Consolidated Financial Statements

For the Years Ended
December 31, 2023 and 2022

Independent auditor's report

To the Shareholders of TVI Pacific Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of TVI Pacific Inc. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of the investment in joint venture *Refer to note 1 – Corporate information, nature of operations and going concern, note 3 – Material accounting policies and note 10 – Investment in joint venture to the consolidated financial statements.* The Company holds interest in TVI Resource Development Phils., Inc. (TVIRD), which is accounted for as an investment in a joint venture using the equity method of accounting. As at December 31, 2023, the Company held 30.66% interest in TVIRD and the carrying amount of the investment in the joint venture amounted to $23 million. The Company assesses at each reporting period whether there are any indicators that the investment in the joint venture is impaired, which would necessitate an impairment test. The Company applies judgment when assessing whether the combined effect of several events has provided objective evidence of impairment indicators of the investment in the joint venture, including whether: (i) there has been evidence of significant financial difficulty; or (ii) a breach of contract, such as a default or delinquency in payments. No objective evidence of impairment indicators which would necessitate an impairment test was identified by management as at December 31, 2023.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's impairment indicator assessment of the investment in joint venture, which included: – Assessment of whether there was evidence of significant financial difficulty at TVIRD and whether there was a breach of contract, such as a default or delinquency in payments by TVIRD as part of the audit procedures performed to support the results of TVIRD; and – Assessment of the completeness of factors that could be considered indicators of impairment of the investment in the joint venture by considering evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the equity accounted investment in the joint venture and the judgment applied by management when assessing whether there were any indicators that would require an impairment test to be performed. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to management's impairment indicator assessment.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mykhaylo Trakshynskyy.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 29, 2024

(in Canadian dollars)

	Notes		December 31, 2023		December 31, 2022
Assets					
Current assets:					
Cash and cash equivalents	6	$	266,155	$	134,886
Accounts receivable	7		18,338		11,512
Due from related parties	8(a)		3,012		3,071
Prepaid expenses			3,050		9,093
Total current assets			**290,555**		**158,562**
Non-current assets:					
Investment in joint venture	10		22,545,440		28,984,522
Property and equipment			9,300		15,739
Other assets			6		5
Total non-current assets			**22,554,746**		**29,000,266**
Total assets		**$**	**22,845,301**	**$**	**29,158,828**
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	11	$	315,126	$	350,894
Due to related parties	8(b)		3,114,720		1,960,061
Income tax payable			4		-
Total current liabilities			**3,429,850**		**2,310,955**
Non-current liabilities:					
Retirement benefit payable	12		208,944		68,326
Deferred tax liability	13		322,715		397,507
Total non-current liabilities			**531,659**		**465,833**
Total liabilities			**3,961,509**		**2,776,788**
Equity attributable to shareholders of the Company:					
Share capital	14(b)		34,374,277		33,016,445
Contributed surplus	14(d)		7,326,748		7,074,580
Deficit			(17,050,786)		(8,466,859)
Translation reserves			(5,766,447)		(5,242,126)
Total equity			**18,883,792**		**26,382,040**
Total liabilities and equity		**$**	**22,845,301**	**$**	**29,158,828**

Going concern (note 1)
Commitment (note 21)
Subsequent events (note 22)

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

(in Canadian dollars)

	Notes		2023		2022
Expenses:					
Depreciation expense		$	6,442	$	5,522
Administrative and general costs	16		2,553,719		1,594,476
Total expenses			2,560,161		1,599,998
Operating loss			(2,560,161)		(1,599,998)
Other income (expenses):					
Interest expense, net	18		(188,379)		(84,860)
Foreign exchange gain	19		1,157		23,254
Other gains	20		-		119,498
Share of (loss) income of joint venture	10		(5,905,425)		1,194,186
Other (expense) income, net			**(6,092,647)**		**1,252,078**
Net loss before income tax			(8,652,808)		(347,920)
Income tax recovery	13		68,881		153,014
Net loss			**(8,583,927)**		**(194,906)**
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations			9,335		13,026
Foreign currency translation adjustment – joint venture			(533,656)		(1,143,473)
Comprehensive loss		**$**	**(9,108,248)**	**$**	**(1,325,353)**
Basic loss per share	15	$	(0.012)	$	(0.000)
Diluted loss per share	15		(0.012)		(0.000)
Weighted average number of common shares, basic	15		690,050,022		656,987,039
Weighted average number of common shares, diluted	15		690,050,022		656,987,039

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

TVI Pacific Inc.
Consolidated Statements of Changes in Equity
December 31, 2023 and 2022
(in Canadian dollars)

	Share capital (Note 14b)	Contributed surplus (Note 14d)	Deficit	Translation reserves	Total equity
January 1, 2023	**$ 33,016,445**	**$ 7,074,580**	**$ (8,466,859)**	**$ (5,242,126)**	**$ 26,382,040**
Transactions with owners					
Issued shares (note 14(b))	1,340,000	-	-	-	1,340,000
Options exercised (note 14(c))	17,832	252,168	-	-	270,000
Total transactions with owners	1,357,832	252,168	-	-	1,610,000
Comprehensive loss					
Net loss	-	-	(8,583,927)	-	(8,583,927)
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(524,321)	(524,321)
Total comprehensive loss	-	-	(8,583,927)	(524,321)	(9,108,248)
December 31, 2023	**$ 34,374,277**	**$ 7,326,748**	**$ (17,050,786)**	**$ (5,766,447)**	**$ 18,883,792**
January 1, 2022	**$ 33,016,445**	**$ 7,074,580**	**$ (8,271,953)**	**$ (4,111,679)**	**$ 27,707,393**
Comprehensive loss					
Net loss	-	-	(194,906)	-	(194,906)
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(1,130,447)	(1,130,447)
Total comprehensive loss	-	-	(194,906)	(1,130,447)	(1,325,353)
December 31, 2022	**$ 33,016,445**	**$ 7,074,580**	**$ (8,466,859)**	**$ (5,242,126)**	**$ 26,382,040**

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

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

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before income tax		$ (8,652,808)	$ (347,920)
Adjustments for:			
Depreciation expense		6,442	5,522
Unrealized foreign exchange gain	19	(3,250)	(23,642)
Other gains	20	-	(119,498)
Share of loss (income) of joint venture	10	5,905,425	(1,194,186)
Changes in non-cash working capital	17	1,121,207	622,842
Changes in retirement benefit payable	12	144,616	14,868
Distribution from investment in joint venture, net of tax	10	-	684,447
Net cash used in operating activities		**(1,478,368)**	**(357,567)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued – Private placement to Prime Resources Holding Inc. (“PRHI”)	14(b)	1,340,000	-
Shares issued – Options exercised	14(c)	270,000	-
Net cash from financing activities		**1,610,000**	-
CASH FLOWS FROM INVESTING ACTIVITY			
Expenditures on property and equipment and other assets		-	(4,362)
Net cash used in investing activity		**-**	**(4,362)**
Effect of foreign exchange rates on cash		(363)	(910)
Net increase (decrease) in cash and cash equivalents		131,269	(362,839)
Cash and cash equivalents at beginning of the year		134,886	497,725
Cash and cash equivalents at end of the year		**$ 266,155**	**$ 134,886**

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

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

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

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. (**"TVIRD"**). TVIRD's assets include the Balabag gold-silver mine, the Siana gold mine (**"Siana"**), a 60% interest in the Agata nickel laterite and Direct Shipping Nickel/Iron projects and interests in the Agata processing project, a 60% indirect interest in Mt. Labo Exploration and Development Corporation (**"MLEDC"**) and the Mabilo project (**"Mabilo"**) that MLEDC 100% owns and operates, and various other exploration properties in the Philippines. TVIRD holds the 60% indirect interest in MLEDC through its 100% ownership of SageCapital Partners, Inc. (**"SageCapital"**). At December 31, 2023, TVI also holds a 14.4% equity interest in Mindoro Resources Ltd. (**"Mindoro"**), an entity incorporated in Canada that is engaged in mining and exploration in the Philippines. TVI has established its principal business address at Suite 600, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2024.

Going concern

These consolidated financial statements (**"consolidated financial statements"**) have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**"IFRS Accounting Standards"**) on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at December 31, 2023, the Company had a working capital deficit of $3.1 million (December 31, 2022 – $2.2 million deficit), including total cash and cash equivalents of $0.3 million (December 31, 2022 – $0.1 million). During the year ended December 31, 2023, the Company realized a net loss of $8.6 million (December 31, 2022 – $0.2 million net loss). At December 31, 2023, the Company had an accumulated deficit of $17.1 million (December 31, 2022 – $8.5 million). In addition, the Company recorded cash outflows from operations of $1.5 million for the year ended December 31, 2023 (December 31, 2022 - $0.4 million cash outflow). As at December 31, 2023, the Company had accounts payable and accrued liabilities of $0.3 million (December 31, 2022 - $0.4 million) and a payable to related parties of $3.1 million (December 31, 2022 - $2.0 million), but has no other outstanding loans payable or any annual expenditure obligations.

During the year ended December 31, 2023, no dividends were received from TVIRD (December 31, 2022 – $0.7 million) (net of Philippine withholding tax). The Company's ability to continue as a going concern is dependent upon possible distributions from its joint venture investment in TVIRD, which the Company does not control. This undertaking, while significant, is not sufficient in and of itself to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows so it can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

During the year ended December 31, 2023, the Company has: (1) completed a non-brokered private placement to Prime Resources Holdings, Inc. (**"PRHI"**) of 53,600,000 common shares in the capital of the Company, at a price of $0.025 per share, for gross proceeds of $1,340,000; and (2) received a further $270,000 of proceeds through the exercise of 18,000,000 stock options by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy.

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

These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to fund its operations, distributions from its joint venture investment in TVIRD and the ability of TVI to develop its resource projects and generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

(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.

3. Material 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, TVI Asia Pacific Resources Corporation, TG World Energy Corp (**"TG World"**); TVI International Marketing Limited (**"TVI Marketing"**), TVI Minerals Processing Inc. (**"TVI Minerals"**), TG World (BVI) Corporation and TG World Energy Inc. (**"TG Inc."**).

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.

3. Material accounting policies (continued):

(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 upon 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 (loss) 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 becomes equal to 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 becomes equal to the cumulative 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 in the share of income 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, 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) as well as distributions. 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, as the Company is party to an agreement with the majority shareholder of TVIRD whereby unanimous consent from both parties is required on decisions concerning relevant activities and joint control is thereby practiced.

The Company assesses at each reporting period whether there is any objective evidence that the investment in the joint venture is impaired, which would necessitate an impairment test. 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

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 and deposits held at call with banks.

(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

3. Material accounting policies (continued):

administration expenditures. 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).

(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 each respective transaction. 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) Other income (expense)

(i) Interest income (expense)

Interest income (expense) 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/premium as interest income (expense).

(ii) Other income

Other income is recognized when earned or realized.

3. Material accounting policies (continued):

(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.

(g) Leases

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. During 2023, $47,893 was incurred in the statement of comprehensive loss relating to short term leases (2022 - $50,602).

(h) Business combinations, goodwill and bargain purchase gains

A business combination is a transaction or other event in which control over one or more businesses is obtained.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration plus the recognized amount of any non-controlling interest in the acquiree over such fair value being recorded as goodwill. If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of comprehensive income (loss).

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

The acquired assets and assumed liabilities are recognized at fair value on the date the Company effectively obtains control. The measurement of the assets and liabilities acquired in each business combination is based on the information available on the acquisition date. The estimate of fair value of the acquired intangible assets (including goodwill), property and equipment and other assets and the liabilities assumed at the date of acquisition as well as the useful lives of the acquired intangible assets and property and equipment are based on assumptions estimating the fair value of these items.

(i) 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 and investments 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.

3. Material accounting policies (continued):

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 liabilities 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.

(j) Per share amounts

Net income (loss) per common share is computed by dividing net income 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.

(k) Financial instruments

Classification and measurement of financial assets

The initial classification of a financial asset depends upon the Company's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Company classified its financial assets:

- Amortized cost: Includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest;
- Fair value through other comprehensive income (loss) (**"FVOCI"**): Includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or
- Fair value through profit and loss (**"FVTPL"**): Includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through profit or loss. This includes all derivative financial instruments.

On initial recognition, the Company may irrevocably designate a financial asset that meets the amortized cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss) (**"OCI"**).

At initial recognition, the Company measures a financial asset at its fair value and, in the case of a financial asset not at FVTPL, including transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are recorded as an expense in net income (loss).

Financial assets are reclassified subsequent to their initial recognition only if the business model for managing those financial assets changes. The affected financial assets will be reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3. Material accounting policies (continued):

Investments in equity securities

Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at FVTPL. For new investments in equity securities, the Company can elect the same classification as subsequently measured at FVTPL, or the Company can elect to classify the investment at FVOCI. This election can be made on an investment-by-investment basis and is irrevocable. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date, where available. Dividends are recognized in profit and these investments are not assessed for impairment.

Expected credit losses

The Company recognizes loss allowances for expected credit losses (**"ECLs"**) on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

Classification and measurement of financial liabilities

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Financial liabilities at FVTPL (other than financial liabilities designated at FVTPL) are measured at fair value with changes in fair value, along with any interest expense, recognized in net income. Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in net income (loss). Any gain or loss on derecognition is also recognized in net income.

A financial liability is derecognized when the obligation is discharged, canceled or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are considered non-substantial, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified it is considered to be extinguished and a gain or loss is recognized in net income based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in net income.

(l) Events after the reporting date

Events after the reporting date are evaluated up to the date the consolidated 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 consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Critical accounting estimates and judgements:

Share options

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 14c).

Recoverability of investment in joint venture

The Company applies judgment when assessing whether the combined effect of several events has provided objective evidence of impairment indicators of the investment in the joint venture, including whether (i) there has been evidence of significant financial difficulty; or (ii) a breach of contract, such as a default or delinquency in payments.

Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. The determination of fair value often requires management to make assumptions and estimates about future events. The fair value of property, plant and equipment recognized in a business combination, corporate or property acquisition is based on market values. The market value of property, plant and equipment is the estimated amount for which property, plant and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in the consolidated statement of income and comprehensive income (loss) immediately. Transaction costs are expensed as incurred.

Income taxes

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 13.

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 and is the currency also in which TVIRD measures its performance and reports its results.

Going concern

The Board of Directors of TVI has considered the Company's current activities, funding position and projected funding requirements for the period of at least twelve months from the date of approval of the consolidated financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the consolidated financial statements for the year ended December 31, 2023. The assessment of the Company's ability to execute its strategy to meet its future funding requirements involves judgement (note 1).

5. 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.

5. Financial risk management (continued):

a) Financial risk management

(i) Currency risk

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

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

For the year ended December 31, 2023:

a) the impact on net loss if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be $5,036.

b) the impact on net loss if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be $747.

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

	Average rate		Spot rate as at December 31	
	2023	**2022**	**2023**	**2022**
Canadian Dollar/US Dollar	1.3497	1.3013	1.3226	1.3544
Canadian Dollar/ Philippine Peso	0.0243	0.0239	0.0238	0.0242

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As the Company has no significant interest-bearing assets or liabilities for which the interest rate fluctuates, the Company's income (loss) and operating cash flows are not significantly impacted by changes in market interest rates. The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 8(b)) that is calculated on total unpaid fees. This rate was set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%. No payment of interest on unpaid Management and directors' fees has been made in the year ended December 31, 2023 (December 31, 2022 – nil). The Company has no other significant interest-bearing assets or liabilities for which the interest rate fluctuates and may thereby significantly impact the Company's income (loss) and operating cash flows.

(iii) Liquidity risk

As at December 31, 2023 and December 31, 2022, the Company has a $3.1 million and $2.2 million working capital deficit, respectively.

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

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

		2023		2022
Due within 12 months:				
Accounts payable and accrued liabilities (note 11)	$	315,126	$	350,894
Due to related parties (note 8)		3,114,720		1,960,061
Income tax payable		4		-
	$	3,429,850	$	2,310,955

(in Canadian dollars)

5. Financial risk management (continued):

The Company remains focused upon conserving cash through reducing expenditures but to continue operations and to fund expenses and settle liabilities the Company is presently dependent on possible distributions from its joint venture investment in TVIRD, which the Company does not control.

(iv) Credit risk

Credit risk arises from the potential that a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, accounts receivable, due from related parties and other assets.

The Company manages credit risk associated with cash by maintaining its cash deposits in accounts with creditworthy banks, which have been approved by the Board of Directors.

The following are the components and aging of the accounts receivable and due from related parties:

	2023	2022
Advances to employees	1%	-
Other receivable	85%	79%
Due from related party	14%	21%
	100%	100%

The following is the aging of the accounts receivable:

		2023		2022
Neither past due nor impaired	$	21,350	$	14,583
Past due over 6 months but not impaired		-		-
	$	21,350	$	14,583

Trade receivables and contract assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period of greater than 120 days past due.

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

		2023		2022
Due within 12 months:				
Accounts receivable	$	18,338	$	11,512
Due from related parties		3,012		3,071
	$	21,350	$	14,583

The impairment of trade receivables was assessed at both December 31, 2023 and December 31, 2022 using the expected credit loss model. No individual receivables were found to be uncollectible and therefore written off. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- default or late payments (more than 30 days overdue).

(in Canadian dollars)

5. Financial risk management (continued):

Receivables for which an impairment provision is recognized are written off against the provision when there is no expectation of recovering additional cash. No provision has been recorded at December 31, 2023 or December 31, 2022.

The carrying amounts of cash and cash equivalents, accounts receivable, due from related parties and other assets at December 31, 2023 represent the Company's maximum credit risk exposure.

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

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

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

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, accounts receivable, due from and to related parties, retirement benefit payable, and accounts payable and accrued liabilities approximate their fair values at December 31, 2023 and December 31, 2022 due to their short-term nature.

c) *Capital risk management*

The Company monitors capital on the basis of the debt-to-equity 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.

	2023	2022
Debt	$ 3,429,850	$ 2,310,955
Equity	24,650,239	31,624,166
Assets	22,845,301	29,158,828
Debt-to-equity	14%	7%
Debt-to-assets	15%	8%

6. Cash and cash equivalents:

Cash and cash equivalents consist of:

	2023	2022
Cash on hand	$ 357	$ 365
Cash in banks	265,798	134,521
	$ 266,155	$ 134,886

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

(in Canadian dollars)

7. Accounts receivable:

Accounts receivable consists of:

		2023		2022
Goods and services tax receivable	$	18,229	$	11,512
Others		109		-
	$	18,338	$	11,512

8. 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) 2023	2022
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World Energy Corp	Canada	100%	100%
TVI Asia Pacific Resource Corporation	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World (BVI) Corporation (1)	British Virgin Islands	0%	0%
TG World Energy Inc.	United States	100%	100%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
Mindoro	Canada	14.40%	14.40%

(1) The sale of 100% of shares of TG World (BVI) Corporation by TG World Energy Corp. was completed on March 1, 2022.

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

		2023		2022
TVIRD	$	3,012	$	3,071
	$	3,012	$	3,071

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

(b) Due to related parties

		2023		2022
Seajay Management	$	1,795,523	$	857,073
Directors' fees		1,094,906		860,592
Due to Officers		182,646		199,035
Regent Parkway 3202 Management Inc (**"Regent Parkway"**)		41,645		43,361
	$	3,114,720	$	1,960,061

The Company has not fully paid Seajay Management for management fees related to services of the President dating back to 2017 as the Company has been actively working to conserve cash. Since that time, unpaid management fees have only been paid in part with $nil paid during the twelve months ended December 31, 2023 (December 31, 2022 - $30,107). Management fees of $160,500 related to services of the President were incurred during the year ended December 31, 2023, and a further $721,000 of retirement expense accrued (December 31, 2022 - $160,500).

(in Canadian dollars)

8. Related party transactions (continued):

During the year ended December 31, 2023, the Company accrued interest expense of $78,388 on the unpaid management fees (December 31, 2022 - $34,260).

The Company has not fully paid directors' fees dating back to 2017 as the Company has been actively working to conserve cash. Directors' fees of $139,250 were incurred during the year ended December 31, 2023 (December 31, 2022 - $139,500).

During the year ended December 31, 2023, the Company accrued interest expense of $95,064 on the unpaid Director's fees (December 31, 2022 - $45,572).

The Company has not fully paid the Chief Financial Officer (**"CFO"**) dating back to 2017. At December 31, 2023, unpaid fees of $169,505 are outstanding (December 31, 2023 - $155,448) and during the year ended December 31, 2023, the Company accrued interest expense of $15,601 (December 31, 2022 - $7,896) on the unpaid CFO fees.

During the year ended December 31, 2023, the Company also incurred expenses of $227,983 (December 31, 2022 - $196,104) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVI.

(c) Key management compensation

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

		2023		2022
Short-term employee benefits	$	1,158,707	$	428,357
Directors' fees		139,250		139,500
	$	1,297,957	$	567,857

Further to note 8(b) above, fees related to the services of the President and all directors' fees, as well as a portion of fees due to the CFO, continue to accrue but have not been paid.

9. Investment in equity securities:

a) Investment in Mindoro

Mindoro is an entity incorporated in Canada that is engaged in mining and exploration in the Philippines. The trading of common shares of Mindoro has been suspended since the date Mindoro announced its move to the NEX for failure to maintain the requirements for a TSX Venture Exchange Tier 2 company (January 26, 2018). Effective then on May 25, 2021, the shares of Mindoro were delisted from the NEX for failure to pay its NEX listing maintenance fees. The annual reporting period of Mindoro ends as at December 31.

As at December 31, 2023, TVI holds 42,779,353 common shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

The book value of the Company's investment in Mindoro was reduced to $nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment.

As at December 31, 2023, a further proportionate share of net losses has been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize.

(in Canadian dollars)

10. Investment in joint venture:

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

Investment in joint venture at December 31, 2021	$	29,618,255
Share of net income		1,194,186
Share of other comprehensive loss		(5,943)
Foreign exchange revaluation		(1,137,530)
Cash distribution from joint venture receivable, net of taxes of $120,785		(684,446)
Investment in joint venture at December 31, 2022		28,984,522
Share of net loss		(5,905,425)
Share of other comprehensive loss		(15,738)
Foreign exchange revaluation		(517,919)
Investment in joint venture at December 31, 2023	$	22,545,440

The Company's share of TVIRD's results of operations, assets and liabilities for the year ended December 31, 2023, are as follows:

	December 31, 2023		December 31, 2022	
Share of revenue	$	37,984,447	$	48,848,754
Share of comprehensive (loss) income		(5,921,163)		1,188,243
Share of total current assets		34,399,725		27,326,743
Share of total assets		102,417,161		97,005,855
Share of total current liabilities		31,738,395		22,820,599
Share of total liabilities		77,493,845		65,638,747

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

	2023		2022	
Revenue from laterite	$	9,809,113	$	58,121,876
Revenue from gold and silver		115,010,027		101,197,934
Other losses		(929,881)		4,241
Total revenues		123,889,259		159,324,051
Total expenses		(141,725,233)		(155,523,236)
Operating income		(17,835,974)		3,800,815
Finance cost		(3,889,281)		(299,882)
Interest income		102,757		204,058
Other income (loss)		2,432,863		(3,030,348)
Net income (loss) before tax		(19,189,635)		674,643
Income tax (expense) recovery		(1,179,111)		2,252,467
Net income (loss) for the year		(20,368,746)		2,927,110
Non-controlling interest income (loss)		1,107,737		967,822
Net income (loss) attributable to TVIRD		(19,261,009)		3,894,932
Other comprehensive loss - TVIRD		(51,330)		(19,384)
Comprehensive (loss) income- TVIRD	$	(20,420,076)	$	3,875,548

(in Canadian dollars)

10. Investment in joint venture (continued):

		2023		2022
The Company's share in net income (loss)	$	(5,905,425)	$	1,194,186
The Company's share in other comprehensive loss		(15,738)		(5,943)
Share of comprehensive income (loss) of joint venture		(5,921,163)		1,188,243
Cash and cash equivalents	$	23,820,452	$	5,848,764
Current assets		112,197,406		89,128,321
Non-current assets		221,844,214		227,263,900
Total assets		334,041,620		316,392,221
Current financial liabilities		88,866,274		10,293,762
Non-current financial liabilities		128,463,650		10,274,803
Current liabilities		103,517,269		74,431,178
Non-current liabilities		149,234,998		139,654,754
Total liabilities		252,752,267		214,085,932
Net assets		81,289,353		102,306,289
Adjustments and eliminations		(58,743,913)		(73,321,767)
Investment in joint venture	$	22,545,440	$	28,984,522

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD continues to be the 100% owner and operator of the Balabag gold/silver mine and the Siana gold mine and holds also a 60% interest in both the Agata mining projects and Mabilo.

Through the twelve months ended December 31, 2022 and December 31, 2023, the net income (loss) from TVIRD operations has been negatively impacted largely as a result of: (1) the adoption of amendments to IAS 16 that became effective January 1, 2022, but has been applied retrospectively, and has required TVIRD to fully realize development and rehabilitative costs associated with Siana rather than to defer them following commencement of sales of gold doré produced in December 2022 as Siana has continued to work through the soft commissioning phase; and (2) continuing site overhead costs at Agata that have been offset only in part by the completion of seven (7) shipments of nickel laterite through the twelve months ended December 31, 2023 (29 shipments through the twelve months ended December 31, 2022), further to the announcement in May 2022 that AMVI would cease operations in October 2022.

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

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

Dividends received from the joint venture reduce the book value of investment in joint venture. As of December 31, 2023, investment in joint venture has been reduced by a total of $4.8 million in dividends received to date by TVI since TVIRD started to distribute dividends in 2017. No dividends were received in the twelve months ended December 31, 2023 (December 31, 2022 - $0.7 million).

11. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

		2023		2022
Trade payables	$	117,865	$	152,081
Other accrued liabilities		197,261		198,813
	$	315,126	$	350,894

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

(in Canadian dollars)

12. Retirement benefit payable:

TVI Asia Pacific Resources Corporation provides a retirement benefit to its employees based on provisions of the RA.7641 "Philippine Retirement Law", and commenced recognizing non-current retirement benefit payable at December 31, 2023. As at December 31, 2023, the company recorded retirement benefit payable of $208,944 (December 31, 2022 - $68,326).

13. Income taxes:

		2023		2022
Current tax expense (recovery)	$	-	$	-
Deferred tax expense (recovery)		(68,881)		(153,014)
Income tax expense (recovery)		(68,881)		(153,014)

Deferred tax recovery (expense) of $68,881 at December 31, 2023 (2022 - $153,014) is as follows:

		2023		2022
TVI Minerals	$	39,941	$	68,892
TVI Asia-Pacific Corp		28,940		3,010
TG World BVI Corp		-		81,112
Deferred tax recovery		68,881		153,014

Deferred tax liability of $322,715 at December 31, 2023 (2022 - $397,507) is as follows:

		2023		2022
TVI Minerals	$	364,455	$	411,106
TVI Asia-Pacific Corp		(41,740)		(13,599)
Deferred tax liability		322,715		397,507

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

		2023		2022
Weighted average applicable tax rate		22.8%		15.5%
Net income before income tax	$	(8,652,808)	$	(347,920)
Expected expense (recovery)	$	(1,976,229)	$	(53,950)
Change to income taxes resulting from:				
Nondeductible expenses		1,861,313		(514,064)
Non-taxable income		(2)		(2)
Net unrecognized (recognized) tax credit for losses		46,037		415,002
Income tax expense (recovery)	$	(68,881)	$	(153,014)

The deferred tax recovery of $68,881 recognized in the year ending December 31, 2023, relates to the Philippine entities, TVI Minerals and TVI Asia Pacific Corporation. 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 22.8% (2022 – 15.5%).

At December 31, 2023 and 2022, the Company has estimated capital losses for Canadian tax purposes of $27.9 million that do not expire and may be utilized to reduce future capital gains, if any. The Company has estimated non-capital losses of $32.2 million at December 31, 2023 which may be applied to reduce taxable income in future taxation years (December 31, 2022 - $30.6 million), the benefit of which has not been recorded in these consolidated financial statements. The non-capital losses will expire between 2026 to 2037.

The aggregate outside basis differences, being the difference between the carrying amount of investment in subsidiaries, equity securities and joint venture and their tax bases, as of December 31,

(in Canadian dollars)

13. Income taxes (continued):

2023, amounted to $6.0 million (December 31, 2022 - $6.0 million). The benefit of which has not been recorded in these consolidated financial statements.

14. 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

	2023			2022		
	Shares (#)		Value ($)	Shares (#)		Value ($)
Common shares, January 1	656,987,039	$	33,016,445	656,987,039	$	33,016,445
Options exercised during the year	18,000,000		17,832	-		-
Issued shares during the year	53,600,000		1,340,000	-		-
Common shares, December 31	728,587,039	$	34,374,277	656,987,039	$	33,016,445

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

(c) Share options

The Company has a 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.

There were no share options granted during the years ended December 31, 2023, and December 31, 2022.

During the period ended December 31, 2023, 18,000,000 stock options were exercised (December 31, 2022 – nil stock options were exercised) by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy.

	2023			2022		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of year	39,900,000	$	0.015	39,900,000	$	0.015
Exercised	18,000,000		0.015	-		-
Options outstanding, end of year	21,900,000	$	0.015	39,900,000	$	0.015
Options exercisable, end of year	21,900,000	$	0.015	39,900,000	$	0.015

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

(in Canadian dollars)

14. Share capital (continued):

As TVI has been in a continuous black-out period since 2019 and through to December 31, 2023, stock options that had been scheduled to expire in May 2019 and June 2020 have been extended through to the date of these consolidated financial statements in accordance with the Company's Stock Option Plan. The black-out period has applied to all insiders. All stock options are anti-dilutive at both December 31, 2022 and December 31, 2023 as the Company has reported a net loss in each of these periods.

(d) Stock-based compensation and contributed surplus

During the period ended December 31, 2023, $252,168 (December 31, 2022 - $nil) of stock-based compensation was charged to the consolidated statement of comprehensive income (loss). The stock-based compensation of $252,168 related to the exercise of 18,000,000 stock options by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy (note 14(b)).

		2023		2022
Contributed surplus, beginning of year	$	7,074,580	$	7,074,580
Exercised options		252,168		-
Contributed surplus, end of year	$	7,326,748	$	7,074,580

15. Per share data:

		2023		2022
Net income (loss)	$	(8,583,927)	$	(194,906)
Weighted average number of shares, basic		690,050,022		656,987,039
Weighted average number of shares, diluted		690,050,022		656,987,039
Basic income per share		(0.012)		(0.000)
Diluted income per share		(0.012)		(0.000)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares consisting of share options.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) through the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

16. Expenses by nature:

		2023		2022
Personnel costs	$	1,602,058	$	731,624
Professional fees		408,932		363,234
Contracted services		212,327		193,147
Travel and transportation		116,962		88,358
Insurance		69,336		76,778
Investor relations		66,731		59,155
Rent		47,893		50,602
Taxes and licenses		8,790		10,347
Utilities		7,524		10,615
Bad debts		5,284		-
Materials and supplies		2,056		2,352
Others		5,826		8,264
Total administrative and general costs	$	2,553,719	$	1,594,476

(in Canadian dollars)

17. Changes in working capital:

	2023	2022
Accounts receivable	$ (6,826)	$ 441
Prepaid expenses	6,043	(8,191)
Accounts payables and accrued liabilities	(35,277)	166,224
Due from related parties	59	3,430
Due to related parties	1,157,208	460,938
	$ 1,121,207	$ 622,842

The increase in changes in working capital year-over-year is largely the result of the accrual in 2023 of retirement expense as it relates to the President (note 8(b)).

18. Interest income (expense):

	2023	2022
Interest income	$ 4,534	$ 1,526
Interest (expense)	(192,913)	(86,386)
	$ (188,379)	$ (84,860)

The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 8) that is calculated on total unpaid fees. The interest rate was set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%. No payment of interest on unpaid Management and directors' fees has been made in the year ended December 31, 2023 (December 31, 2022 – nil).

19. Foreign exchange gain (losses):

	2023	2022
Unrealized foreign exchange gain	$ 3,250	$ 23,642
Realized foreign exchange loss	(2,093)	(388)
	$ 1,157	$ 23,254

20. Other gains (loss):

On March 1, 2022, TG World Energy Corp. completed the sale of 100% of TG World (BVI) Corporation shares to Sacgasco Limited (ASX: SGC), an Australian-based energy company, together with the total balance of intercompany receivables owing by TG World (BVI) Corporation to TG World Energy Corp. The consideration paid to TG World Energy Corp. includes a cash payment of A$1 and a royalty (which will be payable (to a maximum of US $530,000) after commercial production is achieved at SC54A). The Company has not recorded the royalty as a contingent asset and will record it only once received. Sacgasco Limited has also assumed certain liabilities that were outstanding at the level of TG World (BVI) Corporation on March 1, 2022. The sale has resulted in a net gain of $119,498.

21. Commitment:

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

22. Subsequent events:

On January 23, 2024, TVIRD made its twelfth (12) repayment in relation to the 5-year term loan with China Banking Corporation in the amount of US $2.1 million and including US $0.2 million interest, reducing the original principal loan balance of the US$28.5 million facility to approximately US $5.7 million.

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

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

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