and other assets		-	(2,662)	-	(4,417)
<b>Net cash used from investing activities</b>		<b>-</b>	<b>(2,662)</b>	<b>-</b>	<b>(4,417)</b>
Effect of foreign exchange rates on cash		(729)	(2,870)	(162)	(1,435)
Net decrease in cash and cash equivalents		(70,102)	322,064	(66,510)	25,435
Cash and cash equivalents at beginning of the period		138,478	201,096	134,886	497,725
<b>Cash and cash equivalents at end of the period</b>		<b>\$ 68,376</b>	<b>\$ 523,160</b>	<b>\$ 68,376</b>	<b>\$ 523,160</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 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 (“**MLED**C”) and the Mabilo project (“**Mabilo**”) that MLED C 100% owns and operates, and various other exploration properties in the Philippines. TVIRD holds the 60% indirect interest in MLED C through its 100% ownership of SageCapital Partners, Inc. (“**SageCapital**”). At June 30, 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 2<sup>nd</sup> St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated financial statements were authorized for issue by the Board of Directors on August 24, 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 six months ended June 30, 2023, TVI reported a net loss of \$3,837,825 (June 30, 2022 - \$2,760,416 net income) resulting primarily from the share of loss from joint venture (note 8). TVI had a working capital deficit of \$2,836,247 at June 30, 2023 (December 31, 2022 – \$2,152,394 working capital deficit). As at June 30, 2023, the Company had accounts payable and accrued liabilities of \$636,453 (December 31, 2022 - \$350,894) and a payable to related parties of \$2,299,639 (December 31, 2022 - \$1,960,061) but has no other outstanding loans payable or any annual expenditure obligations.

During the six months ended June 30, 2023, no dividend was received from TVIRD (June 30, 2022 - \$684,446). 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.

**Going concern (continued):**

On August 15, 2023, the Company has completed and closed its previously announced non-brokered private placement to Prime Resources Holdings, Inc. 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 (or approximately US\$1,000,000) (see note 19: "Subsequent Events").

**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.

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 and interest rate 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.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. The consolidated interim financial statements 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 six months ended June 30, 2023:

- (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 \$2,450.
- (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 \$525.

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, 2023	December 31, 2022
	June 30, 2023	December 31, 2022		
Canadian Dollar/US Dollar	1.3477	1.3013	1.3240	1.3544
Canadian Dollar/ Philippine Peso	0.0244	0.0239	0.0239	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 six months ended June 30, 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) Liquidity risk

As at June 30, 2023, the Company has a \$2.8 million working capital deficit (December 31, 2022 - 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.

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

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

	June 30, 2023	December 31, 2022
Due within 12 months:		
Accounts payable and accrued liabilities	\$ 636,453	\$ 350,894
Due to related parties	2,299,639	1,960,061
	<b>\$ 2,936,092</b>	<b>\$ 2,310,955</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.

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

#### 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, 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, 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 June 30, 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 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.

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

	June 30, 2023	December 31, 2022
Debt	\$ 2,936,092	\$ 2,310,955
Equity	28,056,341	31,624,166
Assets	25,848,822	29,158,828
Debt-to-equity	10%	7%
Debt-to-assets	11%	8%

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 unpaid management and directors' fees since January 2017.

### 4. Cash and cash equivalents:

Cash in banks 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, 2023	December 31, 2022
Cash on hand	\$ 359	\$ 365
Cash in banks	68,017	134,521
Total cash on hand and in banks	\$ 68,376	\$ 134,886

Cash and cash equivalents are denominated in the following currencies:

<i>reported in Canadian dollar equivalents</i>	June 30, 2023	December 31, 2022
US Dollars	\$ 47,997	\$ 94,337
Canadian Dollars	9,888	23,403
Philippine Pesos	10,491	17,146
	\$ 68,376	\$ 134,886

Cash and cash equivalents are held in the following countries:

<i>reported in Canadian dollar equivalents</i>	June 30, 2023	December 31, 2022
Canada	\$ 8,991	\$ 67,710
Singapore	43,875	45,098
Philippines	15,510	22,078
	\$ 68,376	\$ 134,886

### 5. Accounts receivable:

Accounts receivable consist of:

	June 30, 2023	December 31, 2022
Goods and services tax receivable	\$ 21,937	\$ 11,512
Others	120	-
Total Accounts Receivable	\$ 21,937	\$ 11,512



**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, 2023	December 31, 2022
<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**

	June 30, 2023	December 31, 2022
TVIRD	\$ 3,012	\$ 3,071
	<b>\$ 3,012</b>	<b>\$ 3,071</b>

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

**(b) Due to related parties**

	June 30, 2023	December 31, 2022
Seajay Management	\$ 961,609	\$ 857,073
Director's fees	965,045	860,592
Due to Officers	278,410	199,035
Regent Parkway	94,575	43,361
Total due to related parties	<b>\$ 2,299,639</b>	<b>\$ 1,960,061</b>

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 six months ended June 30, 2023 (June 30, 2022 - \$30,107). Management fees of \$40,125 and \$80,250 related to the services of the President were incurred during the three and six months ended June 30, 2023, respectively (June 30, 2022 - \$40,125 and \$80,250, respectively).

During the three and six months ended June 30, 2023, the Company accrued interest expense of \$18,647 and \$35,724, respectively on the unpaid management fees (June 30, 2022 - \$6,755 and 12,270).

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 \$35,375 and \$60,750, respectively were

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

incurred during the three and six months ended June 30, 2023 (June 30, 2022 - \$49,375 and 74,750, respectively).

During the three and six months ended June 30, 2023, the Company accrued interest expense of \$26,667 and \$43,704, respectively on the unpaid Director's fees (June 30, 2022 - \$8,552 and \$15,745, respectively).

The Company has not fully paid the Chief Financial Officer dating back to 2017. During the three and six months ended June 30, 2023, the Company accrued interest expense of \$3,503 and \$7,150, respectively (June 30, 2022 - \$1,124 and \$2,584, respectively) on the unpaid CFO fees.

During the three and six months ended June 30, 2023, the Company also incurred expenses of \$49,245 and \$110,358, respectively (June 30, 2022 - \$51,702 and \$112,891, 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 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, 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 June 30, 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.

	<b>June 30, 2023</b>	
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 of other comprehensive income		(1,137,530)
Cash distribution from joint venture received, net of taxes of \$120,785		(684,446)
Investment in joint venture at December 31, 2022		28,984,522
Share of net loss		(2,871,495)
Foreign exchange revaluation of other comprehensive income		(377,068)
Investment in joint venture at June 30, 2023	\$	25,735,959

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.

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

Through the six months ended June 30, 2023, TVIRD has realized a net loss from operations largely as a result of: (1) the adoption of amendments to IAS 16 as described in note 2(c) that has required TVIRD to fully realize costs associated with Siana rather than to defer them following commencement of sales of gold doré produced since December 2022 as Siana continues to work through the soft commissioning phase; and (2) continuing site overhead costs at Agata that have been offset only in part by the completion of three (3) shipments of nickel laterite through the six months ended June 30, 2023, further to the announcement in May 2022 that AMVI would cease operations in October 2022.

The joint venture had no material contingent liabilities as at June 30, 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.

Dividends received from the joint venture reduce the book value of investment in joint venture. As of June 30, 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 six months ended June 30, 2023 (June 30, 2022 - \$684,446).

## 9. Accounts payable and accrued liabilities:

Account consists of the following:

	June 30, 2023	December 31, 2022
Trade payables	\$ 512,009	\$ 152,081
Other accrued expenses	124,444	198,813
<b>Total Accounts Payable</b>	<b>\$ 636,453</b>	<b>\$ 350,894</b>

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, 2022. As at June 30, 2023, the company recorded retirement benefit payable of \$67,450 (December 31, 2022 - \$68,326).

## 11. Income taxes:

Deferred tax liability of \$392,409 at June 30, 2023 (December 31, 2022 - \$397,507) as follows:

	June 30, 2023	December 31, 2022
TVI Minerals	\$ 405,833	\$ 411,106
TVI Asia-Pacific Resources Corp	(13,424)	(13,599)
<b>Deferred Tax Liability</b>	<b>\$ 392,409</b>	<b>\$ 397,507</b>

## 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.

12. Share capital (continued):

(b) Issued and fully paid

	June 30, 2023		June 30, 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	18,000,000	17,832	-	-
Common shares, end of period	674,987,039	\$ 33,034,277	656,987,039	\$ 33,016,445

(c) Share options

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

There were no stock options granted during the six months ended June 30, 2023, and twelve months ended December 31, 2022.

During the six months ended June 30, 2023, 18,000,000 stock options were exercised (June 30, 2022 – nil stock options were exercised). The 18,000,000 stock options exercised in April 2023 were exercised by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy.

	June 30, 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	18,000,000	0.015	-	-
Options outstanding, end of period	21,900,000	\$ 0.015	39,900,000	\$ 0.015
Options exercisable, end of period	21,900,000	\$ 0.015	39,900,000	\$ 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 June 30, 2023, stock options that had been originally scheduled to expire in May 2019 and June 2020 have been extended in compliance with the Company's Stock Option Policy. The black-out period has applied to all insiders.

(d) Stock-based compensation and contributed surplus

During six months ended June 30, 2023, \$252,168 (June 30, 2022 - nil) of stock-based compensation was added to the consolidated statement of comprehensive income.

	Six months ended June 30, 2023	Six months ended June 30, 2022
Contributed surplus, beginning of period	\$ 7,074,580	\$ 7,074,580
Stock-based compensation	252,168	-
Contributed surplus, end of period	\$ 7,326,748	\$ 7,074,580



**13. Per share data:**

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Net income (loss)	\$ (1,663,723)	\$ 1,894,077	\$ (3,837,825)	\$ 2,760,416
Weighted average number of shares, basic	664,126,704	656,987,039	664,126,704	656,987,039
Weighted average numbers of shares, diluted	681,312,547	679,668,013	681,312,547	679,668,013
Basic income (loss) per share	(0.003)	0.003	(0.006)	0.004
Diluted income (loss) per share	(0.003)	0.003	(0.006)	0.004

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:**

	Six months ended June 30	
	2023	2022
Personnel costs	\$ 351,916	\$ 367,404
Professional fees	241,556	115,055
Contracted services	101,297	93,919
Travel and transportation	57,476	56,164
Advertising and investor relations	52,148	41,291
Insurance	36,804	37,553
Rent	25,035	25,035
Taxes and licenses	6,077	6,618
Utilities	4,050	6,206
Materials and freight	1,039	1,068
Others	3,813	5,380
Total administrative and general costs	\$ 881,211	\$ 755,693

**15. Changes in working capital:**

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Accounts receivable	\$ (11,340)	\$ 796	\$ (10,425)	\$ (1,562)
Prepaid expenses	2,948	(6,999)	2,574	(18,283)
Property and equipment	-	398	-	398
Due from related parties	134	13,253	59	12,562
Trade accounts payables and accrued liabilities	214,474	161,337	295,493	57,516
Due to related parties	39,874	59,112	338,833	124,397
Retirement obligation	-	(7,276)	-	(7,276)
Income tax payable	-	(146,587)	-	(65,475)
Total changes in working capital	\$ 246,090	\$ 74,034	\$ 626,534	\$ 102,277





**16. Foreign exchange gain (loss):**

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Unrealized foreign exchange gain (loss)	\$ (276)	\$ 9,867	\$ (745)	\$ 9,008
Realized foreign exchange gain (loss)	30	149	2	(53)
	\$ (246)	\$ 10,016	\$ (743)	\$ 8,955

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

**19. Subsequent Events:**

On July 24, 2023, TVIRD made its tenth repayment in relation to the 5-year term loan with China Banking Corporation in the amount of US \$2.04 million including US \$0.14 million interest, reducing the original principal loan balance of the US\$28.5 million facility to approximately US \$9.5 million.

On August 15, 2023, the Company has completed and closed its previously announced non-brokered private placement to Prime Resources Holdings, Inc. 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 (or approximately US\$1,000,000).



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