



Consolidated Financial Statements

**For the Years Ended
December 31, 2016 and 2015**



April 18, 2017

Independent Auditor's Report

To the Shareholders of TVI Pacific Inc.

We have audited the accompanying consolidated financial statements of TVI Pacific Inc. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016 and December 31, 2015 and the consolidated statement of comprehensive income (loss), changes to equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of TVI Pacific Inc. and its subsidiaries as at December 31, 2016 and December 31, 2015 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP
Chartered Professional Accountants

TVI Pacific Inc.
Consolidated Statement of Financial Position
December 31, 2016
(in Canadian dollars)



	Notes	December 31, 2016	December 31, 2015
Assets			
Current assets:			
Cash and cash equivalents	6	\$ 376,887	\$ 1,406,452
Short-term deposits	6	720,243	1,039,000
Accounts receivable	7	23,088	87,243
Due from related parties	9	157,948	296,216
Prepaid expenses		49,691	87,104
Total current assets		1,327,857	2,916,015
Non-current assets:			
Investment in associate	10	636,801	972,106
Investment in joint venture	11	12,837,563	14,004,387
Total investments in associate and joint venture		13,474,364	14,976,493
Derivative financial instrument	8	798,705	947,105
Property and equipment		36,710	52,031
Other assets	13	146,088	607,881
Total non-current assets		14,455,867	16,583,510
Total assets		\$ 15,783,724	\$ 19,499,525
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	14	\$ 553,751	\$ 310,459
Due to related parties	9	364,558	75,360
Total current liabilities		918,309	385,819
Deferred tax liability	15	763,434	1,094,603
Total liabilities		1,681,743	1,480,422
Equity attributable to shareholders of the Company:			
Share capital	16(b)	32,974,070	32,972,145
Contributed surplus	16(d)	7,019,600	6,835,472
Deficit		(23,453,803)	(20,608,691)
Translation reserves		(2,437,886)	(1,179,823)
Total equity		14,101,981	18,019,103
Total liabilities and equity		\$ 15,783,724	\$ 19,499,525

Commitment (note 22)
Subsequent events (note 23)

The accompanying notes are an integral part of these 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.
Consolidated Statement of Comprehensive Income (Loss)
December 31, 2016 and 2015
(in Canadian dollars)



	Notes	2016	2015
Expenses:			
Exploration costs	12	\$ 28,289	\$ 3,549,444
Depreciation expense		13,753	17,456
Administrative and general costs	19	2,196,734	2,700,863
Total expenses		2,238,776	6,267,763
Operating loss		(2,238,776)	(6,267,763)
Other income (expenses):			
Interest income		3,555	269,687
Interest expense		-	(2,950)
Foreign exchange gain (loss)	21	(107,949)	488,429
Other gains (loss)	13	(617,546)	1,133,793
Share of income (loss) of associate and joint venture	10,11	(137,970)	(493,310)
Other income (expenses), net		(859,910)	1,395,649
Net loss before income tax		(3,098,686)	(4,872,114)
Income tax recovery (expense)	15	253,574	(253,057)
Net loss		(2,845,112)	(5,125,171)
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustment – foreign operations		62,671	67,233
Foreign currency translation adjustment – associate and joint venture		(1,320,734)	2,046,242
Comprehensive loss		\$ (4,103,175)	\$ (3,011,696)
Basic and diluted loss per share	17	\$ (0.004)	\$ (0.008)
Weighted average number of common shares	17	655,498,317	655,470,372

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

TVI Pacific Inc.
Consolidated Statement of Changes to Equity
December 31, 2016 and 2015
(in Canadian dollars)

	Share capital (Note 16b)	Contributed surplus (Note 16d)	Deficit	Accumulated other comprehensive income (loss)	Total equity
January 1, 2016	\$ 32,972,145	\$ 6,835,472	\$ (20,608,691)	\$ (1,179,823)	\$ 18,019,103
Transactions with owners					
Warrants exercised	1,925	(925)	-	-	1,000
Stock-based compensation	-	191,889	-	-	191,889
Options forfeited	-	(6,836)	-	-	(6,836)
Total transactions with owners	1,925	184,128	-	-	186,053
Comprehensive income (loss)					
Net loss	-	-	(2,845,112)	-	(2,845,112)
Other comprehensive income (loss):					
Foreign currency translation adjustment	-	-	-	(1,258,063)	(1,258,063)
Total comprehensive income (loss)	-	-	(2,845,112)	(1,258,063)	(4,103,175)
December 31, 2016	\$ 32,974,070	\$ 7,019,600	\$ (23,453,803)	\$ (2,437,886)	\$ 14,101,981
January 1, 2015	\$ 32,972,145	\$ 6,546,839	\$ (15,483,520)	\$ (3,293,298)	\$ 20,742,166
Transactions with owners					
Warrants exercised	-	-	-	-	-
Stock-based compensation	-	305,705	-	-	305,705
Options forfeited	-	(17,072)	-	-	(17,072)
Total transactions with owners	-	288,633	-	-	288,633
Comprehensive income (loss)					
Net loss	-	-	(5,125,171)	-	(5,125,171)
Other comprehensive income:					
Foreign currency translation adjustment	-	-	-	2,113,475	2,113,475
Total comprehensive income (loss)	-	-	(5,125,171)	2,113,475	(3,011,696)
December 31, 2015	\$ 32,972,145	\$ 6,835,472	\$ (20,608,691)	\$ (1,179,823)	\$ 18,019,103

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

TVI Pacific Inc.
Consolidated Statement of Cash Flows
December 31, 2016 and 2015
(in Canadian dollars)

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before income tax		\$ (3,098,686)	\$ (4,872,114)
Adjustments for:			
Depreciation expense		13,753	17,456
Stock based compensation	16(d)	185,053	288,633
Interest income		(3,555)	(269,687)
Unrealized foreign exchange gain (loss)		28,217	(124,172)
Other (gains) loss	13	617,546	(1,133,793)
Impairment loss	11	-	2,863,149
Share of loss of associate and joint venture	10,11	137,970	493,310
Changes in working capital	20	760,330	(11,586)
Interest received		3,555	24,937
Income taxes received		-	26,130
Net cash used in operating activities		(1,355,817)	(2,697,737)
CASH FLOW FROM FINANCING ACTIVITIES			
Employee option exercised		1,000	-
Net cash generated from financing activities		1,000	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in short-term deposits		329,931	3,243,375
Change in notes receivable		-	(192,631)
Expenditures on property and equipment and other assets		(1,198)	(19,232)
Proceeds on disposal of property and equipment and other assets		1,787	-
Net cash generated from investing activities		330,520	3,031,512
Effect of foreign exchange rates on cash		(5,268)	6,604
Net increase (decrease) in cash and cash equivalents		(1,029,565)	340,379
Cash and cash equivalents at beginning of the year		1,406,452	1,066,073
Cash and cash equivalents at end of the year		\$ 376,887	\$ 1,406,452

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

1. Corporate information and nature of operations:

TVI Pacific Inc. ("TVI") is a publicly listed resource company incorporated in Alberta, Canada on January 12, 1987 under the Alberta Business Corporations Act. TVI's shares were delisted from the Toronto Stock Exchange on July 29, 2016 and listed on the TSX Venture Exchange on August 2, 2016. TVI, through its subsidiaries and investments in associates and joint ventures (together referred to as the "Company"), is focused on the production, development, exploration, and acquisition of diversified resource projects in the Asia Pacific region. TVI is the ultimate parent company that is a direct or indirect participant in several projects in the Philippines and Papua New Guinea, and also has an interest in an offshore Philippine oil property.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. ("TVIRD"). TVIRD's assets include the Canatuan project, the Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and Direct Shipping Ore ("DSO") operations and various interests in the Agata processing project and exploration properties in the Philippines. At December 31, 2016, TVI also holds a 25.50% equity interest in FOY Group Limited ("FOY Group") (name has been changed from Foyson Resources Limited starting August 2015), an Australian company engaged in the commercialization of technologies related to plastics and biomass to fuel and energy conversion and the construction of a waste plastics-to-diesel conversion plant in Australia, who holds also a 90% interest in Amazon Bay where they have continued to progress their strategy for Papua New Guinea ("PNG") through continued active dialogue with the PNG Mineral Resource Authority and the community; as well as a 14.4% equity interest in Mindoro Resources Ltd. ("Mindoro"), a Canadian company engaged in mining and exploration in the Philippines. TVI also participates in the business of international petroleum exploration and development through its 100% owned subsidiary, TG World Energy Corp. ("TG World") whose major area of focus is in the Philippines, through its affiliate TG World (BVI) Corp. ("TG BVI"). At December 31, 2016, the TG World entities are inactive. At December 31, 2016 also, TVI continues to carry out a due diligence work program at the Cirianiu gold project in Fiji for the purpose of making an investment decision on the project once it can secure additional funding to carry out resource acquisition and development activities.

TVI has established its principal business address at Suite 806, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated financial statements were authorized for issue by the Board of Directors on April 18, 2017.

2. Basis of preparation:

(a) Statement of compliance

These consolidated financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (note 5b). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

The preparation of timely financial statements necessitates the use of judgments, estimates and assumptions that will affect assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. Basis of preparation (continued):

(c) Adoption of new and revised standards, amendments and interpretations

There were no relevant new standards, amendments and interpretations that are effective for the first time for the financial year beginning on or after January 1, 2016 that had any material impact to the Company.

(d) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2016

IFRS 9, "Financial Instruments" replaces existing requirements included in IAS 39, "Financial Instruments - Recognition and Measurement". The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company expects no significant impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities. The Company currently has no financial assets classified as available-for-sale nor any hedging activities. There will also be no impact on the accounting for financial liabilities, as the Company does not have financial liabilities that are designated at fair value through profit or loss.

IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

IFRS 16, "Leases" replaces IAS 17 and related interpretations. It introduces a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by leases. It brings most leases on-balance sheet for lessees, eliminating the distinction between operating and finance leases. However, lessor accounting remains similar to previous guidance and the distinction between operating and finance leases is retained. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of IFRS 16.

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.

(e) Comparative amounts

There had been no reclassification of comparative amounts at December 31, 2016.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements include the accounts of TVI and its subsidiaries that it controls as of the reporting date. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements include the accounts of TVI and its wholly-owned subsidiaries TVI Limited and TG World; and indirectly owned subsidiaries TVI International Marketing Limited ("TVI Marketing") and TVI Minerals Processing Inc. ("TVI Minerals") and TVI Asia-Pacific Resources Corporation ("TVI Asia"), TG BVI, TG World Energy Inc. ("TG Inc.") and TG World Petroleum Limited ("TG Petroleum").

All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(ii) Associates

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. For shareholdings below 20%, the significant influence is determined based on board representation and contractual terms. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Company's share of its associates' post-acquisition profits or losses is recognized in the statement of comprehensive income (loss), and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value, and recognizes the amount to share of income (loss) of associates in the income statement. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The fair value of financial instruments traded in active markets is based on quoted market prices and shares held at the balance sheet date.

(iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The share of the assets, liabilities,

3. Significant accounting policies (continued):

revenues, and expenses are accounted for under joint operations, while joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or loss and movements in other comprehensive income (loss).

The Company's exploration activities in petroleum and natural gas properties are conducted in joint participation with others, where the Company has a direct ownership interest in jointly controlled assets. The revenue, expenses, assets and liabilities related to the jointly controlled assets are included in the consolidated financial statements in proportion to the Company's interest. TVI continues to hold a 30.66% interest in TVIRD, and the retained investment in TVIRD is classified as investment in joint venture, accounted for under the equity method.

The Company determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The fair value of financial instruments traded in active markets is based on quoted market prices and shares held at the balance sheet date.

(b) Cash and cash equivalents and short-term deposits.

Cash and cash equivalents are carried at face amount or at nominal amount in the consolidated statement of financial position and includes cash on hand, deposits held at call with banks and short-term placements with maturities of three months or less. Short-term placements with maturities of more than three months are classified as short-term deposits.

Restricted cash is held in separate short-term deposits and accumulates interest for the purpose of applying the principal and accrued interest to settle the intended obligation at a certain point in the future. The intended obligation for which restricted cash has been placed on account is recognized as other accrued liability.

(c) Mining claims and exploration costs

The Company expenses exploration costs incurred until it determines that the exploration property is capable of achieving commercial production at which time all further pre-production costs are capitalized at cost. Such costs include acquisition, exploration, operating, other related costs and administration expenditures net of any mineral revenues received. When a property is brought into production, the costs will be amortized using the unit-of-production method based on that property's estimated proved ore reserves. If a property is abandoned, capitalized costs are charged to operations in the year of abandonment. The Company capitalizes mining claims and deferred exploration costs and classifies them as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g. license and legal fees), whereas others are tangible (e.g. vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset.

Mining claims and deferred exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

3. Significant accounting policies (continued):

(d) Foreign currency

Items included in the financial statements of each of the Company's subsidiaries and investments are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian Dollars, which is TVI's functional and reporting currency.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of TVI's investments and other foreign subsidiaries are translated into Canadian Dollars from their functional currencies using period-end exchange rates, with revenues and expenses translated using average rates for the period. Unrealized gains and losses arising on the translation of these operations are included in the foreign currency translation adjustment within other comprehensive income (loss).

When a foreign operation is disposed of, the relevant amount of the cumulative translation adjustment within other comprehensive income (loss) is transferred to net income (loss) as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to net income (loss).

(e) Interest income

(i) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income.

(ii) Other revenue

Other revenue is recognized when earned or realized.

(f) Share option plan

The Company applies the fair value method, using the Black-Scholes option pricing model, when stock options are granted to employees and directors under the share option plan. Under this method, compensation expense of stock options, measured at the grant date, is recognized as a charge to earnings over the vesting period with a corresponding credit to contributed surplus. Upon exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The effects of forfeitures are estimated on initial measurement with subsequent adjustments so that the expense reflects what has actually vested in the period.

3. Significant accounting policies (continued):

(g) Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive income (loss) on a straight-line basis over the period of the lease.

(h) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income (loss), except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case the tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company uses the liability method of accounting for deferred income taxes. Under the liability method, deferred income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, or interests in joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(i) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

(j) Per share amounts

Net income (loss) per common share is computed by dividing net income (loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding for the year.

Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments.

3. Significant accounting policies (continued):

(k) Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions. The segments are classified based on the nature of underlying activities.

(l) Financial instruments

Classification

The Company classifies its financial assets in the following categories: (a) at fair value through profit or loss, (b) loans and receivables, (c) held-to-maturity investments and (d) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

A financial asset is classified as fair value through profit or loss if it is classified as held for trading. Derivatives are also categorized as held for trading unless they are designated as hedges. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Financial assets available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any of the previous categories. Issued financial instruments or their components, which are not designated as fair value through profit or loss, are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

Cash and cash equivalents, short-term deposits, accounts receivable, and due from related parties, are designated as "loans and receivables". The derivative financial instruments are derivatives classified at fair value through profit or loss. Accounts payable and accrued liabilities and due to related parties are designated as "other financial liabilities".

Initial recognition, subsequent measurement and derecognition

Regular-way purchases and sales of financial assets are recognized on trade-date (the date on which the Company commits to purchase or sell the asset). All financial instruments are required to be measured at fair value on initial recognition of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are measured at fair value with changes in those fair values recognized in net income (loss). Financial assets "held-to maturity", "loans and receivables" and "other financial liabilities" are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these are measured at amortized cost using the effective interest rate method of amortization, net of any impairment. Available-for-sale financial assets are measured at fair value, with changes in those fair values recognized in other comprehensive income (loss). The methods used by the Company in determining fair value of financial instruments are unchanged during the year.

3. Significant accounting policies (continued):

For financial assets and financial liabilities that are not classified as fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to the fair value initially recognized for that financial instrument. These costs are expensed to earnings using the effective interest rate method.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income (loss).

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value, with changes in fair value recognized in profit or loss. Reassessment occurs only if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or there is a reclassification of a financial asset out of the fair value through profit or loss category.

Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(m) Events after the reporting date

Events after the reporting date are evaluated up to the date the financial statements are authorized for issue. Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Critical accounting estimates and judgments:

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Such estimates are based on informed judgments made by management. Actual results could differ materially from those estimated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates and assumptions

Share options and derivative financial instrument

The Company uses the Black-Scholes option pricing model to assess under the fair value method the value of stock options granted to employees and directors under the share option plan. Management must estimate the volatility, forfeiture rate, expected life and risk-free interest rates in using the model to assess the fair value of stock options (note 16c). The option to purchase TVIRD shares and the option to acquire FOY shares are accounted for as derivative financial instruments. The fair value of the option to purchase TVIRD shares is assessed taking into account the effects of ongoing mining at Agata, the probability of TVIRD's PSE listing and estimated future value of other projects (note 13),

4. Critical Accounting estimates and judgements (continued):

while the option to acquire FOY shares considers the estimated share price and expected volatility (note 8(c)).

The note receivable from FOY Group was fully converted to FOY Group shares through the period ending December 31, 2015 (note 8(a)).

Recoverability of non-financial assets

The Company reviews and tests the carrying amounts of investments in associates and joint ventures, property and equipment, and exploration and evaluation assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indications that impairment may have occurred (as discussed in note 3), the amount by which the carrying value of assets exceeds their estimated recoverable value is charged to the statement of comprehensive income (loss).

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether it is likely that future economic benefit from future exploitation, sale or otherwise are likely.

(b) Critical judgments in applying accounting policies

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for any anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Additional information is disclosed in note 15.

Investment in Mindoro

Management has assessed the level of influence that the Company has on Mindoro and determined that it has significant influence even though the shareholding is below 20% because of the right to board representation and contractual terms. Consequently, this investment has been classified as an associate (note 10).

Functional currency of TVIRD

The Board of Directors of TVIRD considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Philippine Peso is the currency of the primary economic environment in which TVIRD operates. It is the currency in which the Group measures its performance and reports its results.

Functional currency of FOY

The functional currency of FOY is Australian dollars as FOY has determined it to be the currency of the primary economic environment in which it operates. It is the currency in which the FOY measures its performance and reports its results.

5. 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

5. Financial risk management (continued):

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 office in Canada (Canadian Dollar), while the associates and joint venture entities are located in the Republic of the Philippines (Peso) and Australia (Australian Dollar). There are no forward sales, and the Company does not engage in currency hedging activities. The Company minimizes risks by carefully planning the timing of settlement of foreign currency denominated balances and closely monitoring changes in foreign exchange rates.

For the year ended December 31, 2016, the impact on net income (loss) if the US Dollar moved by 3% against the Canadian Dollar, with all other variables held constant, would be \$16,936.

The impact on net income (loss) if the Australian Dollar moved by 4% against the Canadian Dollar, with all other variables held constant, would be (\$29,552). The impact on net income (loss) of other currencies with all other variables held constant is not material for disclosure.

The impact on net income (loss) if the Philippine Peso moved by 8% against the Canadian Dollar, with all other variables held constant, would be \$2,313. 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 as at December 31	
	2016	2015	2016	2015
Canadian Dollar/US Dollar	1.3248	1.2787	1.3427	1.3840
Canadian Dollar/ Australian Dollar	0.9852	0.9604	0.9707	1.0083
Canadian Dollar/ Philippine Peso	0.0279	0.0281	0.0272	0.0295

ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income (loss) and operating cash flows are not significantly impacted by changes in market interest rates.

The Company has exposure to interest rate risk since its short-term deposits have fixed interest terms, regardless of changes in market conditions. The Company reviews its exposure to interest rate risk through regular monitoring of actual interest rates with market interest rates.

iii) *Liquidity risk*

As at December 31, 2016, the Company has \$0.4 million available working capital surplus, as compared to a working capital surplus of \$2.5 million at December 31, 2015.

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.

5. Financial risk management (continued):

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

	2016		2015	
Due within 12 months:				
Accounts payable and accrued liabilities	\$	553,751	\$	310,459
Due to related parties		364,558		75,360
	\$	918,309	\$	385,819

Accounts payable and accrued liabilities includes \$350,000 held for distribution as a death benefit in accordance with certain agreements. The \$350,000 held for distribution as a death benefit is included in Short-term deposits and both the principal and any interest earned thereon is not available for use by the Company. The Company remains focused upon conserving cash through reducing expenditures and expects also possible distributions from its investment in joint venture and the sale of portions of its interest in various equity holdings to help settle liabilities and be a source of funding to help the Company pursue resource projects that can be rapidly developed and put into production to generate revenue and cash flows. Risk nonetheless exists that the Company may not be successful in its various cash raising efforts.

Note 14 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, short-term deposits, derivative financial instrument, accounts receivable, due from related parties and other assets. The Company manages credit risk associated with cash by maintaining its cash and short term deposits in accounts with creditworthy banks, which were approved by the Board of Directors.

The following are the components and aging of the accounts receivable:

	2016		2015	
Various insurance claims		-		57%
Advances to employees		76%		25%
Other receivables		24%		18%
		100%		100%

	2016		2015	
Neither past due nor impaired	\$	6,700	\$	68,016
Past due over 6 months but not impaired		16,388		19,227
	\$	23,088	\$	87,243

Note 7 includes a further breakdown and explanation of accounts receivable. The past due receivable as at December 31, 2016 and December 31, 2015 includes advances to employees that are more than 6 months past due.

The carrying amounts of cash and cash equivalents, short-term deposits, accounts receivable, derivative financial instruments, due from related parties and other assets at December 31, 2016 and December 31, 2015 represent the Company's maximum credit risk exposure.

5. 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 quote 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 fair value disclosed for the derivative financial instrument (note 8) and option to purchase TVIRD shares (note 13) were classified under Level 3.

During the year ended December 31, 2016, there were no transfers between levels in the fair value hierarchy of any fair value measurements. There were no changes in valuation techniques during the year ended December 31, 2016.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, short-term deposits, accounts receivable, note receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at December 31, 2016 and December 31, 2015 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 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.

	2016	2015
Debt	\$ 918,309	\$ 385,819
Equity	16,539,867	19,198,926
Assets	15,783,724	19,499,525
Debt-to-equity	6%	2%
Debt-to-assets	6%	2%

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6. Cash and cash equivalents and short-term deposits:

Cash and cash equivalents and short-term deposits consist of:

	2016		2015	
Cash on hand	\$	778	\$	541
Cash in banks		376,109		1,405,911
Total cash on hand and in banks		376,887		1,406,452
Short-term deposits		720,243		1,039,000
	\$	1,097,130	\$	2,445,452

Cash in banks and short-term deposits earn interest at the prevailing bank deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value. Short-term deposits includes \$350,000 held for distribution as a death benefit in accordance with certain agreements, of which this amount and any interest earned thereon is not available for use by the Company.

Cash and cash equivalents and short-term deposits are denominated in the following currencies (Canadian Dollar equivalents):

	2016		2015	
Canadian Dollars	\$	487,543	\$	701,621
US Dollars		564,528		1,646,156
Philippine Pesos		45,059		97,675
	\$	1,097,130	\$	2,445,452

Cash and cash equivalents and short-term deposits are held in the following countries:

	2016		2015	
Canada	\$	951,665	\$	2,293,964
Philippines		98,986		151,488
Others		46,479		-
	\$	1,097,130	\$	2,445,452

7. Accounts receivable:

Accounts receivable consists of:

	2016		2015	
Various insurance claims	\$	-	\$	49,453
Advances to employees		17,636		21,470
Goods and services tax receivable		5,453		13,481
Other receivables		-		2,839
	\$	23,088	\$	87,243

8. Derivative financial instrument:

(a) A\$400,000 note issued in 2014

Pursuant to the heads of agreement ("HOA") with FOY Group in 2012, TVI had an outstanding note receivable from FOY Group in the amount of A\$400,000 as at December 31, 2014. The carrying amount of the receivable using the effective interest method, plus accrued interest was \$299,787 at December 31, 2014. The total principal of the loan outstanding was agreed to be subject to 8% per annum interest, until converted or repaid.

8. Derivative financial instrument (continued):

Further to FOY Group shareholder approval on March 31, 2015, A\$211,528 of the loan was converted to FOY Group shares on April 22, 2015 at A\$0.0025 per share, resulting in a further 84,611,264 shares provided to the Company. 84,611,264 unlisted options were also received at time of conversion that have an exercise price of A\$0.008 and expiry date of December 31, 2019.

Following the Extraordinary General Meeting (“EGM”) held by FOY Group on July 30, 2015, the balance of the loan was fully converted to FOY Group shares at A\$0.0025 per share, resulting in a further 75,388,736 shares provided to the Company. As a result also, 75,388,736 unlisted options were received at time of conversion that have an exercise price of A\$0.008 and expiry date of December 31, 2019.

(b) A\$100,000 note issued in February 2015

The Company entered into a Capital Promissory Note Agreement on February 18, 2015, with FOY Group through which it provided a further A\$100,000 with an agreement to accrue interest at 12% per annum until the earlier of conversion date or maturity date. Following the EGM on July 30, 2015, the Note was converted at a conversion price of A\$0.0029 to FOY Group shares, resulting in an additional 34,482,759 shares received by the Company and 34,482,759 unlisted options that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019. The shares received by the Company as a result of this conversion have now passed the required escrow period as defined by the Australian Stock Exchange (“ASX”) regulations and are expected to become fully tradeable once FOY has relisted on the ASX. FOY was granted a trading halt by the ASX on July 29, 2015, pending the outcome of a meeting to consider a significant change to the company’s activities and is expected to resume trading on the ASX upon the completion of FOY’s acquisition of a plastics-to-diesel technology from Integrated Green Energy Limited (“IGE”).

(c) A\$100,000 note receivable issued in April 2015

The Company entered into a second Capital Promissory Note Agreement on April 27, 2015, with FOY Group through which it provided a further A\$100,000 with an agreement to accrue interest at 12% per annum until the earlier of conversion date or maturity date. Following the EGM on July 30, 2015, the Note was converted at a conversion price of A\$0.0029 to FOY Group shares, resulting in additional 34,482,759 shares received by the Company and 34,482,759 unlisted options that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019. The shares received by the Company as a result of this conversion have now passed the required escrow period as defined by the ASX regulations and are expected to become fully tradeable once FOY has relisted on the ASX. FOY was granted a trading halt by the ASX on July 29, 2015, pending the outcome of a meeting to consider a significant change to the company’s activities and is expected to resume trading on the ASX upon the completion of FOY’s acquisition of a plastics-to-diesel technology from IGE.

The conversion options are accounted for as a derivative instrument and are separately accounted for at fair value. The conversion options are as follows:

Number of Options Held	2016	2015
Beginning balance	9,158,622	84,611,264
Note Receivable	-	75,388,735
Capital Promissory Note #1	-	34,482,759
Capital Promissory Note #2	-	34,482,759
Subtotal		228,965,516
Share consolidation factor	-	25
Ending balance	9,158,622	9,158,622

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8. Derivative financial instrument (continued):

Fair Value	2016		2015	
Beginning balance	\$	947,105	\$	372,087
Options received		-		130,858
Gain (loss) on revaluation		(113,082)		1,156,295
Foreign currency translation		(35,318)		76,450
Conversion to shares		-		(788,585)
Ending balance	\$	798,705	\$	947,105

As at December 31, 2016, the Company recognized a loss on the fair value of the derivative financial instrument amounting to \$113,082 and loss on foreign currency translation of \$35,318, both recorded in other gains (losses) in the statement of comprehensive income (loss).

The following assumptions were used by the Company to estimate the fair value of options obtained during the period at the reporting date:

	Risk free interest rate – average	Current share price estimate	Expected volatility
April 22, 2015 granted options	4%	A\$0.20	63%
July 30, 2015 granted options	4%	A\$0.20	63%

On August 17, 2015, FOY Group completed a share capital consolidation at a ratio of 25:1. Prior to the consolidation, TVI held 228,965,512 conversion options. As a result of the consolidation, the number of options were converted to 9,158,621 options and remain unchanged as at December 31, 2016.

9. Related party transactions:

The consolidated 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)	
		2016	2015
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World	Canada	100%	100%
TVI Asia Pacific	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World (BVI) Corp.	British Virgin Islands	100%	100%
TG World Petroleum Limited	Bahamas	100%	100%
TG World Energy Inc.	United States	100%	100%

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9. Related party transactions (continued):

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		2016	2015
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
FOY Group (see note 10)	Australia	25.50%	28.26%
Mindoro	Canada	14.4%	14.4%

TVI Asia Pacific was incorporated on February 23, 2015, establishing a local company in the Philippines where TVI has support staff.

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

At December 31, 2016, the Company's remaining receivable from TVIRD and Mindoro was \$102,293 (December 31, 2015 - \$257,379), presented as part of due from related parties in the statement of financial position and relating to reimbursable expenses and services provided by TVI Pacific to TVIRD and Mindoro.

The outstanding interest receivable from FOY Group was \$32,235 (December 31, 2015 - \$32,270) which formed part of the due from related parties at December 31, 2016.

(b) Due to related parties

At December 31, 2016, the Company incurred management fees of \$239,360 (December 31, 2015 - \$344,550). Management fees are paid to a corporation owned by the President of the Company for the services of the President, travel costs and support staff. At December 31, 2016, the amount payable to the corporation was \$147,125 which formed part of the due to related parties in the statement of financial position (December 31, 2015 - \$6,567). The Company also made a separate advance payment to the corporation of \$15,145 which formed part of the due from related parties in the statement of financial position as at December 31, 2016 (December 31, 2015 - nil). Effective February 1, 2016, payment of management fees related to services of the President have been deferred as the Company is actively working to conserve cash.

At December 31, 2016, the Company incurred directors' fees of \$198,000 (December 31, 2015- \$204,375). At December 31, 2016, the fees payable to directors were \$198,000 which formed part of the due to related parties in the statement of financial position (December 31, 2015 - \$49,750). Effective January 1, 2016, payment of directors' fees has been deferred as the Company is actively working to conserve cash.

At December 31, 2016, the Company incurred \$175,203 (December 31, 2015- \$262,967), to a corporation controlled by a director and officer of TVIRD for administrative expenses. At December 31, 2016, the Company made an advance payment to the corporation of \$8,275 which formed part of the due from related parties in the statement of financial position while in December 31, 2015, the amount payable was (\$19,573) and formed part of due to related parties.

At December 31, 2016, the Company's remaining payable to the joint ventures in the Philippines was \$19,433 (December 31, 2015 - \$6,037), presented as part of due to related parties in the statement of financial position.

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(c) Key management compensation

Compensation of key management personnel composed of the officers and directors of the Company:

	2016		2015	
Short-term employee benefits	\$	602,038	\$	685,900
Directors' fees		198,000		204,375
Stock options expense		185,053		274,569
	\$	985,091	\$	1,164,844

Effective February 1, 2016, payment of management fees related to services of the President have been deferred as the Company is actively working to conserve cash. As such, the management fee has been expensed as salary and reported here in short-term employee benefits, but has not yet been paid out. Short-term employee benefits also include termination allowances paid to various employees through 2016.

10. Investment in associate:

	FOY Group		Mindoro		Total	
January 1, 2015	\$	464,342	\$	-	\$	464,342
Additional investment		1,086,832		-		1,086,832
Share of net loss		(530,979)		-		(530,979)
Share of other comprehensive income		(48,089)		-		(48,089)
December 31, 2015	\$	972,106	\$	-	\$	972,106
Share of net loss		(397,860)		-		(397,860)
Share of other comprehensive loss		(20,566)		-		(20,566)
Dilution gain on investment in associate		83,121		-		83,121
December 31, 2016	\$	636,801	\$	-	\$	636,801

The Company has determined that it has significant influence by virtue of its right to representation on the Board of Directors of the associates and various other contractual terms. The TSX-Venture Exchange announced on July 6, 2016, that Mindoro has been halted from trading for failure to pay their annual sustaining listing fees, while the trading of FOY Group shares will resume upon relisting on the ASX (note 10a).

(a) Investment in FOY Group

FOY Group is a publicly listed company incorporated in Australia, with shares listed on the ASX. Its annual reporting period ends at June 30. The trading of FOY Group shares was halted since July 29, 2015 and will resume upon relisting on the ASX. TVI holds 17,592,908 shares and 9,158,621 options as at December 31, 2016.

FOY Group initially announced a Business Sale Agreement ("Agreement") on March 18, 2015, with IGE to acquire primarily the royalty-free, perpetual licenses to commercialize the plastics-to-fuel conversion technology, as well as the biomass-to-fuel and biomass-to-energy conversion technologies and a waste plastics-to-diesel and petrol conversion plant located at Berkeley Vale, Australia. Further to subsequent announcements made on February 9, 2016 and most recently on September 8, 2016, FOY Group has made amendments to this Agreement. At an Extraordinary General Meeting held on November 15, 2016, FOY Group received shareholder approval of the IGE transaction and to acquire the IGE Assets and Technology Rights, as well as to proceed with an offer of 92.5 million shares at A\$0.20 each to raise A\$18.5 million (the "Offer").

10. Investment in associate (continued):

On November 29, 2016, FOY announced the formation of a new US company (Integrated Green Partners, LLC ("IGP")) together with the US company, GEP Fuel and Energy Indiana, LLC.

FOY Group must yet meet the requirements of certain ASX Listing Rules prior to relisting. The ASX has advised FOY that the IGE transaction constitutes a significant change to the nature and scale of the company's activities to which ASX Listing Rule 11.1 applies, whereby:

- FOY must provide the ASX information regarding the change and its effects on future potential earnings as well as any other information that may be requested
- FOY must obtain shareholder approval for the IGE transaction; and
- FOY must meet the requirements in ASX Listing Rules Chapters 1 and 2 as if FOY Group were applying for admission to the official list of ASX.

More specifically, Chapter 1 of the ASX Listing Rules sets out the requirements that must be satisfied for an entity to gain admission to the official list, which includes a requirement that the main class of securities is quoted. In addition:

- The entity's structure and operations must be appropriate for a listed entity and the entity must have a constitution that is consistent with the listing rules;
- A prospectus must be issued;
- The entity must have a free float at the time of its admission to the official list of not less than 20%;
- The entity must be a going concern and satisfy certain profit and assets tests;
- Options on issue by the entity must have an exercise price for each underlying security of at least A\$0.20; and,
- The entity's main business activity at the date it is admitted must be the same as it was during the last 3 full financial years and the entity must provide audited accounts for the each of these past full financial years.

Chapter 2 of the ASX Listing Rules states that the issue price or sale of all the securities for which the entity seeks quotation must be at least A\$0.20.

As noted, shareholder approval of the IGE transaction was received at an Extraordinary General Meeting held on November 15, 2016, as well as to proceed with an offer of 92.5 million shares at A\$0.20 each to raise A\$18.5 million. The relisting timetable, however, has continued to be delayed and has thereby affected the timing of the company's prospectus and the Offer currently put to the market.

Below are the Company's share of FOY Group's result of operations, assets and liabilities:

	2016	2015
Share of comprehensive loss	\$ (418,426)	\$ (579,068)
Share of total current assets	25,004	22,559
Share of total assets	3,900,010	4,484,989
Share of total current liabilities	539,399	292,590
Share of total liabilities	539,399	292,590

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10. Investment in associate (continued):

On July 25, 2014, the Company's 10% earned interest in the Amazon Bay tenement was formally registered with the Papua New Guinea Mineral Resource Authority ("PNG MRA"), while TVI also provided notice to FOY Group on that same date of its intent to not proceed with the Stage 2 farm-in of Amazon Bay. During the year ended December 31, 2015, the total spending of \$1,985,834 (equivalent A\$2 million), was written-down and recorded as exploration costs.

Below is the summarized financial information (100%) of FOY Group and reconciliation with the carrying amount of investment in the Company's consolidated financial statements:

	December 31, 2016	December 31, 2015
Total expenses	\$ (1,438,848)	\$ (678,609)
Exploration and evaluation expenditure	(38,589)	-
Other income	-	239
Net loss	(1,477,437)	(678,370)
Other comprehensive loss	(71,772)	(152,879)
Comprehensive loss	(1,549,209)	(831,249)
The Company's share of net loss	(397,860)	(530,979)
The Company's share of other comprehensive loss	(20,566)	(48,088)
Share of comprehensive loss of associate	(418,446)	(579,067)
Current assets	98,052	79,820
Non-current assets	15,195,504	15,789,506
Total assets	15,293,556	15,869,326
Current liabilities	2,115,206	1,035,278
Non-current liabilities	-	-
Total liabilities	2,115,206	1,035,278
Net assets	13,178,350	14,834,048
Adjustments and eliminations	(12,541,549)	(13,861,942)
Investment in associate	\$ 636,801	\$ 972,106

(b) Investment in Mindoro

Mindoro is a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange. The TSX-Venture Exchange announced on July 6, 2016, that Mindoro has been halted from trading for failure to pay their annual sustaining listing fees. The annual reporting period of Mindoro ends as at December 31.

As at December 31, 2016, TVI owns 42,779,353 units of Mindoro, representing approximately 14.4% holding in the capital of Mindoro. Each unit consists of one common share and one common share purchase warrant that entitles TVI to purchase one additional share, at a price of \$0.10 per share. The 18,779,353 common share purchase warrants can be exercised at any time and from time to time until September 28, 2017, while the other 24 million common share purchase warrants can be exercised until October 10, 2017.

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.

(c) Commitments in respect of associates

On August 28, 2012, TVI signed the following agreements relating to the following joint venture projects contemplated by the HOA with FOY Group:

Amazon Bay Iron Sands Project ("AB") – (i) TVI committed to a minimum expenditure of A\$2 million in the 12 months following the later of the date on which all applicable joint venture conditions are

10. Investment in associate (continued):

satisfied and the date of the Tranche 1 Closing; (ii) TVI agreed to refund FOY Group for any expenditures incurred on AB since July 1, 2012, to a maximum of A\$200,000 creditable against TVI's spending commitments; (iii) TVI would earn a 10% interest in AB as a result of initial expenditure; (iv) TVI would have the right to earn a further 20% in AB by spending an additional A\$5.5 million within 12 months following the expiration of the initial earning period; (v) during the two earning periods and up to the end of the second earning period, TVI and FOY Group may, at TVI's expense, carry out a feasibility study of a DSO operation. If a DSO project is determined to be feasible, TVI would have the right to undertake the development to earn a 51% interest in the DSO project area. TVI was also provided the option to advance \$10 million to FOY Group to acquire the remaining 50% in AB held by Titan Mines.

During the year ended December 31, 2014, the Company completed the \$1,985,834 (equivalent A\$2 million) total amount of spending commitment, which was presented as exploration and evaluation assets in the consolidated financial statements, and on July 25, 2014, its 10% earned interest in the Amazon Bay tenement was formally registered with the PNG MRA. During the year ended December 31, 2015, the total spending of \$1,985,834, was written-down and recorded as exploration costs (note 12).

On July 25, 2014, TVI provided notice to FOY Group of its intent to not proceed with the Stage 2 farm-in of Amazon Bay.

On March 16, 2015, FOY Group announced it had executed a binding agreement to acquire the remaining 50% of the shares in Titan Mines Limited, upon completion of which Titan will become a wholly owned subsidiary of FOY Group. Titan Mines Limited holds the exploration licenses for the Amazon Bay Project, and this agreement terminates the Amazon Bay Option Agreement and removes the obligation of FOY Group to pay the former shareholders of Titan Mines Limited the outstanding Option Fee of A\$300,000 or the Option Exercise consideration of A\$10 million. As a result of this transaction, FOY Group and TVI entered into a Royalty Agreement with third parties, with respect to Amazon Bay, whereby FOY Group and TVI shall be responsible to pay their proportionate share of a royalty on all minerals extracted and concentrate produced from Amazon Bay and sold. The royalty is set at 0.5% of gross revenue less all costs incurred in connection with shipping or transporting the respective minerals or concentrate from the port of loading to the point of delivery to the purchaser.

11. Investment in joint venture:

	December 31, 2016	
Investment in joint venture at January 1, 2015	\$	11,872,388
Share of net income		37,669
Share of other comprehensive income		2,094,330
Investment in joint venture at December 31, 2015		14,004,387
Share of net income		259,890
Share of other comprehensive income (loss)		83,146
Foreign exchange revaluation of other comprehensive income		(1,383,314)
Write down on investment		(126,546)
Investment in joint venture at December 31, 2016	\$	12,837,563

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11. Investment in joint venture (continued):

The Company's share of TVIRD's results of operations, assets and liabilities for the year ended December 31, 2016 is as follows:

	December 31, 2016		December 31, 2015	
Share of revenue	\$	20,254,222	\$	8,055,771
Share of comprehensive income (loss)		343,036		249,254
Share of total current assets		9,483,189		11,451,646
Share of total assets		21,592,203		27,248,238
Share of total current liabilities		4,225,310		7,951,206
Share of total liabilities		5,763,004		10,897,660

Summarized financial information (100% share) of the joint venture and reconciliation with the carrying amount of investment in the Company's consolidated financial statements are set out below:

	2016		2015	
Revenue from concentrate sales	\$	66,008,609		25,532,965
Other revenues		52,127		741,565
Total revenues		66,060,736		26,274,530
Depreciation and amortization		(764,057)		(317,107)
Total expenses		(58,412,775)		(27,542,236)
Operating income (loss)		6,883,904		(1,584,813)
Finance cost		(407,939)		(494,164)
Interest income		146,531		166,384
Other (loss) income		(4,294,266)		910,987
Net income (loss) before tax		2,328,230		(1,001,606)
Income tax expense		(1,335,438)		(98,036)
Net income (loss)		992,792		(1,099,642)
Non-controlling interest		(145,141)		1,222,502
Net income		847,651		122,860
Other comprehensive income (loss) - TVIRD		271,187		690,103
Other comprehensive income (loss) - NCI		11,744		11,123
Comprehensive income (loss)		1,130,582		824,086
The Company's share of net income		259,890		37,669
The Company's share of other comprehensive income		83,146		211,586
Share of comprehensive income of joint venture	\$	343,036		249,254
Cash and cash equivalents	\$	8,127,965		3,694,610
Current assets		30,930,165		37,350,444
Non-current assets		39,494,501		51,521,826
Total assets		70,424,667		88,872,270
Current financial liabilities		5,440,110		4,470,678
Current liabilities		13,781,180		25,933,483
Non-current financial liabilities		38,927		4,515,997
Non-current liabilities		5,015,311		9,610,092
Total liabilities		18,796,491		35,543,575
Net assets		51,628,176		53,328,695
Adjustments and eliminations		(38,790,613)		(39,324,308)
Investment in joint venture	\$	12,837,563		14,004,387

11. Investment in joint venture (continued):

The joint venture had no contingent liabilities as at December 31, 2016. The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between TVI and the joint venture.

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 and Pan de Azucar joint ventures.

At December 31, 2016, TVIRD recorded an impairment with respect to the Agata processing project and the Pan de Azucar mining and processing joint ventures in a total amount of \$3,621,519, of which \$1,110,358 represents TVI's share, as these companies have not yet commenced commercial operations.

12. Exploration and evaluation assets:

The carrying amount and the related movement of the exploration and evaluation assets are as follows:

	December 31, 2016	December 31, 2015
Beginning balance	\$ -	\$ 2,721,219
Foreign currency translation		141,930
Impairment loss	-	(2,863,149)
Ending balance	\$ -	-

Amazon Bay

During the year ended December 31, 2015, the Company's 10% interest in the Amazon Bay tenement (note 10) amounting to \$1,985,834 was fully written-down and recorded as exploration costs under the mining segment, as substantial expenditures by TVI on further exploration and evaluation of the project are not currently planned.

Philippines

TG World holds a 12.5% working interest in Service Contract 54A ("SC 54A") in the Philippines. SC 54A is situated offshore, west of the Palawan islands. The project operator is Nido Petroleum Limited of Perth, Australia ("Nido") who owns a 42.4% working interest in the project.

During the year ended December 31, 2015, exploration and evaluation assets amounting to \$877,315 were fully written-down and recorded as exploration costs under the petroleum exploration segment. The partners have not agreed to any further technical or commercial activities in SC 54A considering the current oil price environment.

Fiji

During the year ended December 31, 2016, exploration costs incurred in Fiji amounting to \$28,289 in relation to an ongoing due diligence work program at the Cirianiu gold project.

13. Other assets:

Other assets are composed of:

	2016	2015
Option to purchase TVIRD shares	\$ 142,603	\$ 596,180
Other	3,485	11,701
	\$ 146,088	\$ 607,881

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13. Other assets (continued):

During the year ended December 31, 2014, TVI paid \$232,020 as an option to acquire the remaining Class B shares of TVIRD held by a non-controlling interest holder, representing a 0.92% interest in TVIRD, upon execution of TVIRD's listing on the Philippine Stock Exchange ("PSE"). The option requires the listing of TVIRD to take place no later than five (5) years from the execution date of the option, or by December 2018, and the sale and purchase to be completed within 30 days from the date of listing on the PSE. The total net purchase price is US \$500,000, including the payment, plus 10% of (i) the initial public offering ("IPO") value of the Class B shares, to be calculated as if they were included in the TVIRD IPO, or (ii) the average price of the Class B shares during the first 5 trading days of TVIRD's listing – whichever is higher. At December 31, 2016, the Company determined the fair value of the option to be \$284,000 based on the current estimated value of TVIRD, taking into account the effects of ongoing mining at Agata, the probability of TVIRD's PSE listing and the estimated future value of other projects. In the event the listing of TVIRD does not take place within the required period, for whatever reason, whether or not attributable to the Company, or should the Company decide not to pursue its purchase of the Class B Shares, funds paid with respect to this option will be forfeited.

Adjustments in the fair value of the option to acquire the remaining Class B shares of TVIRD have contributed to Other Gains (Loss) as follows:

	2016	2015
Valuation of TVIRD option to purchase	\$ (453,577)	\$ 364,160
Valuation of derivative financial instrument (note 8)	(113,082)	884,983
Dilution gain on investment in associate (note 10)	83,121	
Write-down on investment in joint venture (note 11)	(126,547)	
Other	(7,461)	(115,350)
Other gains (loss)	\$ (617,546)	\$ 1,133,793

14. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

	2016	2015
Trade payables	\$ 63,289	\$ 45,532
Other accrued liabilities	490,462	264,927
	\$ 553,751	\$ 310,459

Other accrued liabilities includes \$350,000 held for distribution as a death benefit in accordance with certain agreements, as well as accruals of personnel expenses, consultancy and other professional fees. The \$350,000 held for distribution as a death benefit is included in Short-term deposits and both the principal and any interest earned thereon is not available for use by the Company.

15. Income taxes:

	2016	2015
Current tax expense (recovery)	\$ 724	\$ (152,307)
Deferred tax expense (recovery)	(254,298)	405,362
Income tax expense (recovery)	(253,574)	253,057

The deferred tax liability of \$763,434 at December 31, 2016 is related to TVI Minerals' unrealized foreign exchange gains calculated on intercompany advances (December 31, 2015 – \$1,094,603).

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15. Income taxes (continued):

The provision for income taxes differs from that which would be expected by applying the combined federal and provincial corporate statutory rates as follows:

	2016	2015
Weighted average applicable tax rate	29.2%	23.2%
Net loss before income tax	\$ (3,098,686)	\$ (4,872,114)
Expected recovery	(974,689)	\$ (1,131,426)
Change to income taxes resulting from:		
Nondeductible expenses	(1,199,449)	838,561
Non-taxable income	(82)	(145)
Net unrecognized (recognized) tax credit for losses	1,925,858	1,510,001
Rate change on valuation allowance	-	(804,766)
Other	(5,212)	(159,168)
Income tax expense	\$ (253,574)	\$ 253,057

The Company did not recognize a deferred income tax recovery in respect of the Company's deferred income tax assets, the majority of which relates to exploration and evaluation expenses and non-capital losses.

The income tax recovery of \$254,298 recognized in the year ending December 31, 2016 relates to a Philippine entity. Philippine tax law only allows losses to be carried forward for a maximum of three years and does not allow losses to be carried back.

The weighted average applicable tax rate was 29.2% (2015 - 23.2%).

At December 31, 2016, the Company has estimated capital losses for Canadian tax purposes of \$0.9 million that do not expire and may be utilized to reduce future capital gains, if any (2015 - \$1.13 million). The Company has estimated non-capital losses of \$26.4 million at December 31, 2016 which may be applied to reduce taxable income in future taxation years (2015 - \$25 million). The benefit of which has not been recorded in these consolidated financial statements. Of these losses, \$0.8 will expire in 2016 while \$1.1 million will expire commencing 2017 through 2035.

The aggregate outside basis differences, being the difference between the carrying amount of investment in subsidiaries, associates and joint venture and their tax bases, as of December 31, 2016 amounted to \$2.5 million (2015 - \$2.5 million).

16. 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

The total number of common shares January 1, 2016 through July 31, 2016 were 655,470,372 (in the amount of \$32,972,145), and then increased to 655,537,039 through to December 31, 2016 (in the amount of \$32,974,070) as a result of the exercise of employee stock options.

(c) Share options

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. Each share option converts into one ordinary share of TVI on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options generally vest over a period of up to three years, may be exercised at any time from the date of vesting to the date of their expiry and expire no more than 5 years from the date of grant.

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16. Share capital (continued):

There were no share options granted during the period ended December 31, 2016. In February 2015 and September 2015, the Company granted share options to officers of the Company.

	2016		2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	60,800,000	\$ 0.019	45,850,000	\$ 0.021
Issued	-	-	18,050,000	0.015
Exercised	(66,667)	0.015	-	-
Forfeited	(750,000)	0.017	(1,733,333)	0.018
Expired	(2,383,333)	0.063	(1,366,667)	0.022
Options outstanding, end of year	57,600,000	\$ 0.018	60,800,000	\$ 0.019
Options exercisable, end of year	35,749,999	\$ 0.019	22,083,334	\$ 0.027

Price range	Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
\$ 0.001 to 0.008	57,600,000	2.4702	35,749,999

The fair value of share options granted during the year ended December 31, 2015 was \$0.014 per share. The following table sets out the assumptions used by the Company to estimate the fair value of awards granted during 2015.

	Year ended December 31, 2015
Risk free interest rate – average	0.76%
Expected life (in years)	5
Expected volatility	176%
Estimated forfeiture rate	10%

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

During the year ended December 31, 2016, a net of \$185,053 (2015 - \$288,633) of stock-based compensation was charged to the consolidated statement of comprehensive income (loss).

	2016	2015
Contributed surplus, beginning of period	\$ 6,835,472	\$ 6,546,839
Stock-based compensation	191,889	305,705
Employee options exercised	(925)	-
Options forfeited	(6,836)	(17,072)
Contributed surplus, end of period	\$ 7,019,600	\$ 6,835,472

17. Per share data:

	2016	2015
Net loss	\$ (2,845,112)	\$ (5,125,171)
Weighted average number of shares, basic and diluted	655,498,317	655,470,372
Basic and diluted loss per share	(0.004)	(0.008)

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

17. Per share data (continued):

(determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to 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.

18. Segmented information:

The Company's revenue from mining, extraction, production and selling of metal concentrates is indirectly recognized within the Company's investment in joint venture, through the application of the equity method. The Company's segmented information is reported in the same way as internal reporting provided to TVI's Chief Executive Officer to make decisions about resource allocation and performance assessment of the operating segments.

The Company has two reportable segments:

- mining exploration in Fiji and investments in associates and joint venture with mining activities in the Philippines and Papua New Guinea; and
- petroleum exploration in the Philippines.

The Company's corporate operations do not earn revenue and incurs expenses that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8, *Operating Segments*.

Geographic information:

	Revenues		Property and equipment and exploration and evaluation assets	
	2016	2015	December 31, 2016	December 31, 2015
Philippines	\$ -	\$ -	\$ -	\$ -
Papua New Guinea	-	-	-	-
Canada	-	-	36,710	52,031
	\$ -	\$ -	\$ 36,710	\$ 52,031

Mining segment's operating results in the table below include TVI's 30.66% interest in TVIRD whose summarized financial information is presented in note 11, interest in FOY Group and Mindoro (note 10), as well as the exploration costs incurred in Fiji.



18. Segmented information (continued):

	2016				2015			
	Mining	Petroleum Exploration	Corporate	Total	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	\$ -	(77,803)	(2,118,931)	(2,196,734)	\$ -	(74,308)	(2,626,555)	(2,700,863)
Exploration costs	(28,289)	-	-	(28,289)	(2,672,129)	(877,315)	-	(3,549,444)
Depreciation expense	-	(229)	(13,524)	(13,753)	-	(1,015)	(16,441)	(17,456)
	(28,289)	(78,032)	(2,132,455)	(2,238,776)	(2,672,129)	(952,638)	(2,642,996)	(6,267,763)
Interest income	-	131	3,424	3,555	-	2,009	267,678	269,687
Interest expense	-	-	-	-	-	(2,950)	-	(2,950)
Foreign exchange gains (loss)	-	(5,716)	(102,233)	(107,949)	-	18,047	470,382	488,429
Other gains (loss)	(370,456)	(1)	(247,089)	(617,546)	-	(6,523)	1,140,316	1,133,793
Share of income (loss) of associate and joint venture	(137,970)	-	-	(137,970)	(493,310)	-	-	(493,310)
Net income (loss) before income tax	(536,715)	(83,618)	(2,478,353)	(3,098,686)	(3,165,439)	(942,055)	(764,620)	(4,872,114)
Income tax recovery (expense)	-	-	253,574	253,574	-	152,307	(405,364)	(253,057)
Net loss	\$ (536,715)	(83,618)	(2,224,779)	(2,845,112)	\$ (3,165,439)	\$ (789,748)	\$ (1,169,984)	\$ (5,125,171)
Assets	13,620,452	164,108	1,999,164	15,783,724	\$ 15,584,374	\$ 206,491	\$ 3,708,660	\$ 19,499,525
Liabilities	-	916	1,680,827	1,681,743	-	7,277	1,473,145	1,480,422
Capital expenditures	-	-	1,198	1,198	-	-	19,232	19,232

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19. Expenses by nature:

	2016	2015
Personnel costs	\$ 964,080	\$ 783,612
Contracted services	320,284	545,480
Professional fees	238,151	403,612
Stock-based compensation	185,053	288,633
Travel and transportation	100,050	214,042
Investor relations	99,123	143,795
Rent	96,915	116,200
Insurance	74,736	100,204
Taxes and licenses	23,096	42,032
Utilities	17,836	29,659
Materials and supplies	22,978	20,345
Freight	913	1,057
Bad debts	27,068	-
Other	26,451	12,192
Total administrative and general costs	\$ 2,196,734	\$ 2,700,863

Personnel costs in 2016 include a termination allowance for various employees and other employee costs.

20. Changes in working capital:

	2016	2015
Accounts receivable	\$ 61,562	\$ 80,836
Prepaid expenses	38,561	(8,384)
Trade accounts payables and accrued liabilities	233,386	94,858
Due to related parties	426,821	(178,896)
	\$ 760,330	\$ (11,586)

The change in accounts receivable was due to the collection of TVI's insurance receivable, while the change in due to related parties was due to the deferral of directors' fees and management fees as well as collection from TVIRD for reimbursable expenses and services.

21. Foreign exchange gain:

	2016	2015
Unrealized foreign exchange gain	\$ (28,217)	\$ 124,172
Realized foreign exchange gain (loss)	(79,732)	364,257
	\$ (107,949)	\$ 488,429

The unrealized foreign exchange gain during the year ended December 31, 2016 and 2015 include the gains on the revaluation of USD-denominated short-term deposits and derivative financial instrument. The realized foreign exchange gain (loss) during the years ended December 31, 2016 and 2015 are attributable to the maturity of short-term deposits.

22. Commitment:

The Company has entered into a lease contract with respect to its corporate office premises that has commenced on April 1, 2015. The lease is for a three-year term through to March 31, 2018, and the remaining total rent payments up to the end of the lease contract in March 2018 amounts to \$71,923, inclusive of base rent, estimated operating expense and taxes.

23. Subsequent events:

On January 17, 2017, FOY announced that their relisting on the ASX has been delayed further as they continue to work through the Environmental Impact Statement approval process, which is to include an assessment of the FOY proposal by an expert panel established by the Environment, Planning and Sustainable Development Directorate. The expert panel has 60 working days to complete their review and has given all parties involved until April 10, 2017 to provide their submissions, at which time the panel is expected to complete their review by the end of April 2017 and the Minister then has 15 working days to act on the report of the panel.

On February 2, 2017, the Department of Environment and Natural Resources ("DENR") in the Philippines announced that AMVI is among 12 mining companies that have passed an audit performed by them and that it will therefore be allowed to continue its operations together with the 11 other successful mining companies. The audit was for the purpose to assess mining companies on issues of compliance related to environmental management, safety and health and social development. Operations at AMVI have continued uninterrupted.

On February 15, 2017, the DENR announced that MPSA No.086-97-IX, relating to the Balabag gold-silver project, is among 75 MPSAs recommended for cancellation by the DENR as a result of being located in what is their definition of a critical watershed area. TVIRD filed a response on February 23, 2017, and emphasized that there exists no grounds to validly cancel, terminate or suspend the MPSA between the government and TVIRD as there is neither violation of the terms of the MPSA nor of any law, rule or regulation that would merit its cancellation, termination or suspension. TVIRD defends its position in that there is no absolute ban on mining operations in "watershed" areas and that the Balabag MPSA is in fact not located in a government proclaimed watershed, and the Company believes also that the exploration license and legal right to the MPSA relating to TVIRD's interest in the Balabag project is valid and can withstand any legal challenge.

On February 22, 2017, TVIRD issued a cash dividend of 30 million Philippine pesos (CAD \$787,647) to all shareholders of record as of December 31, 2016, and TVI Marketing, the direct shareholder of TVIRD, received as its share a dividend of 9.2 million Philippine pesos (CAD \$241,529), prior to Philippine dividend tax, in the amount of 1.4 million Philippine pesos (CAD \$36,200). TVI Marketing in turn transferred a net 7.8 million Philippine pesos (CAD \$205,300) through to TVI as a repayment of intercompany advances.

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