FTV Pacific Inc.

Interim Consolidated Financial Statements

For the Nine Months Ended
September 30, 2020 and 2019
(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, 2020, 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, 2020
(in Canadian dollars)

	Notes		September 30, 2020		December 31, 2019
Assets					
Current assets:					
Cash and cash equivalents	4	$	282,506	$	467,063
Accounts receivable			28,188		24,781
Due from related parties	5		7,211		7,452
Prepaid expenses			28,503		65,836
Investment in equity securities – current portion	6		-		81,857
Total current assets			**346,408**		**646,989**
Non-current assets:					
Investment in equity securities	6		-		1,708,498
Investment in joint venture	7		17,386,606		13,849,841
Property and equipment			21,980		16,485
Other assets			14,936		13,892
Total non-current assets			**17,423,522**		**15,588,716**
Total assets		**$**	**17,769,930**	**$**	**16,235,705**
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	8	$	406,943	$	262,287
Due to related parties	5		1,091,042		850,067
Total current liabilities			**1,497,985**		**1,112,354**
Deferred tax liability	9		830,866		785,846
Total liabilities			**2,328,851**		**1,898,200**
Equity attributable to shareholders of the Company:					
Share capital	10(b)		32,989,070		32,974,070
Contributed surplus	10(d)		7,095,205		7,095,205
Deficit			(22,790,441)		(22,600,212)
Translation reserves			(1,852,755)		(3,131,558)
Total equity			**15,441,079**		**14,337,505**
Total liabilities and equity		**$**	**17,769,930**	**$**	**16,235,705**

Commitment (note 15)
Subsequent Events (note 16)

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, 2020 and 2019
(in Canadian dollars)

	Notes	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Expenses:					
Depreciation expense		$ 1,715	$ 1,324	$ 5,022	$ 4,261
Administrative and general costs	12	334,306	329,447	1,120,605	1,126,465
Total expenses		**336,021**	330,771	**1,125,627**	**1,130,726**
Operating loss		**(336,021)**	**(330,771)**	**(1,125,627)**	**(1,130,726)**
Other income (expenses):					
Interest income		175	593	832	2,891
Foreign exchange gain (loss)	14	(1,202)	(29,218)	625	(97,162)
Other gains (loss)		-	(27,659)	42,760	(806,783)
Fair market valuation of equity investment	6	-	(1,100,185)	(1,708,498)	(3,545,634)
Share of income of joint venture	7	86,294	202,915	2,599,679	872,380
Other income (expenses), net		**85,267**	**(953,554)**	**935,398**	**(3,574,308)**
Net income (loss) before income tax		(250,754)	(1,284,325)	(190,229)	(4,705,034)
Income tax recovery (expense)	9	-	-	-	-
Net income (loss)		**(250,754)**	**(1,284,325)**	**(190,229)**	**(4,705,034)**
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations		1,376	(5,222)	(39,773)	22,784
Foreign currency translation adjustment – joint venture		167,994	(56,159)	1,318,576	(303,794)
Comprehensive income (loss)		**$ (81,384)**	**$ (1,345,706)**	**$ 1,088,574**	**$ (4,986,044)**
Basic income (loss) per share	11	$ (0.000)	$ (0.002)	$ (0.000)	$ (0.007)
Diluted income (loss) per share	11	(0.000)	(0.002)	(0.000)	(0.007)
Weighted average number of common shares	11	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.

(in Canadian dollars)

	Share capital (Note 10)	Contributed surplus (Note 10d)	Deficit	Accumulated other comprehensive income (loss)	Total equity
January 1, 2020	**$ 32,974,070**	**$ 7,095,205**	**$ (22,600,212)**	**$ (3,131,558)**	**$ 14,337,505**
Transaction with owners					
Options exercised	15,000	-	-	-	15,000
Total transaction with owners	15,000	-	-	-	15,000
Comprehensive income/(loss)					
Net income/(loss)	-	-	(190,229)	-	(190,229)
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	1,278,803	1,278,803
Total comprehensive income (loss)	-	-	(190,229)	1,278,803	1,088,574
September 30, 2020	**$ 32,989,070**	**$ 7,095,205**	**$ (22,790,441)**	**$ (1,852,755)**	**$ 15,441,079**
January 1, 2019	**$ 32,974,070**	**$ 7,095,205**	**$ (19,030,996)**	**$ (3,182,430)**	**$ 17,855,849**
Comprehensive income/(loss)					
Net income/(loss)	-	-	(4,705,034)	-	(4,705,034)
Other comprehensive loss:					
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**

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, 2020 and 2019
(in Canadian dollars)

	Notes	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss) before income tax		$ (250,754)	$ (1,284,325)	$ (190,229)	$ (4,705,034)
Adjustments for:					
Depreciation expense		1,715	1,324	5,022	4,261
Options exercised		15,000	-	15,000	-
Unrealized foreign exchange (gain) loss		(471)	29,664	(2,698)	89,295
Other (gains) loss		-	27,659	(34,081)	806,783
Fair market valuation of equity investment	6	-	1,100,185	1,708,499	3,545,634
Proceeds from sale of IGES shares		-	-	115,938	-
Share of income of joint venture	7	(86,294)	(202,915)	(2,599,679)	(872,380)
Changes in working capital	13	45,514	(38,122)	428,574	344,445
Distribution from investment in joint venture, net of tax	7	381,490	199,049	381,490	399,339
Net cash used in operating activities		**106,200**	**(167,481)**	**(172,164)**	**(387,657)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditures on property and equipment and other assets		(7)	-	(10,487)	(1,239)
Net cash generated from investing activities		**(7)**	**-**	**(10,487)**	**(1,239)**
Effect of foreign exchange rates on cash		(3,563)	(3,730)	(1,906)	(942)
Net decrease in cash and cash equivalents		102,630	(171,211)	(184,557)	(389,838)
Cash and cash equivalents at beginning of the period		179,876	468,248	467,063	686,875
Cash and cash equivalents at end of the period		**$ 282,506**	**$ 297,037**	**$ 282,506**	**$ 297,037**

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 Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and Direct Shipping Nickel/Iron ("**DSO**") operations and interests in the Agata processing project and various other exploration properties in the Philippines. At September 30, 2020, TVI also holds a 2.97% equity interest in Integrated Green Energy Solutions Ltd ("**IGES**"), an Australian Stock Exchange ("**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 plants internationally but whose shares have been suspended from trading since January 2020 (note 6), and holds also a 14.4% equity interest in Mindoro Resources Ltd. ("**Mindoro**"), a NEX listed issuer engaged in mining and exploration in the Philippines. TVI has established its principal business address at Suite 806, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These consolidated financial statements were authorized for issue by the Board of Directors on November 24, 2020.

Going Concern

These consolidated 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, 2020, TVI reported a net loss of $190,229 (September 30, 2019 - net loss $4,705,034) resulting primarily from write-down of its investment in equity securities offset by the proportionate share of income associated with TVIRD. TVI had a working capital deficit of $1,151,577 at September 30, 2020 (December 31, 2019 – a deficit of $465,365). As at September 30, 2020, the Company had accounts payable and accrued liabilities of $406,943 (December 31, 2019 - $262,287) and a payable to related parties of $1,091,042 (December 31, 2019 - $850,067) but has no other outstanding loans payable or any annual expenditure obligations, apart from the Company's office lease (note 15).

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, 2020, TVI received $0.4 million (September 30, 2019 – $0.2 million) in dividends (net of Philippine dividend withholding tax) from TVIRD and gross proceeds of $115,938 were received from the sale of a portion of its investment in IGES shares (September 30, 2019 - $341,061). The Company's ability to continue as a going concern is presently dependent on the sale of portions of its interest in IGES shares, although IGES' shares are currently suspended from trading on the ASX, 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.

2. Basis of preparation:

(a) Statement of compliance

These consolidated interim financial statements ("**consolidated interim financial statements**") have been prepared in accordance with IFRS issued by the 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 consolidated interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019. These consolidated 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 3b). 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 recognize assets and liabilities for leases with a lease term of 12 months or less. In such cases a lessee recognizes 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 adopted IFRS 16 using a modified retrospective approach on January 1, 2019. No reclassifications or adjustments to right-of-use assets or lease liabilities arising from the new leasing standard were recognized in the opening balance sheet as of January 1, 2019.

The Company's current office lease is for only a twelve-month period (note 15) and does not contain any option to extend the lease and therefore lease costs continue to be recognized as incurred in the statement of comprehensive income (loss).

Practical expedients applied

In applying IFRS 16 for the first time the Company elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application, January 1, 2019, but instead: (a) to apply the requirements of the new leasing standard to contracts that were previously identified as leases under the previous standard, and (b) not to apply the requirements of the new

2. Basis of preparation (continued):

leasing standard to contracts that were not previously identified as containing a lease under the previous leasing standard.

In addition to the above the Company has applied the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for leases with a remaining lease term of less than 12 months as short-term leases;
- the accounting for leases on which the underlying asset is of a low value; and,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

(d) New and revised IFRS that have been issued but are not yet effective:

(i) IAS 12, Income Taxes:

IAS 12 currently provides guidance on current and deferred tax assets and liabilities, but uncertainty may exist on how tax applies to certain transactions.

(ii) IAS 1, Presentation of Financial Statements:

IAS 1 has amended the definition of material to “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The previous definition of IAS 1 was “omissions of misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of those financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

(iii) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 amended the definition of material to reflect the changes outlined above under IAS1.

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.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with TVI’s audited consolidated financial statements for the year ended December 31, 2019.

(in Canadian dollars)

3. Financial risk management (continued):

a) *Financial risk management*

i) Currency risk

For the nine months ended September 30, 2020:

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 $9,467.

b) The impact on net income (loss) if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be $1,390.

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 September 30, 2020	Year ended December 31, 2019	September 30, 2020	December 31, 2019
Canadian Dollar/US Dollar	1.3541	1.3269	1.3339	1.2988
Canadian Dollar/ Australian Dollar	0.9156	0.9228	0.9545	0.9122
Canadian Dollar/ Philippine Peso	0.0271	0.0256	0.0276	0.0258

ii) Interest rate risk

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

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 where changes in quoted prices on investments in equity securities have historically impacted the underlying value of the investment prior to this investment being fully written-down at March 31, 2020 (note 6).

iv) Liquidity risk

At September 30, 2020 the Company has a $1.2 million working capital deficit (December 31, 2019 - $0.5 million).

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

(in Canadian dollars)

3. Financial risk management (continued):

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

		September 30, 2020		December 31, 2019
Due within 12 months:				
Accounts payable and accrued liabilities	$	454,817	$	262,287
Due to related parties		1,043,168		850,067
	$	1,497,985	$	1,112,354

The Company remains focused upon conserving cash through reducing expenditures while being dependent currently upon possible distributions from its investment in joint venture and the sale of portions of its interest in IGES and/or other equity holdings to help settle liabilities and be a source of funding to help the Company pursue resource projects that can be rapidly developed and put into production to generate revenue and cash flows. Risk nonetheless exists that the Company may not be successful in its various cash raising efforts (note 1).

Note 8 includes a further breakdown and explanation of accounts payable and accrued liabilities.

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, accounts receivable, due from related parties and other assets. The Company manages credit risk associated with cash by maintaining its cash and money market funds in accounts with creditworthy banks that were approved by the Board of Directors.

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

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

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

During the nine months ended September 30, 2020, the fair value disclosed for the investment in equity securities (note 6) was transferred from Level 1 where it was based upon quoted prices of its respective shares to Level 3 following consideration of IGES' net asset position and the continuing trading suspension by the ASX. There were no other transfers between levels in the fair value hierarchy of any fair value measurements and no other 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, 2020 and December 31, 2019 due to their short-term nature.

(in Canadian dollars)

3. Financial risk management (continued):

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, 2020		December 31, 2019	
Debt	$	1,497,985	$	1,112,354
Equity		17,293,833		17,469,063
Assets		17,769,930		16,235,705
Debt-to-equity		9%		6%
Debt-to-assets		8%		7%

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

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

	September 30, 2020		December 31, 2019	
Cash on hand	$	690	$	743
Cash in banks		281,816		288,461
Money market		-		177,859
Total cash on hand and in banks	$	282,506	$	467,063

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

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

	September 30, 2020		December 31, 2019	
US Dollars	$	189,340	$	199,930
Canadian Dollars		65,358		72,840
Philippine Pesos		27,808		29,026
AUD Dollars		-		165,267
	$	282,506	$	467,063

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

	September 30, 2020		December 31, 2019	
Canada	$	202,320	$	201,103
Philippines		34,017		56,413
Singapore		46,169		44,280
Australia		-		165,267
	$	282,506	$	467,063

(in Canadian dollars)

5. 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, 2020	December 31, 2019
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%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
IGES (1)	Australia	2.97%	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.

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, 2020	December 31, 2019
TVIRD	$ 7,211	$ 6,710
Regent Parkway 3202 Management Inc. ("Regent Parkway")	-	742
Total	$ 7,211	$ 7,452

The Company's receivable from TVIRD relates to reimbursable expenses and services provided by TVI Pacific to TVIRD. The receivable from Regent Parkway represented an advance payment of $742 due back to TVI.

(b) Due to related parties

	September 30, 2020	December 31, 2019
Seajay Management	$ 517,992	$ 440,789
Directors' fees	500,125	405,750
Due to Officers	60,437	-
Regent Parkway	8,715	-
Exploration Drilling Corporation	3,773	3,528
Total	$ 1,091,042	$ 850,067

Management fees related to services of the President were first deferred commencing in February 2016 and have continued to be deferred since that time as the Company is actively working to conserve cash. Since that time only management fees related to calendar year 2016 were paid out in 2018 and a part payment also of $44,000 made against 2017 deferred fees. During the nine months ended

(in Canadian dollars)

5. Related party transactions (continued):

September 30, 2020, a further $44,000 part payment was made against 2018 deferred fees while the balance of past years and current year charges continue to be deferred. Deferred management fees of $40,125 and $120,375 related to services of the President were incurred during the three and nine months ended September 30, 2020 (September 30, 2019 - $40,125 and $120,375).

Directors' fees were first deferred commencing in January 2016 and have continued to be deferred since that time as the Company is actively working to conserve cash. Since that time only directors' fees related to calendar year 2016 were paid out in 2018 while the balance of past and current year charges continue to be deferred. Deferred directors' fees of $33,125 and $94,375 were incurred during the three and nine months ended September 30, 2020 (September 30, 2019 - $26,125 and $96,375).

A portion of compensation due annually to the Chief Financial Officer has been deferred commencing in 2017 and reclassified in 2020 to Related Parties from Accounts Payable and Accrued Liabilities.

During the three and nine months ended September 30, 2020, the Company also incurred expenses of $27,175 and $104,076 (September 30, 2019 - $50,952 and $147,416) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVI.

6. 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 11,705,894 shares as at September 30, 2020, representing a 2.97% equity interest (December 31, 2019 – 12,266,741 IGES shares held representing a 3.11% equity interest).

TVI has written-down to nil the fair market value of its equity interest in IGES during the nine months ended September 30, 2020 following the suspension from trading of IGES securities announced by the ASX on January 20, 2020, under Listing Rule 17.3 pending further enquiries by the ASX on issues of funding. As at the release date of these interim consolidated financial statements, IGES has not yet resolved issues with the ASX so as to allow trading to resume. TVI has considered in its current valuation of its investment also the net asset value of IGES that was reported to be a deficit of $23 million (AUD $24 million) in its half-year report for the period December 31, 2019 and published on March 13, 2020. TVI has also further taken into account a claim placed against IGES as announced on June 19, 2020 whereby a foreign entity that invested A$10 million into the IGES Amsterdam project has received a consent judgement through the Supreme Court of NSW (Australia) for A$12.5 million plus costs and has subsequently served a creditor's statutory demand on IGES for payment by December 4, 2020.

TVI adopted IFRS 9 'Financial Instruments' on January 1, 2018, which has had the effect of TVI reporting its investment in IGES as an investment in equity securities commencing in 2018, measured at Fair Value Through Profit or Loss ("**FVTPL**").

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

	September 30, 2020	September 30, 2019
Adjustments in fair market value of investment in equity securities	$ (1,708,498)	$ (3,545,634)

(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, 2020, TVI holds 42,779,353 common shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

6. Investment in equity securities (continued):

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, 2020, 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.

7. Investment in joint venture:

		September 30, 2020
Investment in joint venture at January 1, 2019	$	12,842,022
Share of net income		1,374,327
Share of other comprehensive loss		(58,716)
Foreign exchange revaluation of other comprehensive income		91,547
Cash distribution from joint venture received, net of taxes of $70,472		(399,339)
Investment in joint venture at December 31, 2019		13,849,841
Share of net income		2,599,679
Share of other comprehensive income		1,318,576
Cash distribution from joint venture received, net of Philippine tax of $67,322		(381,490)
Investment in joint venture at September 30, 2020	$	17,386,606

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.

TVIRD declared two (2) cash dividends through the nine months ended September 30, 2020 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)	
Aug. 03, 2020	30.0	$	811.9	9.2	$	249.0	7.8	$	211.6
Sep. 18, 2020	24.0		651.7	7.4	$	199.8	6.2	$	169.9
Total Received	54.0	$	1,463.6	16.6	$	448.8	14.0	$	381.5

8. Accounts payable and accrued liabilities:

Account consists of the following:

	September 30, 2020		December 31, 2019	
Trade payables	$	196,640	$	165,166
Other accrued expenses		210,303		97,121
	$	406,943	$	262,287

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

9. Income taxes:

Deferred tax liability of $830,866 at September 30, 2020 (December 31, 2019 - $785,846) as follows:

	September 30, 2020		December 31, 2019	
TVI Minerals	$	598,987	$	560,079
TVI Asia-Pacific Resources Corp		256		239
TG World BVI Corp		231,623		225,528
Deferred Tax Liability	$	830,866	$	785,846

(in Canadian dollars)

10. 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

	Number of shares		Amount
January 1, 2019	655,537,039	$	32,974,070
	-		-
December 31, 2019	655,537,039		32,974,070
On exercise of options	1,000,000		15,000
September 30, 2020	656,537,039	$	32,989,070

(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, 2020, and no share options granted during the twelve months ended December 31, 2019.

During the period ended September 30, 2020, one million (1,000,000) share options were exercised.

	September 30, 2020			December 31, 2019		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	41,350,000	$	0.015	43,450,000	$	0.015
Issued	-		-	-		-
Exercised	1,000,000		0.015	-		-
Forfeited	-		-	-		-
Expired	-		-	2,100,000		0.015
Options outstanding, end of period	40,350,000	$	0.015	41,350,000	$	0.015
Options exercisable, end of period	40,350,000	$	0.015	43,450,000	$	0.015

Price range		Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
$	0.015	40,350,000	1.0142	40,350,000

As TVI has been in a continuous black-out period through all of 2019 and through to September 30, 2020, stock options that had been originally scheduled to expire in May 2019 and June 2020 have been extended in accordance with the Company's Stock Option Plan.

(in Canadian dollars)

10. Share capital (continued):

(d) Stock-based compensation and contributed surplus

During the three and nine months ended September 30, 2020, $nil (September 30, 2019 - $nil) of stock-based compensation was charged to the consolidated statement of comprehensive income.

		Nine months ended September 30, 2020		Nine months ended September 30, 2019
Contributed surplus, beginning of period	$	7,095,205	$	7,095,205
Stock-based compensation		-		-
Contributed surplus, end of period	$	7,095,205	$	7,095,205

11. Per share data:

	Three months ended September 30				Nine months ended September 30		
		2020		2019		2020	2019
Net income (loss)	$	(250,754)	$	(1,284,325)	$	(190,229)	$ (4,705,034)
Weighted average number of shares, basic and diluted		655,537,039		655,537,039		656,537,039	655,537,039
Basic income (loss) per share		(0.000)		(0.002)		(0.000)	(0.007)
Diluted income (loss) per share		(0.000)		(0.002)		(0.000)	(0.007)

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) 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.

12. Expenses by nature:

	Nine months ended September 30			
		2020		2019
Personnel costs	$	429,962	$	443,811
Contracted services		314,837		237,269
Professional fees		146,601		146,414
Rent		70,276		71,073
Insurance		51,923		52,325
Travel and transportation		38,790		86,810
Advertising and investor relations		35,626		49,714
Taxes and licenses		13,109		7,323
Utilities		8,103		9,284
Materials and freight		3,601		3,262
Provision for doubtful accounts		-		12,695
Stock-based compensation		-		-
Others		7,777		6,485
Total administrative and general costs	$	1,120,605	$	1,126,465

(in Canadian dollars)

13. Changes in working capital:

	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Accounts receivable	$ (6,130)	$ (197,012)	$ (3,407)	$ (196,680)
Investment in equity securities	-	102,985	-	341,061
Prepaid expenses	(3,533)	16,622	37,181	14,115
Trade accounts payables and accrued liabilities	(35,226)	(23,530)	198,759	(33,931)
Due to/from related parties	90,403	62,813	196,041	219,880
	$ 45,514	$ (38,122)	$ 428,574	$ 344,445

14. Foreign exchange gain:

	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Unrealized foreign exchange gain (loss)	$ 471	$ (29,664)	$ 2,698	$ (89,295)
Realized foreign exchange gain (loss)	(1,673)	446	(2,073)	(7,867)
	$ (1,202)	$ (29,218)	$ 625	$ (97,162)

The unrealized foreign exchange gain (loss) during the period ended September 30, 2020 and 2019 pertains to the conversion of $US bank accounts.

15. Commitment:

The Company has entered into an agreement with respect to its corporate office premises through which $16,512 has been committed at September 30, 2020 and is payable through to December 31, 2020 (September 30, 2019 - $15,104 reported commitment through to December 31, 2019). These committed amounts are inclusive of base rent, estimated operating expenses and taxes.

16. Subsequent Events:

These interim consolidated financial statements have been prepared based on continuing activities. The activities of the Company's investments in equity securities and investments in joint venture, namely IGES and TVIRD, respectively, have continued to be affected in part by government mandates relating to COVID-19 in the third quarter of 2020. A quarantine regime continues to be in effect in parts of the Philippines and has at various times since March affected access to the TVIRD Head Office as well as to both the Agata and Balabag mine sites while IGES has reported that COVID-19 has impacted its various financing activities. As of the date of this filing, neither the Company or TVIRD could yet reasonably estimate the length or severity of the COVID-19 pandemic or the extent to which the disruption may materially impact the Company's financial position, results of operations, and cash flows for the year 2020.

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