



Interim Consolidated Financial Statements

**For the Nine Months Ended
September 30, 2019 and 2018
(Unaudited)**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of TVI Pacific Inc. for the interim reporting period ended September 30, 2019, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Company's management.

The Company's independent auditors, PricewaterhouseCoopers, have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada ("CPA Canada") for a review of interim financial statements by an entity's auditor.

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
September 30, 2019
(in Canadian dollars)



	Notes	September 30, 2019	December 31, 2018
Assets			
Current assets:			
Cash and cash equivalents	4	\$ 297,037	\$ 686,875
Accounts receivable		219,490	22,810
Due from related parties	6	6,706	19,664
Prepaid expenses		66,297	80,389
Derivative financial instrument	5	-	1,234,500
Investment in equity securities – current portion	7	79,575	269,556
Total current assets		669,105	2,313,794
Non-current assets:			
Investment in equity securities	7	1,178,758	4,534,411
Investment in joint venture	8	13,011,269	12,842,022
Property and equipment		16,774	19,795
Other assets		13,803	3,378
Total non-current assets		14,220,604	17,399,606
Total assets		\$ 14,889,709	\$ 19,713,400
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	9	\$ 162,920	\$ 189,438
Due to related parties	6	763,276	549,899
Total current liabilities		926,196	739,337
Deferred tax liability	10	1,093,708	1,118,214
Total liabilities		2,019,904	1,857,551
Equity attributable to shareholders of the Company:			
Share capital	11(b)	32,974,070	32,974,070
Contributed surplus	11(d)	7,095,205	7,095,205
Deficit		(23,736,030)	(19,030,996)
Translation reserves		(3,463,440)	(3,182,430)
Total equity		12,869,805	17,855,849
Total liabilities and equity		\$ 14,889,709	\$ 19,713,400

Commitment (note 16)
Subsequent Events (note 17)

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

On behalf of the Board:

"Clifford M. James"
Clifford M. James, Director

"C. Brian Cramm"
C. Brian Cramm, Director

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)
September 30, 2019 and 2018
(in Canadian dollars)



	Notes	Three months ended September 30		Nine months ended September 30	
		2019	2018	2019	2018
Expenses:					
Exploration costs		\$ -	\$ -	\$ -	\$ -
Depreciation expense		1,324	2,216	4,261	7,014
Administrative and general costs	13	329,447	343,021	1,126,465	1,044,061
Total expenses		330,771	345,237	1,130,726	1,051,075
Operating loss		(330,771)	(345,237)	(1,130,726)	(1,051,075)
Other income (expenses):					
Interest income		593	695	2,891	3,529
Foreign exchange gain (loss)	15	(29,218)	(25,389)	(97,162)	(10,694)
Other gains (losses)	5	(27,659)	(559,353)	(806,783)	1,760,660
Fair market valuation of equity investment	7	(1,100,185)	(1,596,613)	(3,545,634)	6,391,475
Share of gains of associates and joint venture	8	202,915	9,305	872,380	315,628
Other income (expenses), net		(953,554)	(2,171,355)	(3,574,308)	8,460,598
Net income (loss) before income tax		(1,284,325)	(2,516,592)	(4,705,034)	7,409,523
Income tax recovery (expense)	10	-	299,784	-	(525,701)
Net income (loss)		(1,284,325)	(2,216,808)	(4,705,034)	6,883,822
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations		(5,222)	2,949	22,784	10,732
Foreign currency translation adjustment – associates to equity investment		-	-	-	(6,251)
Foreign currency translation adjustment – associates and joint venture		(56,159)	(414,533)	(303,794)	(667,218)
Comprehensive income (loss)		\$ (1,345,706)	\$ (2,628,392)	\$ (4,986,044)	\$ 6,221,085
Basic income (loss) per share	12	\$ (0.002)	\$ (0.003)	\$ (0.007)	\$ 0.011
Diluted income (loss) per share	12	(0.002)	(0.003)	(0.007)	0.011
Weighted average number of common shares	11(b)	655,537,039	655,537,039	655,537,039	655,537,039

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Changes to Equity
September 30, 2019 and 2018
(in Canadian dollars)



	Share capital (Note 11b)	Contributed surplus (Note 11d)	Deficit	Accumulated other comprehensive income (loss)	Total equity
January 1, 2019	\$ 32,974,070	\$ 7,095,205	\$ (19,030,996)	\$ (3,182,430)	\$ 17,855,849
Transaction with owners					
Stock-based compensation	-	-	-	-	-
Total transaction with owners	-	-	-	-	-
Comprehensive income/(loss)					
Net income/(loss)	-	-	(4,705,034)	-	(4,705,034)
Other comprehensive loss:					
Adjustment of previous OCI	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	(281,010)	(281,010)
Total comprehensive income (loss)	-	-	(4,705,034)	(281,010)	(4,986,044)
September 30, 2019	\$ 32,974,070	\$ 7,095,205	\$ (23,736,030)	\$ (3,463,440)	\$ 12,869,805
January 1, 2018	\$ 32,974,070	\$ 7,079,878	\$ (24,094,125)	\$ (3,618,783)	\$ 12,341,040
Transaction with owners					
Stock-based compensation	-	15,327	-	-	15,327
Total transaction with owners	-	15,327	-	-	15,327
Comprehensive income/(loss)					
Net income	-	-	6,883,822	-	6,883,822
Other comprehensive loss:					
Adjustment of previous OCI	-	-	-	(6,251)	(6,251)
Foreign currency translation adjustment	-	-	-	(656,486)	(656,486)
Total comprehensive income (loss)	-	-	6,883,822	(662,737)	6,221,085
September 30, 2018	\$ 32,974,070	\$ 7,095,205	\$ (17,210,303)	\$ (4,281,520)	\$ 18,577,452

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
September 30, 2018 and 2019
(in Canadian dollars)



	Notes	Three months ended September 30		Nine months ended September 30	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss) before income tax		\$ (1,284,325)	\$ (2,516,592)	\$ (4,705,034)	\$ 7,409,523
Adjustments for:					
Depreciation expense		1,324	2,216	4,261	7,014
Stock based compensation	11 (d)	-	-	-	15,327
Unrealized foreign exchange loss (gain)		29,664	17,869	89,295	18,718
Other losses (gains)	5	27,659	559,353	806,783	(1,760,660)
Fair market valuation of equity investment	7	1,100,185	1,596,613	3,545,634	(6,391,475)
Share of loss (gains) of associates and joint venture	8	(202,915)	(9,305)	(872,380)	(315,628)
Changes in working capital	14	(38,122)	128,027	344,445	544,170
Distribution from investment in joint venture, net of tax	8	199,049	193,621	399,339	386,089
Net cash used in operating activities		(167,481)	(28,200)	(387,657)	(86,922)
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in short-term deposits		-	-	-	869
Expenditures on property and equipment and other assets		-	-	(1,239)	(1,854)
Net cash generated from investing activities		-	-	(1,239)	(985)
Effect of foreign exchange rates on cash		(3,730)	-	(942)	(569)
Net decrease in cash and cash equivalents		(171,211)	(28,200)	(389,838)	(88,476)
Cash and cash equivalents at beginning of the period		468,248	821,794	686,875	882,070
Cash and cash equivalents at end of the period		\$ 297,037	\$ 793,594	\$ 297,037	\$ 793,594

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



1. Corporate information, nature of operations and going concern:

TVI Pacific Inc. ("TVI" or the "Company") is a publicly listed resource company incorporated in Alberta, Canada on January 12, 1987 under the Alberta Business Corporations Act and its shares are listed on the TSX Venture Exchange. TVI is focused on the acquisition of diversified resource projects in the Asia Pacific region and on evaluating and acquiring interests in resource projects that can be rapidly developed and put into production to generate revenue and cash flows. TVI does not presently have an active resource property but holds various equity and joint venture investments in resource companies engaged in production, development and/or exploration activities in the Philippines as well as the commercialization of plastics-to-fuel technology and biomass to fuel and energy conversion technologies in Australia and internationally.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. ("TVIRD"). TVIRD's assets include the Canatuan project, the Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and Direct Shipping Ore ("DSO") operations and interests in the Agata processing project and various other exploration properties in the Philippines. At September 30, 2019, TVI also holds a 3.57% equity interest in Integrated Green Energy Solutions Ltd ("IGES"), an ASX listed issuer engaged in the commercialization of technologies related to plastics and biomass to fuel and energy conversion and the construction of waste plastics-to-diesel conversion plant in Australia and internationally, as well as a 14.4% equity interest in Mindoro Resources Ltd. ("Mindoro"), a NEX listed issuer engaged in mining and exploration in the Philippines. At September 30, 2019, 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.

Going Concern

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

For the nine months ended September 30, 2019, TVI reported a net loss of \$4,705,034 (September 30, 2018 - net income \$6,883,822) resulting primarily from a decrease in the fair value of equity investments and derivative assets, and operating cash outflows of \$387,657 (September 30, 2018 - \$86,922). TVI had a working capital deficit of \$257,091 at September 30, 2019 (December 31, 2018 working capital surplus - \$1,574,457). The Company has no outstanding loans payable nor does it currently have any annual expenditure obligations as at September 30, 2019. As at September 30, 2019, TVI had an ending cash and cash equivalents and short-term deposits balance of \$297,037 (December 31, 2018 - \$686,875).

These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. During the nine months ended September 30, 2019, TVI received \$0.2 million (September 30, 2018 - \$0.4 million) in dividends (net of Philippine dividend withholding tax) from TVIRD and gross proceeds of \$341,061 from the sale of a portion of its investment in IGES shares (September 30, 2018 - \$407,281). The Company's ability to continue as a going concern is presently dependent on the sale of portions of its interest in IGES shares and possible distributions from its joint venture investment in TVIRD, which the Company does not control, to continue its operations and to fund expenses. These undertakings, while significant, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows so it can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

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

These interim consolidated financial statements were authorized for issue by the Board of Directors on November 13, 2019.

2. Basis of preparation:

(a) Statement of compliance

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

These interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018. These interim financial statements have not been reviewed by the Company’s auditor.

(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 5 and note 7). 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.

(c) Changes in accounting policies

i) IFRS 16 “Leases”

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 continues to be 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.

Under IFRS 16 lessees may elect not to recognise assets and liabilities for leases with a lease term of 12 months or less. In such cases a lessee recognises the lease payments in profit or loss on a straight-line basis over the lease term. The exemption is required to be applied by class of underlying assets.

The Company’s current lease is for only a twelve-month period (see note 16) and does not contain any purchase option and therefore continues to be recognized as an operating lease.

The adoption of IFRS 16 did not materially impact the timing or measurement of revenue and did not result in an adjustment to the balance of Retained Earnings at January 1, 2019.

3. Financial risk management:

The Company’s activities expose it to a variety of financial risks: market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s financial performance. The Board of Directors has the overall responsibility for the establishment and oversight of the Company’s risk management framework.

3. Financial risk management (continued):

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. The interim financial statements should be read in conjunction with TVI's audited consolidated financial statements for the year ended December 31, 2018.

a) *Financial risk management*

i) *Currency risk*

For the nine months ended September 30, 2019:

- a) The impact on net income (loss) if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$8,283.
- b) The impact on net income (loss) if the Australian Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$62,917.
- c) The impact on net income (loss) if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$1,615.

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	
	Nine months ended	Year ended	September 30, 2019	December 31, 2018
	September 30, 2019	December 31, 2018		
Canadian Dollar/US Dollar	1.3292	1.2957	1.3243	1.3642
Canadian Dollar/ Australian Dollar	0.9296	0.9687	0.8941	0.9616
Canadian Dollar/ Philippine Peso	0.0255	0.0246	0.0254	0.0258

ii) *Interest rate risk*

Interest rate risk relates to interest rates on cash and cash equivalents as well as to the risk of change in the borrowing rates of the Company. The Company currently has no outstanding loans payable, nor does it currently have any annual expenditure obligations as at September 30, 2019 and therefore the Company has no current exposure to changes in interest rates except for interest rates on cash and cash equivalents.

iii) *Price risk*

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk) whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting all similar financial instruments in the market or a market segment. Exposure to other price risk is primarily in investment in equity securities of IGES and derivative financial instruments where changes in quoted prices on investments in equity securities impact the underlying value of the investment and derivatives.

iv) *Liquidity risk*

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations and commitments and repaying liabilities as they fall due.

At September 30, 2019 the Company had accumulated losses of \$23.7 million since inception (December 31, 2018 - \$19.0 million), a working capital deficiency of \$0.3 million (December 31, 2018 - surplus of \$1.6 million) and reported a net loss for the nine months ended September 30, 2019 of \$4.7 million (September 30, 2018 - \$6.9 million net income). These conditions indicate a material uncertainty which lends significant doubt about the Company's ability to continue as a going concern (Note 1).

3. Financial risk management (continued):

The Company's ability to meet obligations and repay liabilities as they come due and to continue as a going concern is presently dependent on the sale of portions of its interest in IGES shares and possible distributions from its joint venture investment in TVIRD, which the Company does not control. These undertakings, while significant, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows. There is no assurance that these initiatives will be successful.

To manage capital and operating spending, budgets are prepared, monitored regularly and updated as required.

The table below summarizes the Company's financial liabilities by relevant maturity groupings based on contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

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

	September 30, 2019	December 31, 2018
Due within 12 months:		
Accounts payable and accrued liabilities (note 9)	\$ 162,920	\$ 189,438
Due to related parties (note 6)	763,276	549,899
	<u>\$ 926,196</u>	<u>\$ 739,337</u>

Due to related parties has been classified as current but includes directors' and management fees, deferred since January 1, 2016 and February 1, 2016, respectively, for which the date of payment will be determined by the Board as conditions permit (note 6).

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.

v) Credit risk

Credit risk arises from the potential that a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, money market funds, derivative financial instrument, accounts receivable, due from related parties and other assets. The Company limits its exposure to credit risk on cash and cash equivalents and bank deposits by depositing and investing in banks with investment grade credit ratings, which were approved by the Board of Directors.

b) Fair value measurements recognized in the statement of financial position

The analysis of financial instruments that are measured subsequent to initial recognition at fair value can be classified into Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value disclosed for the derivative financial instrument (note 5) is classified under Level 3.

3. Financial risk management (continued):

During the nine months ended September 30, 2019, there were no transfers between levels in the fair value hierarchy of any fair value measurements nor were there changes in valuation techniques.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, short-term deposits, accounts receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at September 30, 2019 and December 31, 2018 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.

	September 30, 2019		December 31, 2018	
Debt	\$	926,196	\$	739,337
Equity		16,333,245		21,038,279
Assets		14,889,709		19,713,400
Debt-to-equity		6%		4%
Debt-to-assets		6%		4%

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

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

	September 30, 2019		December 31, 2018	
Cash on hand	\$	733	\$	745
Cash in banks		228,395		364,600
Money market		67,909		321,530
Total cash on hand and in banks	\$	297,037	\$	686,875

Cash in banks and money market funds earn interest at the prevailing market rates. The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are denominated in the following currencies (Canadian Dollar equivalents):

	September 30, 2019		December 31, 2018	
Canadian Dollars	\$	99,077	\$	417,283
US Dollars		165,668		239,025
Philippine Pesos		32,292		30,567
	\$	297,037	\$	686,875

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

	September 30, 2019		December 31, 2018	
Canada	\$	183,261	\$	522,762
Philippines		68,607		117,346
Others		45,169		46,767
	\$	297,037	\$	686,875

5. Derivative financial instrument:

As at September 30, 2019, TVI holds a total of 9,158,621 options to purchase IGES shares with a conversion price of A\$0.20 and expiry date of December 31, 2019.

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

	September 30, 2019		December 31, 2018	
Beginning balance	\$	1,234,500	\$	664,198
Gain (loss) on revaluation		(1,147,844)		582,839
Foreign currency translation		(86,656)		(12,537)
Ending Balance	\$	-	\$	1,234,500

The fair value of IGES conversion options at September 30, 2019 has been reduced to \$nil as a result of trading of IGES shares for an extended period at a share price below the A\$0.20 exercise price of the IGES options and consideration of the December 31, 2019 expiry date of IGES options held by the Company.

Adjustments in the fair value of the options to purchase IGES shares and the gain on sale of IGES shares have contributed to Other gains (losses) as follows:

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
Revaluation of derivative financial instrument	\$	(1,147,844)	\$	1,429,701
Gain on sale of investment in IGES		341,061		407,281
Write-off TVIRD option to purchase		-		(76,322)
	\$	(806,783)	\$	1,760,660

The Company wrote-down at December 31, 2018 the remaining carrying value of the TVIRD option to purchase as a result of the inability of TVIRD to complete a listing on the Philippine Stock Exchange prior to the March 31, 2019 expiry date of the option.

6. Related party transactions:

The interim 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)	
		September 30, 2019	December 31, 2018
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World Energy Corp	Canada	100%	100%
TVI Asia-Pacific Resources Corporation	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World (BVI) Corporation	British Virgin Islands	100%	100%
TG World Petroleum Limited	Bahamas	100%	100%
TG World Energy Inc.	United States	100%	100%

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		September 30, 2019	December 31, 2018
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
IGES ⁽¹⁾	Australia	3.57%	3.94%
Mindoro	Canada	14.40%	14.40%

⁽¹⁾ IGES was reclassified in January 2018 to Investment in equity securities following the dilution of TVI's interest in IGES to 5.14% as a result of a capital raise by IGES at the time of its relisting on the ASX in January 2018. As such, IGES is no longer considered an associate.

6. Related party transactions (continued):

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

	September 30, 2019	December 31, 2018
TVIRD	\$ 6,706	\$ 19,664

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

(b) Due to related parties

	September 30, 2019	December 31, 2018
Seajay Management	\$ 382,011	\$ 266,350
Director's fee	375,625	279,250
EDCO	3,475	3,527
Regent Parkway	2,165	772
Total	\$ 763,276	\$ 549,899

Commencing February 1, 2016, payment of management fees related to services of the President, and as charged by Seajay Management, were deferred as the Company is actively working to conserve cash. Management fees for 2017, 2018 and the current year continue to be deferred.

Commencing January 1, 2016, also, payment of directors' fees has been deferred as the Company is actively working to conserve cash. Deferred directors' fees include \$26,125 and \$96,375 incurred during the three and nine months ended September 30, 2019 (September 30, 2018 - \$26,125 and \$95,375). Directors' fees for 2017, 2018 and the current year continue to be deferred.

The payment of deferred management and directors' fees will be determined by the Board as conditions permit and will continue to be deferred, together with ongoing charges, until the Board decides otherwise.

During the three and nine months ended September 30, 2019, the Company also incurred expenses of \$50,952 and \$147,416 (September 30, 2018 - \$49,121 and \$137,397) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVIRD.

7. Investment in equity securities:

(a) Investment in Integrated Green Energy Solutions Ltd

IGES is a publicly listed company incorporated in Australia, with shares listed on the ASX. Its annual reporting period ends at June 30. TVI holds 14,073,741 shares as at September 30, 2019, representing a 3.57% holding as compared to a 3.94% interest at December 31, 2018. TVI also holds a total of 9,158,621 options to purchase IGES shares with a conversion price of A\$0.20 and expiry date of December 31, 2019.

TVI adopted IFRS 9 'Financial Instruments' on January 1, 2018, which introduced a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. This has had the effect of TVI reporting its investment in IGES as an investment in equity securities in 2018, measured at fair value through profit or loss ("FVTPL").

7. Investments in equity securities (continued):

Adjustments in the fair value of the investment in equity securities of IGES have contributed to Other Gains (Loss) as follows:

	September 30, 2019
Investment in IGES at January 1, 2018	\$ nil
Fair market valuation of equity investment	4,803,967
Investment in IGES at December 31, 2018	\$ 4,803,967
Fair market valuation of equity investment	(3,545,634)
Investment in IGES at September 30, 2019	\$ 1,258,333

	IGES shares held	Investment in IGES
Current portion	890,000	\$ 79,575
Non – current portion	13,183,741	1,178,758
	14,073,741	\$ 1,258,333

(b) Investment in Mindoro

Mindoro is a publicly listed company incorporated in Canada with shares listed on the NEX. The annual reporting period of Mindoro ends as at December 31.

As at September 30, 2019, TVI holds 42,779,353 common shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

The book value of the Company's investment in Mindoro was reduced to \$nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment. As at September 30, 2019, a proportionate share of net losses in excess of \$3.5 million had been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize at a future date.

8. Investment in joint venture:

	September 30, 2019
Investment in joint venture at January 1, 2018	\$ 11,835,177
Share of net income	915,385
Share of other comprehensive income (loss)	(26,058)
Foreign exchange revaluation of other comprehensive income	503,608
Cash distribution from joint venture received, net of Philippine tax of \$68,133	(386,090)
Investment in joint venture at December 31, 2018	12,842,022
Share of net income (loss)	872,380
Share of other comprehensive income (loss)	(303,794)
Cash distribution from joint venture received, net of Philippine tax of \$70,472	(399,339)
Investment in joint venture at September 30, 2019	\$ 13,011,269

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD continues to be the operator of the Agata joint ventures.

8. Investment in joint ventures (continued):

TVIRD declared two (2) cash dividends through the nine months ended September 30, 2019. One cash dividend has been received by TVI Marketing as at September 30, 2019, as the direct shareholder of TVIRD, while the second dividend was received subsequent to September 30, 2019, as reflected in the table below:

Date Received	Total TVIRD Dividend Declared		Total TVI International Marketing Share			
			Prior to Philippine Dividend Withholding Tax		Net of Philippine Dividend Withholding Tax	
	PHP (millions)	\$CAD (thousands)	PHP (millions)	\$CAD (thousands)	PHP (millions)	\$CAD (thousands)
Mar. 25, 2019	30.0	\$ 768.4	9.2	\$ 235.6	7.8	\$ 200.3
Oct. 18, 2019	30.0	763.6	9.2	\$ 234.2	7.8	\$ 199.0
Total Received	60.0	\$ 1,532.0	18.4	\$ 469.8	15.6	\$ 399.3

9. Accounts payable and accrued liabilities:

Account consists of the following:

	September 30, 2019		December 31, 2018	
Trade payables	\$	71,142	\$	87,449
Other accrued expenses		91,778		101,989
	\$	162,920	\$	189,438

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

10. Income taxes:

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
Current tax expense (recovery)	\$	-	\$	-
Deferred tax expense (recovery)		-		525,701
	\$	-	\$	525,701

The deferred tax expense recognized for the nine months ended September 30, 2018 pertains to Canadian capital gains tax payable in relation to the gain on fair value of investment in equity securities (note 2(b) and note 7) and the derivative financial instrument (note 5), which has been offset by the full previously unrecorded capital loss carryforward of \$0.9 million and calculated at a tax rate of 28%.

Deferred tax liability of \$1,093,708 at September 30, 2019 (December 31, 2018 - \$1,118,214) as follows:

	September 30, 2019		December 31, 2018	
TVI Minerals	\$	550,194	\$	558,334
TVI Asia-Pacific Resources Corp		644		654
TG World BVI Corp		542,870		559,226
	\$	1,093,708	\$	1,118,214

11. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

Unlimited preferred non-voting shares without nominal or par value, issuable in series, none of which have been issued.

11. Share capital (continued):

(b) Issued and fully paid

The total number of common shares since January 1, 2019 up to September 30, 2019 was 655,537,039 (September 30, 2018 – 655,537,039 common shares) in the amount of \$32,974,070 (September 30, 2018 - \$32,974,070).

(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. Current options vest over a period of up to three (3) years and expire no more than five (5) years from the date of grant.

There were no share options granted during the nine months ended September 30, 2019, and no share options granted during the twelve months ended December 31, 2018.

	September 30, 2019		December 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	43,450,000	\$ 0.015	43,450,000	\$ 0.015
Issued	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	2,100,000	0.015	-	-
Options outstanding, end of period	41,350,000	\$ 0.015	43,450,000	\$ 0.015
Options exercisable, end of period	41,350,000	\$ 0.015	43,450,000	\$ 0.015

Price range	Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
\$ 0.015	41,350,000	0.4085	41,350,000

(d) Stock-based compensation and contributed surplus

During the three and nine months ended September 30, 2019, \$nil (September 30, 2018 - \$nil and \$15,327) of stock-based compensation was charged to the consolidated statement of comprehensive income.

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
Contributed surplus, beginning of period	\$	7,095,205	\$	7,079,878
Stock-based compensation		-		15,327
Contributed surplus, end of period	\$	7,095,205	\$	7,095,205

12. Per share data:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net income (loss)	\$ (1,284,325)	\$ (2,216,808)	\$ (4,705,034)	\$ 6,883,822
Weighted average number of shares, basic and diluted	655,537,039	655,537,039	655,537,039	655,537,039
Basic income (loss) per share	(0.002)	(0.003)	(0.007)	0.011
Diluted income (loss) per share	(0.002)	(0.003)	(0.007)	0.011

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

12. 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.

13. Administrative and General expenses by nature:

	Nine months ended September 30	
	2019	2018
Personnel costs	\$ 443,811	\$ 448,360
Contracted services	237,269	164,116
Professional fees	146,414	154,021
Travel and transportation	86,810	83,073
Rent	71,073	67,534
Insurance	52,325	48,022
Advertising and investor relations	49,714	38,557
Provision for doubtful accounts	12,695	-
Utilities	9,284	7,879
Taxes and licenses	7,323	8,494
Materials and freight	3,262	2,643
Stock-based compensation	-	15,327
Others	6,485	6,035
Total administrative and general costs	\$ 1,126,465	\$ 1,044,061

14. Changes in working capital:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Accounts receivable	\$ (197,012)	\$ (6,972)	\$ (196,680)	\$ (6,516)
Investment in equity securities	102,985	302,230	341,061	668,622
Prepaid expenses	16,622	30,686	14,115	(42,579)
Trade accounts payables and accrued liabilities	(23,530)	43,579	(33,931)	17,853
Due to/from related parties	62,813	(241,496)	219,880	(93,210)
	\$ (38,122)	\$ (128,027)	\$ 344,445	\$ (544,170)

15. Foreign exchange gain:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Unrealized foreign exchange gain (loss)	\$ (29,664)	\$ (7,519)	\$ (89,295)	\$ 8,024
Realized foreign exchange gain (loss)	446	(17,870)	(7,867)	(18,718)
	\$ (29,218)	\$ (25,389)	\$ (97,162)	\$ (10,694)

The unrealized foreign exchange gain (loss) during the period ended September 30, 2019 and 2018 pertains mainly to the revaluation of derivative financial instrument while realized foreign exchange gain during the period ended September 30, 2019 and 2018 pertains mainly to the conversion of \$US bank accounts.



16. Commitment:

The Company has entered into a lease contract with respect to its corporate office premises that has commenced on April 1, 2015. The initial lease was for a three-year term through to March 31, 2018 but has been extended under the same terms to December 31, 2019, most recently for a separate 12 month term. The remaining total rent payments up to the end of the lease contract in December 2019 amounts to \$15,104 inclusive of base rent, estimated operating expense and taxes. The Company has sublet a portion of its corporate office premises through to the date of expiration of its extended lease contract at December 31, 2019 as it continues its focus to reduce expenditures and to conserve cash.

17. Subsequent Events:

TVI divested of 890,000 shares of IGES through November 13, 2019 at an average share price of A\$0.117 to generate net proceeds of approximately \$91,127, reducing TVI's equity interest in IGES to 3.35%.

Further to a declaration by the TVIRD Board of Directors on September 5, 2019 to issue a dividend of 30 million Philippine pesos (\$0.76 million) among all shareholders of record as of June 30, 2019, TVI Marketing received on October 18, 2019 a dividend of 9.2 million Philippine pesos (\$0.23 million), prior to Philippine dividend tax in the amount of 1.4 million Philippine pesos (\$0.03 million), and the net amount of 7.8 million Philippine pesos (\$0.20 million) was then transferred through to TVI as repayment of intercompany advances.

On October 24, 2019, TVIRD completed its first drawdown of US \$6 million under a US \$28.5 million 5-year term loan facility provided by China Banking Corporation to partially finance its Balabag gold/silver mining project.



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