



TVI Pacific Inc.

Annual Information Form

April 18, 2017

(Information provided in this AIF is as of December 31, 2016 unless otherwise stated)

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ITEM 1: PRELIMINARY NOTES

Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form (“AIF”) of TVI Pacific Inc. (“TVI” or the “Company”) is as of December 31, 2016.

Financial Information

The Company’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated financial statements are presented in Canadian Dollars which is the functional and reporting currency of TVI. TVI’s associates include FOY and Mindoro, for which the functional currencies are the Australian dollar and Canadian dollar, respectively, while TVI’s joint venture entity, TVIRD, has the Philippine Peso as its functional currency.

Forward-looking Information

Certain statements in this AIF constitute forward-looking information. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “intend”, “could”, “might”, “should”, “believe”, “schedule” and similar expressions. Forward-looking statements are based upon the opinions and expectations of TVI as at the effective date of such statements and, in certain cases, information received from or disseminated by third parties. Although TVI believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, TVI can give no assurance that those expectations will prove to have been correct.

Forward-looking statements are subject to certain risks and uncertainties (known and unknown) that could cause actual outcomes to differ materially from those anticipated or implied. These factors include, but are not limited to, such things as general economic conditions in Canada, the United States, Fiji, the Philippines, Papua New Guinea and elsewhere; volatility of prices for precious metals, base metals, and oil and gas; commodity supply and demand; fluctuations in currency and interest rates; inherent risks associated with the exploration and development of mining properties; inherent risks associated with the exploration of oil and gas properties; ultimate recoverability of reserves; production, timing, results and costs of exploration and development activities; political or civil unrest; availability of financial resources or third-party financing; new laws (domestic or foreign); changes in administrative practices; changes in exploration plans or budgets; availability of personnel and equipment (including mechanical problems); and extreme weather conditions and forces of nature (i.e. typhoons, heavy rains, earthquakes, and the like) that may disrupt operations and explorations.

Forward-looking statements include, but are not limited to, TVIRD’s ramp up plans at the Agata nickel laterite DSO Project. Forward-looking statements regarding TVIRD’s receipt of permits and commencement of development works at Balabag are based upon current and previous exploration activities, discussions with third-parties, and TVIRD’s overall plans, budget and strategy for Balabag (which are all subject to change). The forward-looking statements include information relating to opportunities for further exploration and development of the Agata Nickel Laterite project, the Agata Limestone project and the Agata Nickel Processing project. Forward-looking information respecting the anticipated timing of various critical events associated with the IPO is based upon various assumptions and factors, including the receipt by TVIRD of all regulatory approvals required to permit the IPO and the listing of the TVIRD shares on the PSE (such as approvals from the SEC and PSE); advice received from professional advisors to TVIRD with respect to legally mandated time frames for various applications and steps/events associated with the IPO; there being no material changes in the business, affairs, capital, prospects or assets of TVIRD prior to completion of the IPO and the listing of the TVIRD shares on the PSE; and satisfaction or

waiver of all conditions for the benefit of BDO Capital set out in the underwriting agreement between BDO Capital and TVIRD. Forward-looking statements include also information relating to interests that may be earned by TVI Pacific in the Cirianiu project with Kalo Exploration Ltd. Forward-looking statements are based upon the opinions and expectations of TVI as at the effective date of such statements and, in certain cases, information received from or disseminated by third parties. Although TVI believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by third parties is reliable, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.

The forward-looking statements of TVI contained in this AIF are expressly qualified, in their entirety, by this cautionary statement. Various risks to which TVI is exposed in the conduct of its business (including mining and oil and gas activities) are described in detail in this AIF under the heading "Risks That Can Affect Our Business", any of which could cause actual results to differ materially from the projected forward-looking information. Subject to applicable securities laws, TVI does not undertake any obligation to publicly revise the forward-looking statements included in this AIF to reflect subsequent events or circumstances.

Currency Information

All dollar amounts in this AIF are expressed in Canadian dollars ("\$", "C\$" or "CAD") unless otherwise indicated. The Company's accounts are maintained in Canadian dollars and the Company's financial statements are prepared in accordance with International Financial Reporting Standards. All references to "U.S. dollars", "USD" or to "US\$" are to United States dollars.

Glossary of Terms

The following is a glossary of certain mining terms used in this AIF.

"**AB**" means Amazon Bay, Papua New Guinea;

"**AIF**" means Annual Information Form;

"**AMVI**" means Agata Mining Ventures Inc.;

"**API**" means Agata Processing Inc.;

"**ASX**" means Australian Stock Exchange;

"**Au**" means gold;

"**AUD\$**" "**AUD**" or "**A\$**" means Australian dollars;

"**BGRIMM**" means Beijing General Research Institute of Mining and Metallurgy;

"**\$**", "**C\$**" or "**CAD**" means Canadian dollars;

"**Committee**" means TVI Pacific's Audit Committee;

"**Company**" or "**TVI**" means TVI Pacific Inc., or its subsidiaries and affiliates as applicable;

"**DENR**" means the Philippines Department of Environment and Natural Resources;

"**DFS**" means definitive feasibility study;

"**dmt**" means dry metric tonne;

"**DMPF**" means Declaration of Mining Project Feasibility;

"**DOE**" means Department of Energy;

"DSO" means Direct Shipping Ore;

"ECC" means Environmental Compliance Certificate, under the laws of the Philippines;

"EDCO" means Exploration Drilling Corporation, a wholly-owned subsidiary of TVIRD;

"Fe" means iron;

"FOY Group" means FOY Group Limited, an Australian company in the process of acquiring perpetual licenses to commercialize technologies for plastics to fuel conversion, biomass to fuel conversion and biomass to energy conversion. FOY Group was formerly known as Foyson Resources Limited and continues to be the operator and 90% interest holder of Amazon Bay in Papua New Guinea.

"Foyson" means Foyson Resources Limited, an ASX listed issuer operating in the resource industry in Papua New Guinea; the company changed its name to FOY Group Limited on August 26, 2015.

"g" means gram;

"g/t" means grams per tonne;

"HOA" means Heads of Agreement;

"IPO" means Initial Public Offering;

"km" means kilometre;

"L" or "l" means litre;

"massive" means a mineral deposit characterized by a great concentration of ore in one place, as opposed to disseminated or vein deposits; also said of any rock that has a homogeneous texture or fabric over a wide area, with an absence of layering, foliation, cleavage, or any similar directional structure;

"m" means metre;

"MGB" means the Philippines Mines and Geosciences Bureau;

"mi" means mile;

"Minimax" means Minimax Mineral Exploration Corporation;

"Mindoro" or "MRL" means Mindoro Resources Limited, a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange;

"MOA" means Memorandum of Agreement;

"MPSA" means Mineral Production Sharing Agreement: an agreement between the government of the Philippines and a company in which the government grants a company the right to conduct smaller scale mining operations within the contract area in exchange for a share of final mine production. This share is generally exercised as an excise tax;

"MRL" or "Mindoro" means Mindoro Resources Limited, a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange.

"mm" means millimetre;

"Ni" means nickel;

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"Nido" means Nido Petroleum Philippines Pty Ltd, a subsidiary of Nido Petroleum Limited, the Operator of SC 54A;

"NSR" means net smelter royalty;

"Ordinance" refers to the ordinance of the Provincial Board of Zamboanga del Norte banning new open mines in the Province of Zamboanga del Norte. This Ordinance also forces the remediation process on existing open pit

mines to begin in November 2012. TVIRD has been granted a preliminary injunction against the Ordinance while the legality of the Ordinance is being litigated in the Court;

"**oz**" means ounce;

"**PAVI**" means Prime Assets Ventures, Inc.

"**PDA**" means Pan de Azucar.;

"**PLS**" means Pre-Leach Solution;

"**PMIEA**" means the Philippines Presidential Mineral Industry Environmental Awards;

"**PNG**" means Papua New Guinea;

"**PRHI**" means Prime Resources Holdings Inc., a wholly-owned subsidiary of Prime Assets Ventures, Inc. ("**PAVI**");

"**PSE**" means Philippines Stock Exchange;

"**Regent**" means Regent Parkway 3202 Management Inc., a company controlled by Clifford M. James;

"**SC 54A**" means Service Contract 54A, TVI's offshore Philippine oil property;

"**Seajay**" means Seajay Management Enterprises Ltd., a Company controlled by Clifford M. James;

"**SEC**" means Securities and Exchange Commission in the Philippines;

"**sulphide**" means a mineral characterized by the linkage of sulphur with a metal or semi-metal: at Canatuan, this underlying portion of the deposit **was** previously being mined for copper and zinc;

"**TSX**" means the Toronto Stock Exchange;

"**TSX-V**" means the TSX Venture Exchange;

"**TG World**" means TG World Energy Corp., an international petroleum exploration and development company currently holding a 12.5% equity interest in Service Contract ("**SC**") 54A in the Philippines.

"**TVI Marketing**" means TVI's subsidiary, TVI International Marketing, Ltd.

"**TVI Minerals**" means TVI Minerals Processing, Inc., a Philippine incorporated subsidiary of TVI Marketing.

"**TVIRD**" means TVI Resource Development Phils, Inc., a corporation formed under the laws of the Philippines. TVI owns 30.6% of the shares of TVIRD through its subsidiary TVI International Marketing Ltd.

"**US\$**" means United States dollars;

"**Viking**" means Viking Energy Holdings 2 Ltd.; and

"**wmt**" means wet metric tonne.

ITEM 2: CORPORATE STRUCTURE

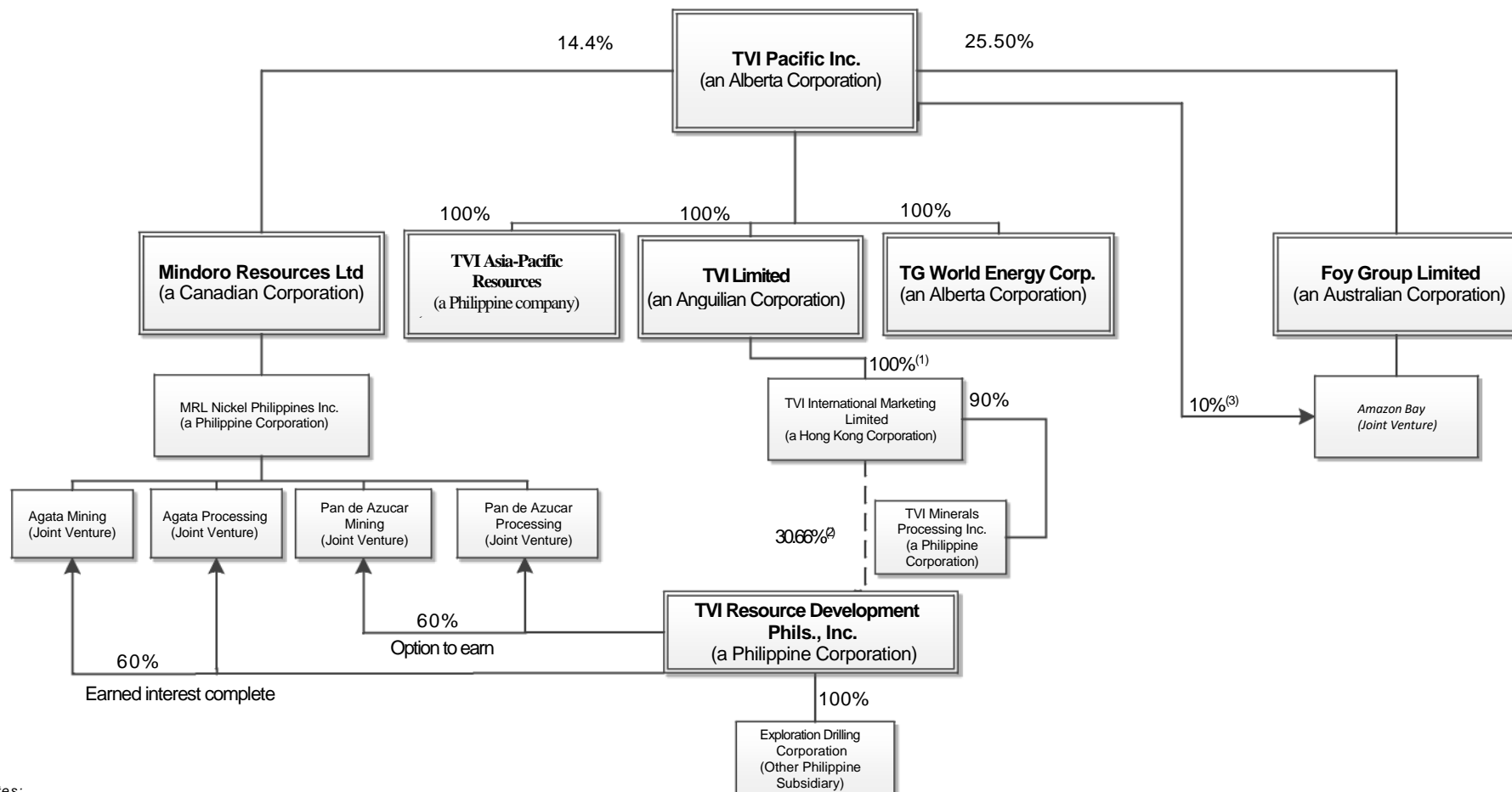
Name, Address and Incorporation

TVI was incorporated under the *Alberta Business Corporations Act* on January 12, 1987, as Travel Ventures Inc. On October 20, 1992, TVI changed its name to TVI Copper Inc. and on July 11, 1994, the name became TVI Pacific Inc. The head, principal and registered office of TVI is located at Suite 806, 505 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 1N8.

Intercorporate Relationships

The chart set out below illustrates the corporate structure of the Company and its material subsidiaries, their respective jurisdictions of incorporation, the percentage of voting securities held and their respective interests in various mineral projects and mining properties.

TVI Pacific Inc. Corporate Structure



Notes:

(1) Two non-voting, non-participating redeemable deferred shares are held by Prime Resource Holdings, Inc., who also holds 68.42% of TVIRD and 10% of TVI Minerals Processing as well as 5% equity of TVI Pacific.

(2) TVI Resource Development Phils. Inc. – The 30.66% interest is held directly by TVI Pacific while 68.42% is held by Prime Resource Holdings Inc. (a Philippine corporation) and 0.92% is held by other Class B shareholders.

(3) Represents Joint Venture interest after having completed the Stage 1 Farm-in obligation and the 10% now held by TVI Pacific in the Amazon Bay tenement. The 10% interest in Amazon Bay was written down during the period ended June 30, 2015.

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

TVI is a Canadian resource company focused on the acquisition of diversified resource projects in the Asia Pacific region. Led by a management team with the proven ability to design, build and operate mines, TVI is focused on evaluating and acquiring resource projects that can be rapidly developed and put into production to generate revenue and cash flows. The Company 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 and Papua New Guinea as well as the commercialization of plastics-to-fuel technology and biomass to fuel and energy conversion technologies in Australia.

Three Year History

2014

On January 10, 2014, further to its announcement of December 13, 2013, in which TVI reported it had completed an initial closing with PRHI that provided US\$2 million in relation to the private placement in TVI, US\$1.545 million as an investment in TVI Marketing, and a US\$2 million advance to TVIRD as partial payment of PRHI's proposed investment in TVIRD, TVI completed a further closing (the "**Second Closing**") of various investment and financing transactions involving PRHI. This followed satisfaction of certain conditions outlined in the definitive agreements executed by TVI, PRHI and others on December 11th, 2013. Those conditions included receipt of approval from the Philippine Securities and Exchange Commission for an increase in the authorized capital stock of TVIRD. The Second Closing resulted in the release of all funds previously placed in escrow by PRHI, including:

- a) US \$1.305 million, representing the balance of the subscription price for PRHI's investment in TVI Marketing, for which PRHI received a second deferred non-voting share of TVI Marketing that is redeemable at par value; and
- b) US \$11.35 million, representing the balance of the subscription price paid by PRHI to acquire newly issued voting shares of TVIRD.

At the same time, a further US\$4.3 million was advanced by PRHI (and placed into an escrow account), which represented the purchase price of voting shares in the capital of TVI Minerals, a Philippine incorporated subsidiary of TVI Marketing.

On January 20, 2014, TVI announced that TVIRD stopped milling operations at its Canatuan mine after having exhausted its remaining stockpile, pending the results of assessing various mine life extension and expansion opportunities. TVI completed its final zinc and copper concentrate shipments, on January 7 and 26, respectively.

On March 17, 2014, TVI and TVIRD announced the first nickel production from their pilot plant for the Agata Nickel Processing Project at Intertek Minerals Philippines in Manila. A Nickel Hydroxide Product ("**NHP**") filter cake was produced from TVIRD's pilot plant on February 7th, 2014 with a 52% to 54% Ni grade. The TVIRD pilot plant had at that time already processed all of the 8, 000L of PLS received from BGRIMM. NHP produced was to be characterized by a third party facility, and a NHP specification sheet developed. NHP, together with the specification sheet, was to be sent to potential offtake companies for evaluation.

On April 28, 2014, TVI announced that the Agata Mining Joint Venture, a joint venture between MRL and TVIRD, where TVIRD is the operator, had received the DMPF and clearance to develop a port facility for the proposed DSO operation of the high-iron laterite resources at the Agata project, located in Agusan del Norte, Mindanao, the Philippines. Receipt of the DMPF provided authorization for AMJV to proceed to development, including the extraction and sale of iron, nickel and other associated minerals in the contract area.

On July 8, 2014, TVI announced that it had completed the final closing (the "**Third Closing**") of various investment and financing transactions involving PRHI, following satisfaction of certain conditions outlined in the definitive

agreements executed by TVI, PRHI and others on December 11, 2013. The Third Closing involved the release of all proceeds remaining in escrow, including:

- a) US\$4.3 million for the purchase of 3.97% of the common shares of TVI Minerals;
- b) US\$1.23 million related to the sale and restructuring of subsidiaries and Class A shareholders of TVIRD;
- c) US\$5.3 million of the above transactions coming through to TVI as the repayment of intercompany advances.

Upon completion of the Third Closing, TVI reported that the Transactions were complete and provided an aggregate US \$10.650 million to TVI and US \$11.850 million to TVIRD and various subsidiaries, each before tax and related fees, while a net US \$350,000 had been used to repurchase all of the outstanding TVIRD Class A shares.

On October 16, 2014, TVI announced that TVIRD, in which it now has a 30.66% indirect interest, had launched operations at the high-iron/low nickel DSO operations at Agata and fulfilled its earn-in obligations under the Agata Mining Joint Venture Agreement with MRL to earn a 60% interest in the Agata DSO project. Loading of approximately 55,000 wet metric tonnes ("**wmt**") of mineralized material, grading a minimum of 48% iron and 0.6% nickel, began on October 12, 2014.

On October 31, 2014, TVI announced members of a newly established Project Advisory Group consisting of independent, seasoned mining exploration and project assessment experts who will be assisting TVI in evaluating new opportunities in the Asia Pacific Region. Members of the Project Advisory Group include Douglas J. Kirwin, John Holliday, Craig Panther, Ciceron (Jun) Angeles and Mike Bue.

On November 3, 2014, TVI entered into a Heads of Terms agreement with Kalo Exploration Ltd., a private resource company incorporated in Fiji, for the exclusive right to enter into a joint venture partnership to conduct mineral exploration, development and production on the Cirianiu gold project located in the Macuata Province of northern Vanua Levu Island, Fiji. Under the terms of the Agreement, TVI has been granted the right to conduct an extensive due diligence review of the property that will aid the Company in making an investment decision.

On November 11, 2014, TVI announced that Foyson, in which the company holds an equity interest, had entered into an agreement with Integrated Green Energy Limited ("**IGE**") to acquire exclusive licenses to commercialize initially IGE's plastics-to-fuel technology and then its biomass to both fuel and energy conversion technologies. As announced by Foyson, this agreement reflects their strategy of acquiring a cash flow project to assist in funding development activities at the Amazon Bay Project. As at the date of this AIF, TVI holds a 25.5% interest in Foyson (now referred to as FOY Group Limited, since their name change in August 2015).

On November 20, 2014, TVI announced that AMVI had received a Letter of Advice from China Banking Corporation granting an US\$8 million term loan facility to support AMVI's high iron/low nickel DSO operations and exploration work at the Agata project located in northern Mindanao, the Philippines.

On November 24, 2014, TVI announced that TVIRD expects to complete a DFS for the Agata Nickel Processing Project by the end of 2014.

On November 26, 2014, TVI announced that AMVI is modifying its high-iron/low nickel DSO operations to include shipments of ore containing higher nickel content to maximize revenues at the Agata nickel laterite project located in northern Mindanao, the Philippines. AMVI also commenced a detailed exploration program consisting of in-fill, data verification and step-out drilling on the Agata nickel laterite orebody to define ore extension within and outside the current pit design and to upgrade and increase the resources previously disclosed in a NI 43-101 compliant mineral resource estimate released on April 10, 2013. AMVI intends to produce a NI43-101 compliant resource update on the Agata nickel laterite project upon completion of the drill program which was expected by mid-2015 or sooner.

On November 27, 2014, TVI announced that AMVI has commenced an exploration program aimed at defining a NI 43-101-compliant resource estimate at the Agata limestone project located in northern Mindanao, the Philippines. Once an initial resource has been developed and product markets are identified and confirmed, AMVI will evaluate the feasibility of commencing a limestone DSO operation using the same infrastructure developed for current nickel laterite DSO operations.

On November 27, 2014, TVI announced that TVIRD is in negotiations to provide a CAD\$2.0 million convertible debenture financing, including a CAD\$400,000 bridge loan to MRL. MRL is expected to use the funds from the bridge loan to help finance its operations in the near term.

On December 17, 2014, TVI announced that TVIRD had arranged a CAD\$500,000 bridge loan to MRL. This was increased from CAD\$400,000 as announced on November 27, 2014. Proceeds of the loan were expected to be used by MRL to fund outstanding obligations to Minimax, for the acquisition of Minimax's 25% interest in the Agata project, and for outstanding obligations to MRL's former CEO as well as for general working capital.

On December 22, 2014, TVI announced that TVIRD had entered the final phase of its permitting process at the Balabag Gold-Silver Project located in Zamboanga del Sur province, the Philippines. TVIRD is currently fulfilling the final requirements necessary for the approval of its DMPF from the Philippines' DENR and reported that it was required to submit the information by the end of January 2015. Depending on the DENR's response time, TVIRD reported that it anticipated the permitting process could be completed in the first quarter of 2015, after which on-site construction work would commence.

2015

On January 8, 2015, TVI announced that AMVI completed two shipments of nickel laterite ore in December 2014 and signed an offtake agreement for the sale of two shipments of higher grade saprolite ore with Tee Hoperay (Singapore) Ptd. Ltd. at the Agata nickel laterite project located in northern Mindanao, the Philippines. TVI also announced that TVIRD had drawn down funds from an earlier announced US\$8 million loan facility extended by China Banking Corporation to help fund the ramp up of the nickel laterite DSO operation and exploration work underway at the Agata nickel laterite and limestone projects.

On February 2, 2015, TVI announced that it had engaged a new VP Corporate Communications to the company responsible for communicating TVI's future growth strategy to the global investment community and to the Company's shareholders.

On February 13, 2015, TVI announced that AMVI had completed one shipment of nickel laterite ore at the Agata nickel laterite project in January.

On March 11, 2015, TVI announced that AMVI had completed one shipment of nickel laterite ore at the Agata nickel laterite project in February.

On April 10, 2015, TVI announced that AMVI had completed three shipments of nickel laterite ore at the Agata nickel laterite project in March.

On April 27, 2015, TVI announced that it will be extending its due diligence work program at the Cirianiu gold project located in the Macuata province of northern Vanua Levu Island, Fiji. Based on encouraging results from data verification work, management had determined that an additional exploration program including auger soil geochemical surveying and possible confirmation drilling would be essential in allowing an investment decision to be made on the project.

On May 5, 2015, TVI announced that AMVI had completed three shipments of nickel laterite ore at the Agata nickel laterite project in April.

On May 7, 2015, TVI announced that TVIRD had completed a detailed drill program consisting of 986 holes totalling 16,768 metres at the Agata nickel laterite project located in northern Mindanao, the Philippines. Results from this program will be used to increase the confidence level of the existing nickel laterite resources and potentially expand the size of the deposit.

On June 4, 2015, TVI announced that TVIRD has completed an initial 17-hole drill program at the Agata limestone project located in northern Mindanao, the Philippines. Drill results from the program have confirmed the presence of a high-purity recrystallized limestone deposit covering an area of 600 metres by 650 metres and will be used for the compilation of a resource report to be completed in the third quarter of 2015.

On July 13, 2015, TVI announced that AMVI had completed one shipment of nickel laterite ore at the Agata nickel laterite project in June. The lower number of shipments was due to reduced demand for lower-grade limonite ore in the Philippines.

On August 4, 2015, TVI announced that AMVI had completed four shipments of nickel laterite ore at the Agata nickel laterite project in July.

On August 12, 2015, TVI filed its second quarter financial results and announced the resignation of Aloysius B. Colayco from the Board of Directors.

On October 8, 2015, TVI announced that TVIRD had filed a preliminary prospectus with the Philippine Securities and Exchange Commission (“**SEC**”) and the Philippine Stock Exchange Inc. (“**PSE**”) relating to a proposed initial public offering of TVIRD shares in the Philippines. The preliminary prospectus contemplated a primary offer of up to 272.02 million shares from the unissued capital stock of TVIRD (representing 10 per cent of TVIRD’s projected outstanding common share capital) and a secondary offer of up to 136.01 million shares from the holdings of existing shareholders (representing 5 per cent of TVIRD’s projected outstanding common share capital), in each case at an offer price of up to 3.71 Philippine pesos per share. TVIRD indicated that it proposes to use the net proceeds from the primary offer to finance certain capital expenditures for the construction, development and operation of TVIRD’s Balabag gold-silver project in Zamboanga del Sur.

BDO Capital & Investment Corp., the investment banking arm of BDO Unibank Inc., is expected to act as the issue manager and to underwrite the offer, subject to the finalization of the offer and offer terms following the book-building process and agreement on customary documentation, among other conditions. Subject further to registration with and approval by the SEC, and listing approval by the PSE, the IPO and listing of the TVIRD shares on the main board of the PSE was expected to be completed in mid-December, 2015.

On December 21, 2015, TVI announced that TVIRD had filed an updated preliminary prospectus with the Philippine Securities and Exchange Commission relating to its previously announced proposed initial public offering of TVIRD shares in the Philippines. Subject to market conditions, approval by the SEC listing and approval by the PSE, the IPO and listing of the TVIRD shares on the main board of the PSE was tentatively scheduled for completion on February 29, 2016.

2016

On February 29, 2016, TVI announced that TVIRD continues to work through the regulatory approval process relating to the previously announced proposed IPO of TVIRD, but that the IPO is now expected to take place sometime in the second half of 2016 due to volatile market conditions and the upcoming Philippine Presidential election being held in early May.

On May 4, 2016, TVI announced that TVIRD received approval the DMPF for its Balabag gold-silver project.

On June 10, 2016, TVI announced the results of its Annual General Meeting of Shareholders which, in addition to the appointment of directors and external auditors, included approval of TVI's Share Option Plan that shall now remain valid until 2019.

On July 13, 2016, TVI announced that, as part of an ongoing initiative to reduce annual operating costs, it has applied to voluntarily delist its common shares from the TSX and to list them on the TSX-V through the streamlined listing procedures of the TSX-V. All approvals from both exchanges have been received to delist from the TSX on July 29 and to list on the TSX-V on August 2, 2016.

On September 28, 2016, TVI announced it had learned through a news conference held on September 27 by the DENR that AMVI is among 20 mining companies recommended for suspension following an audit of all 41 metallic mining operations in the country. Once a formal letter is received from the DENR providing a copy of the full audit results or any order for suspension, AMVI will have seven days to provide a response to address any alleged violations to then allow the DENR Secretary to render a decision on whether the operation is suspended or allowed to proceed. Based on a preliminary review of the three alleged violations that have been cited by the DENR against AMVI as possible cause for suspension, TVI reported that AMVI is confident it can successfully demonstrate full proof of compliance so as to allow it to continue its operations at the Agata mine. TVI announced also that due to the uncertain environment in which the Philippine mining industry has operated since the nationwide audit of metallic mines was ordered by the DENR Secretary under the new Duterte Administration, TVIRD has placed all activities relating to its previously proposed listing on the PSE and IPO on hold. Such activities will resume once the DENR's position on various mining policies is further clarified.

2017

On February 2, 2017, TVI announced that AMVI is among 12 mining companies that have passed an audit performed by the DENR and that it will therefore be allowed to continue its operations together with 11 other mining companies. A further 21 mining companies shall be closed while another 6 mining companies are suspended.

On February 15, 2017, TVI announced that MPSA No.086-97-IX, relating to the Balabag gold-silver project, is among 75 MPSAs recommended for cancelation by the DENR as a result of being located in what is their definition of a critical watershed area. Affected companies have not yet received a formal letter from the DENR but will have seven days to respond following receipt. TVIRD has said it is their understanding that MPSA No.086-97-IX is not in a critical watershed as defined by the Philippine Mining Act.

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

On February 27, 2017, TVI announced that TVIRD had filed a response on February 23, 2017, to the Show Cause letter received from the DENR further to their announcement at a news conference on February 14 that MPSA No.086-97-IX, in which the Balabag project is located, is among 75 MPSAs recommended for cancelation. TVIRD has emphasized in their response that there exists no grounds to validly cancel, terminate or suspend the MPSA between the government and TVIRD as there is neither violation of the terms of the MPSA nor of any law, rule or regulation that would merit its cancellation, termination or suspension. TVIRD defends its position in that there is no absolute ban on mining operations in "watershed" areas and that the Balabag MPSA is in fact not located in a government proclaimed watershed, and the Company believes also that the exploration license and legal right to the MPSA relating to TVIRD's interest in the Balabag project is intact.

ITEM 4: NARRATIVE DESCRIPTION OF THE BUSINESS

Summary

Established in 1987, TVI is a Canadian resource company with a track record of success in developing and operating resource projects in challenging mining jurisdictions located in the Asia Pacific region. The company is currently focused on evaluating and acquiring new resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows. Outside of its project acquisition activities, TVI holds various equity and joint venture investments in resource companies engaged in production, development and/or exploration activities in the Philippines and Papua New Guinea as well as the commercialization of plastics-to-fuel technology and biomass to fuel and energy conversion technologies in Australia.

Prior to 2014, TVI successfully operated the Canatuan gold, silver, copper and zinc mine in the Philippines through TVIRD, its Philippine operating subsidiary company. From 2004 to mid-2008, TVIRD generated gross operating revenues of US\$86 million from the production of 105,200 ounces of gold and 1.8 million ounces of silver from the Canatuan mine. From March 2009 to February 2014, TVIRD generated gross revenues of US\$393 million from the sale of 199,778 dry metric tonnes of copper concentrate and 30,548 dmt of zinc concentrate.

While TVI did not hold a majority interest in TVIRD (40%), it held Class B shares entitled to a 95% economic interest in TVIRD after payment of preferred dividend to Class A shares, and was the sole entity able to govern TVIRD's strategic operating, investing and financing policies. TVI was therefore able to consolidate TVIRD as a subsidiary within its financial statements and report its robust revenues and cash flows.

During 2013, TVI was focused on obtaining additional financing for working capital and investment purposes and entered into various definitive agreements with PRHI, a private Philippine investment corporation, involving a private placement of common shares in TVI and the acquisition of an interest in its indirectly held Philippine assets including TVIRD ("**Transactions**") in December 2013. The Transactions occurred in multiple closings with the final closing in July 2014 and TVI received total proceeds of US\$10.65 million and US\$11.85 million for the sale of a portion of its interest in TVIRD and various subsidiaries, each before tax and related fees.

As a result of the Transactions, TVI's interest in TVIRD was reduced from 40% to 30.66% and TVI's management determined that TVI no longer had control in TVIRD due to the reduction of interest and by virtue of an agreement with PRHI which requires unanimous consent from both parties on decisions concerning relevant activities, resulting in joint control. Consequently, TVIRD was deconsolidated from TVI's financial statements.

As part of PRHI's agreement to invest in TVI and TVIRD, the parties agreed that TVIRD would seek a listing on the PSE following completion of the Transactions. As at December 31, 2015, TVIRD had filed a preliminary prospectus with the SEC and the PSE relating to a proposed initial public offering of TVIRD shares in the Philippines. But due to the uncertain environment in which the Philippine mining industry has operated since the nationwide audit of metallic mines was ordered by the DENR Secretary under the new Duterte Administration that came into power in June 2016, TVIRD has placed all activities relating to its proposed listing on the PSE and IPO on hold. Such activities will resume once the DENR's position on various mining policies is further clarified.

Since the closure of the Canatuan mine in early 2014, TVIRD has successfully commissioned a nickel laterite DSO operation at its 60% owned Agata joint venture projects in October 2014 and is in the process of advancing its 100% owned Balabag gold-silver project towards production. TVIRD has been led by its Chairman, Clifford M. James, who is also TVI's Chairman and Chief Executive Officer. Mr. James continues as Chairman after PRHI's involvement given his extensive project development and operating experience. He is currently focused on advancing TVIRD's operations and development projects to maximize its valuation upon listing on the PSE, which would also maximize its investment value for TVI. Concurrently, Mr. James is focused on looking for new resource opportunities for TVI.

In November 2014, TVI announced that it had entered into a Heads of Terms Agreement with Kalo Exploration Ltd., a private resource company incorporated in Fiji, for the exclusive right to enter into a joint venture partnership to conduct exploration, development and production on the Cirianiu Gold Project located in the Macuata Province of northern Vanua Levu Island, Fiji. Under the agreement, TVI will conduct an extensive due diligence review of the property which will aid the Company in making an investment decision. If TVI were to proceed in forming a joint venture partnership on the Cirianiu project, it would have the opportunity to ultimately earn a 70% economic interest in the property upon advancing the project into production.

As of December 31, 2016, TVI continues to carry out a due diligence work program at the Cirianiu gold project for the purpose of making an investment decision on the project once it can secure additional funding to carry out resource acquisition and development activities.

In addition to its project evaluation efforts and 30.66% indirect investment in TVIRD, TVI also holds the following investments:

- 1) A 14.4% interest in MRL, a Canadian company listed on the TSX Venture Exchange engaged in mining exploration in the Philippines. MRL's Philippine subsidiary MRL Nickel Philippines Inc. has a joint venture with TVIRD on the Agata Mining, Agata Processing, Pan de Azucar Mining and Pan de Azucar Processing projects; and
- 2) A 25.50% interest in FOY Group Limited (formerly Foyson Resources Limited), an Australian company in the process of acquiring exclusive licenses to commercialize plastics-to-fuel conversion technology in Australia in order to re-list on the ASX. FOY also controls the Amazon Bay Iron Sands project in Papua New Guinea.
- 3) A 10% interest in the Amazon Bay Iron Sands project located in Papua New Guinea.
- 4) A 100% interest in TG World, an international petroleum exploration and development company holding a 12.5% equity interest in SC 54A in the Philippines along with joint venture partners Nido, IMC Oil and Gas Investments Ltd and Trafigura Ventures III B.V..

TVI has fully written-down the carrying value of its investments in both Amazon Bay and SC 54A through the year ended December 31, 2015, as the partners have thus far not agreed to any substantial expenditures on further exploration and evaluation of Amazon Bay nor any further technical or commercial activities in SC 54A considering the current oil price environment. TVIRD has also recorded an impairment through the year ended December 31, 2016 with respect to the Agata processing project and the Pan de Azucar mining and processing joint ventures in a total amount of \$3.7 million, of which TVI's share is \$1.1 million. No impairment has been recorded with respect to the 60% interest TVIRD holds in the Agata nickel laterite project and DSO operations.

As at December 31, 2016, TVI maintained a staff of one management employee and one administrative staff. The Company also relied upon consultants and contractors to carry on many of its activities for project evaluation purposes.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. In addition to those risk factors discussed elsewhere in this AIF, TVI is exposed to the following risk factors:

Risk on Investments: In its joint venture investments in TVIRD, and equity investments in FOY Group and Mindoro, TVI is exposed to the risk that it may not realize the expected returns from these investments. TVI and its management do not control the actions of these companies and projected cash flows from these investments may change depending on the outcome of the projects. Market value of the shares may decline, affecting the valuation of the investments and further losses may be incurred by TVIRD, FOY Group or Mindoro that would require a write-down in the value of these investments. As at December 31, 2016, the carrying value of TVI's investments in both FOY Group and Mindoro have been adjusted by the Company's proportionate share of net losses recognized directly within the accounting records of each entity, with Mindoro being fully written-down since March 2014 as a result also of an earlier share of impairment of assets. As at December 31, 2016 also, FOY has not yet relisted on the ASX and TVI does not have control over FOY's efforts to complete the relisting. TVI's continuing interest in TVIRD is recorded as an investment in joint venture which is adjusted in line with revenues earned and related expenses incurred at the level of TVIRD and its subsidiaries. TVI does not have control over TVIRD's efforts to list on the PSE and TVIRD's listing efforts are subject to approval by the PSE and SEC and are also affected by general market conditions and investor sentiment.

Property Competition: There are large and well established mining companies with technical and financial resources in the worldwide market. Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result, TVI may be unable to acquire the rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that TVI will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Exploration, Development and Operating Risks: The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by TVI will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in TVI not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. Any future operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

TVI may or may not be able to insure against these hazards. This may result in destruction of mines and other facilities, damage to life and property, environmental damage, delayed production, increased production and exploration costs, and possible legal liability for any and all damages. Such liabilities may have a material adverse effect on TVI's financial position.

Government Regulations: Mining operations, including exploration drilling programs, require permits from state or federal governments. Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The Company cannot predict whether or not such

legislation, policies or controls, as presently in effect, will remain so, and any changes therein (for example, significant new royalties or taxes), which are completely outside the control of the Company, may materially adversely affect the ability of the Company to continue its planned business within any such jurisdictions. The Company may be unable to obtain permits on reasonable terms in the future, on terms that provide the Company sufficient resources to develop its properties, or at all. Even if the Company is able to obtain such permits, the time and funding required by the permitting process is significant. If the Company cannot obtain or maintain the necessary permits, or if there is a delay in receiving these permits, the timetable and business plan for exploration, if any, will be adversely affected, which may adversely affect its results of operations, financial condition and cash flow.

Environmental Protection: The mining and mineral processing industries are subject to extensive government regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

Capital Investment: The ability of the Company to acquire an interest in and perform exploration and development of an exploration property will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable.

Price Volatility: Even if TVI discovers commercial quantities of mineral resources, there is no assurance that a profitable market will exist for the sale of such resources. Factors beyond the control of TVI may affect the marketability of any minerals discovered. There are several factors that may impact the volatility of metal prices including, but not limited to, international economic and political trends; global weather or geological disruptions; expectations of inflation; global and regional demand and consumption patterns; currency exchange fluctuations; speculative activities; and increased production due to improved mining and production methods.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability of the Company to enter into strategic alliances through a combination of one or more joint ventures, mergers or acquisition transactions; and (ii) the ability to attract and retain additional key personnel in exploration, mine development, sales, marketing, technical support and finance. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company's management. TVI believes that it has been successful in recruiting excellent personnel to meet its corporate objectives. As TVI grows, it will require additional key financial, administrative, operational, marketing and investor relations personnel. Although TVI believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Current Global Financial Conditions: Financial markets globally have been subject to increased volatility. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Investment in TVI Resource Development (Phils.), Inc. (TVIRD)

TVIRD is a private Philippine resource company responsible for putting the first foreign-invested mine into production after the passage of the Philippine Mining Act of 1995. This was the Canatuan mine which produced over 105,200 ounces of gold and 1.8 million ounces of silver from 2004 to 2008 and 199,778 dry metric tonnes of copper concentrate and 30,548 dry metric tonnes of zinc concentrate from 2009 to 2014. During the 10-year period in which the Canatuan gold-silver and copper-zinc mines were in production, TVIRD generated over US\$479 million in revenues. TVIRD's Canatuan mining operations also received multiple prestigious awards from the annual Philippine PMIEA ceremony and established TVIRD as a preeminent mining company committed to the

highest levels of safety, environmental stewardship and sustainable development.

Up to the end of 2013, TVI's 40% interest in TVIRD was held indirectly through its 100% owned subsidiary TVI International Marketing Limited and the remaining 60% interest was split 20% by an independent Philippine director of TVIRD and 40% by a Philippine management company. While TVI did not hold a majority interest, it held Class B shares entitled to a 95% economic interest in TVIRD after payment of preferred dividend to Class A shares, and was the sole entity able to govern TVIRD's strategic operating, investing and financing policies. TVI was therefore able to consolidate TVIRD as a subsidiary within its financial statements and report revenues and cash flows.

Following completion in 2014 of the Transactions between TVI and PRHI in which TVI's indirect interest in TVIRD was reduced to 30.66%, management determined that TVI no longer had control in TVIRD due to the reduction of interest and by virtue of an agreement with PRHI which requires unanimous consent from both parties on decisions concerning relevant activities, resulting in joint control. Consequently, TVIRD and EDCO were deconsolidated from TVI's financial statements. The retained interest of approximately 30.66% was considered an investment in joint venture to be accounted for using the equity method in the consolidated financial statements.

As part of PRHI's 2013 agreement to invest in TVI and TVIRD, the parties agreed that TVIRD would seek a listing on the PSE following completion of the Transactions. But due to the uncertain environment in which the Philippine mining industry has operated since the nationwide audit of metallic mines was ordered by the DENR Secretary under the new Duterte Administration that came into power in June 2016, TVIRD has placed all activities relating to its proposed listing on the PSE and IPO on hold. Such activities will resume once the DENR's position on various mining policies is further clarified.

For more information on TVIRD and its projects, please visit www.tvird.com.ph.

Investment in Mindoro Resources Ltd.

During the third quarter of 2012, TVI entered into a HOA with MRL, a TSX Venture Exchange listed issuer who is engaged in mineral exploration in the Philippines. The HOA, dated July 6, 2012, set out the terms of various proposed transactions consisting of a loan to, and acquisition of equity interests by way of private placement undertaken in two tranches with, MRL (or affiliates).

Pursuant to the HOA with MRL, TVI agreed to loan MRL \$938,968, which was to bear interest of 8% per annum (calculated semiannually and not in advance) and was secured by MRL's interests in the Agata South nickel laterite mineral project. However, based on the terms of the agreement, if the full principal amount was repaid from the proceeds of the first tranche ("**Tranche 1**") of the private placement, no interest was to be payable on the loan. On September 28, 2012, Tranche 1 was completed which discharged in full the secured loan receivable by TVI.

On September 28, 2012, TVI acquired ownership and control of 18,779,353 units ("**Units**") of MRL by way of a private placement (Tranche 1) at a price of \$0.05 per unit, for a total of \$938,968. Each unit consists of one common share and one common share purchase warrant that entitles TVI to purchase one additional share, at a price of \$0.10 per share, at any time and from time to time until September 28, 2017. This initial total of common shares acquired represented approximately 6.9% interest in MRL. Assuming the exercise of all of the warrants acquired at that time, TVI would hold 37,558,706 shares, representing approximately a 12.9% holding in the capital of MRL.

On October 10, 2012, TVI announced that it completed the purchase of an additional 24,000,000 units of MRL at an aggregate purchase price of \$1.2 million (\$0.05 per Unit) (the "**Tranche 2A Private Placement**"). Each Unit consists of one common share in the capital of MRL and one Common Share purchase warrant (a "**Tranche 2A Warrant**").

In June 2013, TVI agreed to loan, pursuant to a secured promissory note, up to \$1.3 million to Mindoro. The loan was agreed to be used by Mindoro to help fund its operations for the next 12 months and to finance an initial acquisition payment to Minimax for Mindoro to acquire the remaining 25% interest in the Agata project. The loan was repayable within 12 months of the first draw down with interest calculated at a minimum of 15% per annum. The promissory note was secured by shares in Mindoro's wholly owned subsidiary, MRL Nickel Philippines Inc. The total outstanding principal and interest as at December 31, 2013 was \$381,802 which was fully paid in April 2014.

Mindoro has since announced the signing of an option agreement to acquire 100% of the Agata project from Minimax, from which TVIRD has thus far earned its 60% in AMVI.

The TSX-Venture Exchange announced on July 6, 2016, that Mindoro has been halted from trading for failure to pay their annual sustaining listing fees, and, as at the current reporting date, the situation has not been rectified. Mindoro has reported that it is seeking financing alternatives to fund its operations but that there is no assurance that initiatives will be successful and material uncertainty exists related to events or conditions that may cast significant doubt as to whether Mindoro will be able to continue as a going concern.

As of December 31, 2016, TVI had a 14.4% direct equity interest in Mindoro.

Investment in FOY Group Limited (formerly Foyson Resources Limited)

On August 17, 2012, TVI entered a HOA with Foyson, an ASX listed issuer operating in the resource industry in Papua New Guinea. The HOA set out the terms of various proposed transactions consisting of a loan to Foyson and acquisition of equity interests by way of private placement undertaken in two tranches with Foyson (or affiliates).

Pursuant to the HOA with Foyson, TVI issued a loan to Foyson in the amount of A\$400,000 on August 17, 2012. The loan was to bear interest at the rate of 8% per annum and was to be repayable by Foyson in cash on or before November 30, 2012. The parties also negotiated at that time loan security consisting of a charge in favor of TVI over all proceeds from the sale by Foyson of its Myrtle Springs magnesite tenements in Australia.

On August 28, 2012, TVI completed the first tranche of the private placement (Tranche 1) with Foyson, wherein TVI acquired 68 million shares representing 8.93% of Foyson's issued capital, at a purchase price of A\$0.013 per share, for a total of AUD\$884,000 (\$907,249).

TVI also signed a subscription agreement for the second tranche of the proposed private placement (Tranche 2), which provided the option for TVI to purchase an additional 160 million shares (at an aggregate purchase price of A\$2.4 million) and options to purchase up to an additional 140 million shares (at an exercise price of A\$0.03 per share), exercisable until June 30, 2015.

In February 2013, both Foyson and TVI agreed to amendments to the Tranche 2 subscription agreement which were subsequently approved at a Foyson shareholders' meeting held on April 18, 2013. Under the amended terms, TVI would:

- Subscribe for 142,857,143 Foyson shares at AUD\$0.007 for a total AUD\$1.0 million investment (as compared to an initially agreed investment of A\$2.4 million, as per the original subscription agreement) and receive 80 million options from Foyson, exercisable at \$0.015 prior to December 31, 2014, that would bring TVI's ownership of Foyson to 29.5% on a fully diluted basis;
- Replace the previously provided loan to Foyson by a convertible loan in the amount of A\$600,000, with the right (but not the obligation) to request repayment from Foyson through the issuance of 75 million shares and 75 million options to TVI (exercisable prior to December 31, 2014 at A\$0.015); and
- Focus resources on the Amazon Bay iron sands project with the intent to fast-track the development of an operating mine.

On May 3, 2013, TVI invested an initial partial payment of A\$100,000 towards the restructured Tranche 2 placement, increasing its shareholding in Foyson to 82,285,719 shares, representing 10.608% of Foyson's issued capital.

On July 30, 2013, TVI and Foyson agreed to the following further amendments in the terms of the loan and Tranche 2 agreements:

- Subject to funding, the remaining Tranche 2 placements (A\$900,000, following partial payment on May 3, 2013), have been rescheduled and will be made by TVI in two payments, the first for A\$315,000 within 10 days of further financing to be received by TVI, and the second for A\$585,000 within 10 days following the Foyson shareholder meeting to approve the transaction. The price per share is A\$0.007;
- Foyson will make an early repayment of 50% of the restructured A\$600,000 unsecured convertible loan provided earlier by TVI and restructured in February 2013, payable from the final Tranche 2 placement. The balance of the loan will continue to be subject to existing terms; and
- Foyson will assume project management responsibility for the Amazon Bay Project for the remainder of Stage one.

On December 19, 2013, TVI invested the further agreed A\$315,000 of the AUD\$1.0 million Tranche 2, increasing the shareholding to 127,285,714 shares, representing 15.51% of Foyson's issued capital. TVI would be issued with 80 million unlisted options on completion of the Tranche 2 investment into Foyson. This was approved by shareholders at a general meeting of Foyson held on March 18, 2014.

On March 26, 2014, TVI invested the final agreed A\$585,000 of the AUD\$1.0 million Tranche 2 placement, increasing its shareholding to 210,857,143 shares, representing 23.01% of Foyson's issued capital. As previously agreed, A\$300,000 of the loan to Foyson was offset upon payment of the balance of the Tranche 2 placement. An additional loan of A\$100,000 was issued at an interest rate of 5% per annum, based on another loan amendment on May 15, 2014.

In October 2014, TVI and Foyson agreed to further amend the terms of the loan that was to be due on December 31, 2014. TVI agreed to extend the due date of the loan to March 31, 2015, and to be provided the option to convert the loan to equity at any time prior to that date. Effective October 1, 2014, the total principal of the loan outstanding became subject to 8% per annum interest, until converted or repaid. It was agreed also that the loan balance of A\$400,000 and accrued interest could be converted to equity at A\$0.0025 per share. The change in terms of the loan was subject to Foyson shareholder approval.

On October 23, 2014, Foyson announced completion of a private placement by Integrated Green Energy Pty Ltd ("IGE") in the amount of A\$337,500, through which IGE was granted 135 million ordinary shares, representing 14.73% of Foyson's share capital. This resulted in the dilution of TVI's interest in Foyson from 23.01% to 20.06%, and followed an announcement on July 4, 2014, that Foyson had commenced exclusive negotiations for a strategic relationship with IGE to acquire and fund the commercialization of its plastics-to-diesel technology, where the agreed strategy is to build four commercial-scale waste plastic-to-diesel plants in eastern Australia over the next two years.

On December 22, 2014, TVI assumed one director position on Foyson's Board and retained the right to nominate another as a result of completing the full subscription of the Tranche 2 placement. This increased the size of Foyson's Board to six directors.

On March 18, 2015, Foyson announced it had signed a binding Business Sale Agreement with IGE to acquire licenses to commercialize technologies related to plastics and biomass-to-fuel and energy conversion, a waste plastics-to-diesel conversion plant and the Management team required to operate the facility, and all other assets used exclusively in IGE's business, including feedstock contracts. This acquisition was expected to generate short-term cash flow that may be used for expansion activities, thereby creating potential to create significant

shareholder value.

TVI entered into a Capital Promissory Note Agreement on February 19, 2015, with Foyson through which it provided A\$100,000 that would accrue interest at 12% per annum until the earlier of conversion date or maturity date. This was part of a larger financing by Foyson through which it announced on February 26, 2015, that it already had commitments for A\$650,000 worth of Capital Promissory Notes from various sophisticated investors and expected to possibly raise a further A\$350,000 in the coming weeks. The maturity date was set at May 15, 2015, but the Note could be converted at any time prior at a conversion price of A\$0.0029 to Foyson shares, at which time one option per share would also be received that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019. The conversion feature of the Note was subject to shareholder approval that was expected to be received at a Foyson Extraordinary General Meeting (“EGM”) on March 31, 2015.

On February 23, 2015, TVI formalized a Conversion Agreement with Foyson in relation to the A\$400,000 loan principal that continued to be outstanding. The Conversion Agreement continued to be subject to shareholder approval but confirmed the conversion price to be A\$0.0025 and that one option per share would also be received at time of conversion that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019. Interest on the loan was agreed to continue to accrue at 8% through to conversion, and to be paid in cash at time of conversion while only the principal shall be subject to conversion.

Following the receipt of Foyson shareholder approval on March 31, 2015, A\$211,528 of the loan was converted to Foyson shares on April 22, 2015 at A\$0.0025 per share, resulting in a further 84,611,264 shares provided to the Company. An additional 84,611,264 unlisted options were also received at time of conversion, which may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019.

The Company entered into a second Capital Promissory Note Agreement with Foyson on April 27, 2015, through which it provided a further A\$100,000 with an agreement to accrue interest at 12% per annum until the earlier of conversion date or maturity date. On July 30, 2015, both the Capital Promissory Note entered into on February 19, 2015, and that entered into on April 27, 2015, were converted at a conversion price of A\$0.0029 to Foyson shares, resulting in an additional 68,965,518 shares received by the Company and 68,965,518 unlisted options that may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019.

At an EGM held by Foyson on July 30, 2015, the balance of the loan was fully converted to Foyson shares at A\$0.0025 per share, resulting in a further 75,388,736 shares provided to the Company. As a result, 75,388,736 unlisted options were also received at the time of conversion, which may be exercised at a conversion price of A\$0.008 at any time through to their expiry on December 31, 2019.

On August 17, 2015, Foyson completed a share capital consolidation at a ratio of 25:1. Prior to the consolidation, TVI held 439,822,659 shares as well as 228,965,512 conversion options. As a result of the consolidation, the new capital shareholding held by TVI became 17,592,908 shares and 9,158,621 options and remains unchanged as at December 31, 2016.

On August 26, 2015, Foyson changed its name to FOY Group Limited.

Further to announcements made on February 9, 2016 and most recently on September 8, 2016, FOY Group made amendments to the Business Sale Agreement signed with IGE on March 18, 2015. At an EGM held on November 15, 2016, FOY Group received shareholder approval of the IGE transaction and to acquire the IGE Assets and Technology Rights, as well as to proceed with an offer of 92.5 million shares at A\$0.20 each to raise A\$18.5 million.

On November 29, 2016, FOY announced the formation of a new US company (Integrated Green Partners, LLC (“IGP”)) together with GEP Fuel and Energy Indiana, LLC (“GEP”). The incorporation of these entities is expected to allow FOY greater opportunities to exploit the Waste Plastic-to-Fuel Technologies in the US market while FOY continues also to advance opportunities in China, UK, Western Europe, India and Indonesia.

On March 24, 2017, FOY announced it has finalized a long-form liability company agreement, governing the operations of IGP and to agree that IGP will construct and operate a plastic-to-fuel conversion facility in Indiana, USA. Under the terms of this Agreement, GEP will provide the plastic feed-stock from their recycling facility, while FOY will provide to IGP the technology, systems and support to operate the Indiana plastics-to-fuel conversion facility. The plastic-to-fuel conversion facility to be constructed is expected to result in 529.8 million litres of fuel being produced per annum. FOY and GEP have also reported that they have agreed to roll-out 10 plastics-to-fuel conversion facilities over 5 years, typically at volumes of 1,500 tonnes of plastic-per-day, which results in 529.8 million litres per site per annum.

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

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

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

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

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

As noted, shareholder approval of the IGE transaction was received at an Extraordinary General Meeting held on November 15, 2016, as well as to proceed with an offer of 92.5 million shares at A\$0.20 each to raise A\$18.5 million (the "Offer"). The relisting timetable, however, has continued to be delayed and has thereby affected the timing of the company's prospectus and the Offer currently put to the market. As at April 18, 2017, FOY Group shares have not been relisted on the ASX.

As of December 31, 2016, TVI had a 25.50% direct equity interest in FOY Group.

Investment in Amazon Bay Iron Sands Project

Pursuant to the HOA signed between TVI and Foyson on August 28, 2012, TVI signed an agreement relating to the Amazon Bay Iron Sands Project (“AB”) located in Papua New Guinea with Foyson. The AB project is comprised of Exploration Licences totaling 1,171 square km containing a potentially massive iron, titanium and vanadium sand deposit.

According to the Joint Venture Agreement, TVI would have the option to earn a 51% interest in the project by funding the development to production of a possible DSO operation. TVI had also the opportunity to earn an additional 10% interest in the mining and processing of the Iron Sands by making a minimum expenditure of A\$2 million on AB in the 12 months following the date on which all applicable joint venture conditions precedent were satisfied, and an opportunity to earn a further 20% in AB by spending an additional A\$5.5 million within 12 months following the expiration of the initial earning year.

TVI completed Stage one of the AB Joint Venture providing exploration funding of A\$2 million and has now earned a 10% interest in the AB Project. On July 25, 2014, TVI was advised its 10% earned interest in the Amazon Bay tenement was formally registered with the Papua New Guinea Mineral Resources Authority after having been earlier approved by the Minister for Mining on June 5, 2014.

On July 25, 2014, TVI provided notice to Foyson of its intent not to proceed with the Stage 2 farm-in of Amazon Bay but renewed its commitment to assist Foyson in finding a cash flow positive project, with synergies for its PNG operations.

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

FOY Group has continued to progress their strategy for PNG through continued active dialogue with the PNG MRA and the community and has been successful in extending the date of the Amazon Bay EL1396 together with Amazon North (EL2149) and Maruta (EL2281). FOY Group has announced also that the MRA and PNG Government continue to show great interest in the Biomass technology, both as part of the Amazon Bay project and as a key plank of the Government’s commitment to deliver power to 70% of the PNG population by 2030.

TG World Energy Corp.

On March 9, 2011, TVI acquired control of TG World, an international petroleum exploration and development company. Its major areas of focus were Alaska, Niger and the Philippines. Subsequently on November 9, 2011, the Company sold the Alaska assets for consideration of US \$16 million. The Company also withdrew from its Niger interests in December 2011.

Philippine Offshore

Through TG World, TVI continues to hold a 12.5% equity interest in SC 54A in the Philippines. SC 54A is situated offshore northwest of the island of Palawan islands and contains several development-ready discoveries and mutually exclusive exploration targets. Project partners in SC 54A include project operator Nido at 42.4% working interest, IMC Oil and Gas Investments Ltd at 30.1% and Hague and London Oil B.V. (which in turn has been

acquired by Wessex Exploration PLC of the UK) at 15%. Hague and London Oil B.V. acquired through 2014 the interest formerly held by Trafigura Ventures III B.V., and IMC acquired in November 2015 the interest formerly held by Kairiki Energy's subsidiary, Yilgarn Petroleum Philippines Pty Ltd. IMC is a privately owned family enterprise headquartered in Singapore with an oilfield services company operating also out of Thailand to support the offshore oil and gas sector with shipping, logistics, shipyard and offshore engineering operations.

On August 18, 2014, the Philippine DOE confirmed its approval of a 3 year moratorium period that includes SC54A. The moratorium period extends from August 5, 2014 to August 5, 2017 and provides the joint venture sufficient time to study the development of the discovered marginal resources in the block. At the end of this period, the joint venture has the option to enter sub-phase 7 with a commitment to drill one well. As at the current date, Nido is seeking a possible extension to the moratorium.

The moratorium was granted after the DOE had previously approved three applications by the joint venture partners for 12-month extensions to Sub-phase 6 of SC 54A to allow the joint venture partners additional time to fully integrate the results of the exploration and development studies they have conducted, prior to electing to enter Sub-phase 7, which requires a one-well commitment. These studies included analysis of the Tindalo results, the acquisition of 2D and 3D seismic data over the Lawaan-Libas Prospects, and engineering studies targeting a development strategy for the three discovered fields on the SC 54A Block: Nido 1X1, Yakal and Tindalo.

Nido first announced in 2014 its planned divestiture of its 42.4% interest in SC 54A, in light of a strategic review that refocused its intentions in other blocks and other countries, resulting in SC 54A becoming a non-core asset within its portfolio. Nido continues to act as Operator of the joint venture.

TVI has fully written-down its investment in SC 54A through the year ended December 31, 2015, and the partners have not thus far agreed to any further technical or commercial activities in SC 54A considering the current oil price environment.

ITEM 5: DIVIDENDS AND DISTRIBUTIONS

TVI has not declared or paid any dividends or distributions on its common shares since its incorporation and does not foresee the declaration or payment of any dividends or distributions on the common shares in the near term. Any decision to pay dividends or distributions on the common shares in the future will be made on the basis of TVI's earnings, financial requirements and other factors that the Board of Directors may consider appropriate in the circumstances.

ITEM 6: DESCRIPTION OF CAPITAL STRUCTURE

TVI is authorized to issue an unlimited number of common shares. Each common share carries the right to vote, right to dividends, as and when declared, and the right to receive the remaining assets of TVI on a dissolution or wind-up. TVI's outstanding common shares as at December 31, 2016 were 655,537,039. Additionally, an unlimited number of non-voting preferred shares issuable in series are authorized for issuance, of which none have been issued.

ITEM 7: MARKET FOR SECURITIES

The common shares of TVI were first listed on the TSX on September 15, 1995, under the symbol "TVI". As part of an ongoing initiative to reduce annual operating costs, TVI applied in July 2016 to voluntarily delist its common shares from the TSX and to list them on the TSX-V through the streamlined listing procedures of the TSX-V. The transfer to the TSX-V was completed on August 2, 2016. TVI continues to be listed on the TSX-V under the symbol "TVI".

Trading Price and Volume

The following table provides the reported high and low trading prices (\$/share) and volume (shares) of trading of the common shares on the TSX by month during 2016:

Month	High	Low	Volume
January	0.005	0.010	938,314
February	0.005	0.010	4,121,159
March	0.005	0.015	5,041,419
April	0.005	0.005	1,712,350
May	0.005	0.010	9,040,000
June	0.005	0.010	328,560
July	0.015	0.025	5,800,708
August	0.015	0.020	4,738,528
September	0.010	0.020	3,317,232
October	0.010	0.020	4,540,492
November	0.005	0.015	14,417,400
December	0.005	0.015	18,865,243

On August 24, 2010, the common shares of TVI also commenced trading in the United States on the OTCQX Market's premium-tier, OTCQX International, under the symbol "TVIPF". On December 1, 2014, TVI moved its activity from the OTCQX to the OTCQB. On December 31, 2015, TVI moved its listing from the OTCQB to the OTC Pink Sheets.

ITEM 8: ESCROWED SECURITIES

TVI does not have any securities subject to escrow or subject to any contractual restrictions on transfer.

ITEM 9: DIRECTOR AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names and municipalities of residence of the directors and executive officers of TVI, their positions and offices with TVI and their principal occupations during the last five years. The term of office of each director expires at the date of TVI's next Annual General Meeting of Shareholders.

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation or Employment	Became a Director	Number and Percentage of Common Shares Owned or Controlled
Robert C. Armstrong Castle Rock, Colorado United States of America (2, 3 4)	Lead Director	President, Armstrong Associates International, LLC. (since 1998), a private company involved in the mining industry.	June 1998	9,337,744 1.4%

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation or Employment	Became a Director	Number and Percentage of Common Shares Owned or Controlled
C. Brian Cramm Greenwood Village, Colorado United States of America (1, 2)	Director	President, Number Sense Corp. (since July 2010), a private personal and business financial management services firm.	June 1997	420,698 <1%
Jan R. Horejsi Calgary, Alberta Canada (1, 2, 4)	Director	President, CEO, and a director of Shooting Star Petroleum Ltd. (since July 1983), a private oil and gas and investment company. Director and CEO, Jadex International Ltd. (from January 2001 to December 2012), an independent oil and gas exploration company.	December 1991	1,437,358 <1%
Clifford M. James Calgary, Alberta Canada	Chairman, President, Chief Executive Officer and Director	Chairman, President and Chief Executive Officer, TVI Pacific Inc. since January 1987, and Chairman of TVI Resource Development Phils, Inc. since 2006. In addition, Mr. James has served as President and Chief Executive Officer of Seajay Management Enterprises Ltd. (Seajay) since 1977 and President and CEO of Regent Parkway 3202 Management Inc. (Regent) since 2007, both of which are private management and investment companies. Director of Foyson Resources Limited (from December 22, 2014 and previously from August 2012 to July, 2013), a company currently seeking to acquire exclusive licenses to commercialize plastics-to-fuel technology. Director of Mindoro Resources Ltd. (since October 2012 through August 2015) an Alberta incorporated company engaged in exploration in the Philippines.	January 1987	64,597,366 9.9% 6,192,555 held by Mr. James; 32,940,587 held by Seajay; 24,615,762 held by Regent 848,462 held by 366270 BC
David Moscovitz Toronto, Ontario Canada (1, 3)	Director	Independent advisor since January 31, 2016, formerly Counsel, Dentons Canada LLP, formerly Fraser Milner Casgrain LLP (from 2007 until January 2016), a legal services firm. Prior thereto, Lawyer, Partner at Goodman and Carr LLP, a legal services firm. On January 31, 2016, Mr Moscovitz retired from Dentons. Mr Moscovitz is currently an independent advisor.	May 2011	717,541 <1%
Peter C.G. Richards West Vancouver, British Columbia Canada (1, 3)	Director	Retired since June 2002. Prior to his retirement, Mr. Richards was a partner with Richards, Buell, Sutton (a law firm located in Vancouver, British Columbia).	July 2001	528,715 <1%

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation or Employment	Became a Director	Number and Percentage of Common Shares Owned or Controlled
Wayne G. Thomson Calgary, Alberta Canada (2, 3, 4)	Director	Director of Cenovus Energy, an oil and gas exploration and development company (since November 2009). Chairman and President of EnviroValve Inc. a private technology company that has developed a patent pending pressure relief valve (since 2005). Chairman of Maha Energy Inc., a private international oil and gas company (since 2014). Chairman of Inventys Inc., a private carbon capture technology company (since 2015). Mr. Thomson, a Professional Engineer, has over 30 years of experience in the domestic and international oil and gas and technology industries.	May 2011	4,002,000 <1%
Patrick B. Hanna	Vice President, Finance & Admin. and Chief Financial Officer	Officer of TVI Pacific Inc., formerly Director of Financial Excellence, Kazakhmys Copper Corporation, Karaganda, Kazakhstan (from September 2008 to July 2010). In addition, Mr. Hanna has served as Finance Director of Berezitovy Mine (Russia), High River Gold (from February 2006 to August 2008), General Director/Finance Director of JSC SeverTEK, a Russian oil & gas joint venture of Lukoil and Neste Oil (from March 2002 to December 2005), Vice President – Project Finance at Glencore’s Kazzinc mining interest (from September 1997 to June 1999), and Finance Director of Hurricane Kumkol Munai, a Kazakh oil & gas conglomerate (from March 1997 to June 1999). Mr. Hanna was previously also a Management Consultant with Ernst & Young (Russia & CIS) (from February 1995 to March 1997).	December 2010	0
Shirley Anthony	Vice President, Corporate Communications (up to February 1, 2017)	Officer of TVI Pacific Inc., formerly Director of Investor Relations for CHC Helicopters (from September 2012 to March 2013) and VP Corporate Communications for International Tower Hill Mines (from August 2010 to August 2012). In addition, Ms. Anthony was Manager of Investor Relations for Corvus Gold Inc. from August 2010 to August 2012 and Manager of Corporate Communications for Silvercorp Metals Inc. (from 2008 to 2010).	February 2015	100,000 <1%

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee
- (3) Member of the Corporate Governance and Nominating Committee
- (4) Member of the Environmental, Health, and Safety Committee

As at April 18, 2017, directors and executive officers, as a group, beneficially own, or control, or direct, directly or indirectly an aggregate 12.2% of the total outstanding common shares. TVI also has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. The options generally vest

over a period of up to three years and expire no more than 5 years from the date of grant. At April 18, 2017, TVI had 55,850,000 options outstanding, of which 51,600,000 are held by directors and executive officers to acquire additional common shares. If all options to acquire common shares of TVI were to be fully exercised, TVI directors and executive officers, as a group, would beneficially own, or control, or direct, directly or indirectly an aggregate 18.7% of the total outstanding common shares.

TVI's Directors and executive officers, as a group, hold the following stock options to purchase up to the following numbers of common shares until the dates shown:

- a) 7,000,000 common shares exercisable at \$0.025 per Common Share until May 2017 (subject to vesting requirements);
- b) 29,600,000 common shares exercisable at \$0.015 per Common Share until May 2019 (subject to vesting requirements);
- c) 15,000,000 common shares exercisable at \$0.015 per Common Share until June 2020 (subject to vesting requirements).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of TVI, no director or executive officer of TVI is, as at the date of this AIF, or was, within the 10 year period preceding the date of this AIF, a director, chief executive officer or chief financial officer of any issuer that: (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, but which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For purposes of this paragraph, the term "order" means (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant issuer access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as described below, to the knowledge of TVI, no director, executive officer or security holder holding a sufficient number of securities of TVI to affect materially the control of TVI is as of the date of this AIF, or has been within the 10 year period preceding the date of this AIF, a director or executive officer of any issuer that, while such person was acting in that capacity (or within a year of that person ceasing to act in that capacity), became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In August 2007, having discovered certain accounting errors in its audited financial statements for the years ended December 31, 2006, and December 31, 2005, and its interim financial statements for the first quarter of 2007, TVI determined that it would be necessary to restate such prior financial statements and that it would not be in a position to file its interim financial statements for the periods ended June 30, 2007, in a timely manner. Accordingly, TVI requested an order from the Alberta Securities Commission that certain named insiders (including the members of the board of directors at the time, namely Messrs. James, Armstrong, Richards, Horejsi and Cramm) cease trading TVI securities pending the filing of such unfiled statements and the filing of restated financials for the prior periods (the "**August Order**"). Each of the directors of the Company was subject to the August Order. On October 16, 2007, as a result of TVI remaining in default of its obligation to file its interim financial statements for the periods ended June 30, 2007, and the filing of restated financials for the prior periods, the Alberta Securities Commission revoked the August Order and ordered that trading cease in respect of the securities of the Company (the "**October Order**"). The October Order was revoked on January 4, 2008, and trading in the Company's securities resumed on January 11, 2008, following the filing of the interim financial statements of the Company for the periods ended June 30, 2007, and September 31, 2007, and the filing of restated financial statements for the years ended December 31, 2006, and December 31, 2005, and the first quarter of 2007.

On May 7, 2010, the Alberta Securities Commission issued a cease trade order in respect of the securities of Richards Oil & Gas Limited. Mr. David Moscovitz was, at all relevant times, a director of Richards Oil & Gas Limited. The cease trade order was issued as a result of Richards Oil & Gas failure to file its annual audited financial statements, management's discussion and analysis and certification of annual filings for the year ended 31 December 2009. Richards Oil & Gas was also noted in default on the Commissions' reporting issuers list for failure to file its interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the interim periods ended 31 March, 30 June and 30 September 2010, and its oil and gas disclosure prescribed by National Instrument 51-101 Standards of Disclosure for Oil & Gas Activities for the year ended 31 December 2009. Richards Oil & Gas made a proposal and all the assets were sold and Mr. Moscovitz resigned as director.

Other than the cease trade order mentioned above there were no: (i) penalties or sanctions imposed against TVI by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2016; or (ii) other penalties or sanctions imposed by a court or regulatory body against TVI that TVI believes would be considered important by a reasonable investor in making an investment decision. In addition, during the year ended December 31, 2016, no settlement agreements were entered into by TVI before a court relating to securities legislation or with a securities regulatory authority.

Conflicts of Interest

Certain Directors and officers of TVI are directors, officers and/or shareholders of other private and publicly listed companies, including companies that engage in mineral exploration and development and companies that hold Common Shares or other securities of TVI. To the extent that such other companies may participate in or be affected by ventures involving TVI, these Directors and officers of TVI may have conflicting interests in negotiating, settling and approving the terms of such ventures. Conflicts of interest affecting the Directors and officers of TVI will be governed by TVI's "Code of Business Conduct and Ethics", the Articles of TVI and other applicable laws and relevant stock exchange policies and requirements. In the event that such a conflict of interest arises at a meeting of the Directors, a Director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises.

ITEM 10: PROMOTERS

TVI does not presently have, and has not had within the two most recently completed fiscal years or the current fiscal year, any promoters.

ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not currently, and has not been through the period, a party to any legal proceedings.

There have not been any penalties or sanctions imposed against TVI by a court relating to securities legislation or by a securities regulatory authority during the 2016 Fiscal Year, any other penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority that would likely be considered important to a reasonable investor making an investment decision, or any settlement agreements entered into by TVI before a court relating to securities legislation or with a securities regulatory authority during the 2016 Fiscal Year.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below, there are no material interests, direct or indirect, of directors, executive-officers or any shareholder of the Company who beneficially owns, controls or directs, directly or indirectly, more than 10% of the outstanding common shares or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years that has materially affected or is reasonably expected to materially affect the Company.

As at March 24, 2016, Mr. James beneficially owns, or is deemed to beneficially own, 9.9% of the total number of issued and outstanding common shares. Assuming the exercise in full of equity instruments to acquire TVI common shares, Mr. James would beneficially own, or would be deemed to beneficially own, approximately 11.9% of the total number of issued and outstanding common shares.

ITEM 13: TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares is Computershare Trust Company of Canada and its principal offices are in Calgary, Alberta and Toronto, Ontario.

ITEM 14: MATERIAL CONTRACTS

There are no material contracts (other than contracts entered into in the ordinary course of business, that are material to TVI and that are required to be filed under Section 12.2 of NI 51-102) that were entered into within the most recently completed financial year, or entered into before the most recently completed financial year, that are still in effect.

ITEM 15: NAMES AND INTERESTS OF EXPERTS

The persons or companies who are named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the most recently completed financial year and whose profession or business gives authority to the statement, report or valuation made by the person or company are PricewaterhouseCoopers LLP Chartered Professional Accountants (TVI's independent auditors), Clifford James (TVI's Chairman, President and CEO), Patrick Hanna (TVI's Vice President, Finance & Administration, and CFO) and Mike Bue (TVI's Technical Advisor and Project Advisory Group member). PricewaterhouseCoopers LLP Chartered Professional Accountants have performed the external audit of the consolidated financial statements for the fiscal year ended December 31, 2016.

Mike Bue, Bsc. Eng, M.Eng, P.Eng, Technical Advisor and Project Advisory Group member of TVI, is acting as the Qualified Person in compliance with NI 43-101 Standards of Disclosure for Mineral Projects reporting requirements by virtue of his membership in the Professional Engineers of Ontario and Canadian Institute of Mining and Metallurgy. He has approved any reference to scientific and technical information contained in this document and has confirmed compliance with NI 43-101 requirements.

PricewaterhouseCoopers LLP are independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta. Neither PricewaterhouseCoopers LLP nor any director, officer or employee of PricewaterhouseCoopers LLP is, or is expected to be, elected, appointed or employed as a director, officer or employee of the Company or of any associates or affiliates of TVI.

Interests of Experts

As at the date hereof, Cliff James, TVI's President and CEO, owns directly and indirectly 64,597,366 common shares and holds 20,000,000 options to purchase common shares of the Company (see Item 9: Directors and Executive Officers).

As at the date hereof, Patrick Hanna, TVI's Vice President, Finance & Administration, and CFO, holds 9,000,000 options to purchase common shares of the Company.

As at the date hereof, Mike Bue, TVI's Technical Advisor and Project Advisory Group member of TVI, does not own any common shares or options to purchase common shares of TVI.

ITEM 16: ADDITIONAL INFORMATION

Information, including directors' and officers' remuneration and indebtedness, principal holders of the TVI's securities, options to purchase securities and interests of insiders in material transactions, will be contained in TVI's Management Proxy Circular for its next annual meeting of shareholders. Additional financial information is provided in TVI's financial statements for the year ended 2016 and the related management's discussion and analysis. A copy of such documents may be obtained upon request from the Chief Financial Officer of TVI or may be obtained online on the SEDAR site (www.sedar.com) maintained by the Canadian securities regulators.

Audit Committee Information

Pursuant to the provisions of Section 171 of the *Alberta Business Corporations Act* and applicable securities legislation, TVI is required to have an Audit Committee comprised of at least three directors, all of whom, subject to certain specific exceptions, must be independent and financially literate. For purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Composition of the Audit Committee

Member	Independent/Not Independent	Financially Literate/Not Financially Literate
C. Brian Cramm	Independent	Financially literate ⁽¹⁾
Jan R. Horejsi	Independent	Financially literate ⁽¹⁾
David Moscovitz	Independent	Financially literate ⁽¹⁾
Peter C.G. Richards	Independent	Financially literate ⁽¹⁾

Notes:

⁽¹⁾ As defined by National Instrument 52-110.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Committee member that is relevant to the performance of his responsibilities as a Committee member is as follows:

Member	Experience and Education
C. Brian Cramm	Mr. Cramm has served as Chief Financial Officer, Vice President Corporate Development, and Executive Vice President for several senior and junior gold mining and exploration companies, both in the private and public sectors, including General Minerals Corporation and Echo Bay Mines Ltd. Mr. Cramm also served as a contract President & CEO for a TSX-V listed company through his consulting company, Number Sense Corp. Mr. Cramm is a Chartered Professional Accountant (formerly known as a Certified Management Accountant) and has a BA in Finance from Regis University, a Denver Colorado based Jesuit college.
Jan R. Horejsi	President, CEO, and a director of Shooting Star Petroleum Ltd. (since July 1983), a private oil and gas and investment company. Mr. Horejsi has extensive business, administrative and operating experience in the oil and gas industry. He holds a Bachelor of Science Degree in Geology from the University of Alberta.

David Moscovitz	Counsel, Dentons Canada LLP, formerly Fraser Milner Casgrain LLP (since 2007), a legal services firm. Prior thereto, Lawyer, Partner at Goodman and Carr LLP, a legal services firm. On January 31, 2016, Mr Moscovitz retired from Dentons. Mr Moscovitz is currently an independent advisor.
Peter C.G. Richards	Mr. Richards entered into private practice in 1952 after graduating from the University of British Columbia with a Bachelor Degree in law. He was a senior partner of the law firm Richards Buell Sutton in Vancouver and its predecessor firms, specializing in corporate and commercial law, business negotiations, wealth preservation and estate planning. Mr. Richards retired from the practice of law in 2002. During his professional career he served on the boards of a number of junior mining companies. He is presently active in the last stage development of a number of hydro-electric projects in northern British Columbia.

Pre-Approval Policies and Procedures

The Committee is mandated to pre-approve, in accordance with applicable law, any non-audit services and consider the impact of providing such services on the independence of the external audit.

External Auditor Service Fees (By Category)

The aggregate fees billed by TVI’s external auditors in each of the last three fiscal years for service fees are as follows:

Financial Year Ending	Audit Fees	Tax Fees (1)	All Other Fees (2)
2016	\$ 137,468	\$ 3,365	\$ -
2015	\$ 197,187	\$ -	\$ 6,161
2014	\$ 217,853	\$ 1,233	\$ 22,238

Audit fees in 2016 were reduced by performing only the year-end audit and no quarterly interim reviews. All other fees relate to tax consulting services.

The above table has been adjusted over prior year reports to reflect fees related to only the TVI appointed external auditor.

APPENDIX 1 - AUDIT COMMITTEE CHARTER

1. General

The Board of Directors (the "Board") of TVI Pacific Inc. (the "Corporation") has established an Audit Committee (the "Committee") to assist the Board in fulfilling its oversight responsibilities regarding:

- a) the accuracy and completeness of the Corporation's financial statements;
- b) the internal control and financial reporting systems of the Corporation;
- c) the selection and activities of the Corporation's external auditor;
- d) risk management;
- e) the Corporation's compliance with legal and regulatory requirements, and
- f) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Members

The Board will in each year appoint a minimum of three (3) directors of the Corporation as members of the Committee. All members of the Committee shall be independent directors.

All members of the Committee shall be financially literate. While the Board shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Directors who are not members of the Committee may attend all or any part of meetings of the Committee, but shall not vote.

3. Duties

The Committee shall have the following duties:

a) Financial Reporting and Disclosure

- i. *Audited Annual Financial Statements*: Review the audited annual financial statements as prepared by management in conjunction with the external auditors, related management discussion and analysis ("MD&A") and earnings press releases for submission to the Board for approval.
- ii. *Quarterly Review*: Review the unaudited quarterly financial statements, the related MD&A and earnings press releases for submission to the Board for approval.
- iii. *Significant Accounting Practices and Disclosure Issues*: Review with management and the external auditor significant accounting practices employed by the Corporation and disclosure issues, including complex or unusual transactions, judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under Canadian GAAP for material transactions. This review process shall be undertaken in order to have reasonable assurance that the financial statements are complete, do not contain any misrepresentations, and present fairly the Corporation's financial position and the results of its operations in accordance with Canadian GAAP.
- iv. *Compliance*: Confirm through discussions with management that Canadian GAAP and all applicable laws or regulations related to financial reporting and disclosure have been complied with.
- v. *Legal Events*: Review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Corporation's

financial statements, and the manner in which these have been disclosed in the financial statements.

- vi. *Off-Balance-Sheet Transactions*: Discuss with management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components or revenues and expenses.
- vii. *Disclosure Procedures*: Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted from the Corporation's financial statements and periodically assess the adequacy of those procedures.

b) Oversight of Internal Controls

- i. *Review and Assessment*: Review and assess the adequacy and effectiveness of the Corporation's system of internal control and management information systems through discussions with management and the external auditor.
- ii. *Oversight*: Oversee system of internal control, by:
 - Consulting with the external auditor regarding the adequacy of the Corporation's internal controls;
 - Monitoring policies and procedures for internal accounting, financial control and management information, electronic data control and computer security;
 - Obtaining from management adequate assurances that all statutory payments and withholdings have been made; and
 - Taking other actions as considered necessary.
- iii. *Fraud*: Oversee investigations of alleged fraud and illegality relating to the Corporation's finances and any resulting actions.
- iv. *Complaints*: Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith.

c) External Audit

- i. *Appointment or Replacement*: Recommend the appointment or replacement of the external auditor to the Board, for the Board's consideration.
- ii. *Oversight*: Oversee the work of the external auditor engaged to prepare or issue an audit report or perform other audit, review or attestation services.
- iii. *Compensation*: Review with management, and make recommendations to the Board, regarding the compensation of the external auditor. In making a recommendation with respect to compensation, the Committee shall consider, in addition to such other matters as it thinks fit, the size, complexity and financial condition of the Corporation.
- iv. *Reporting Relationships*: The external auditor will report directly to the Committee and the Committee will have the authority to require the external auditor to so report.
- v. *Performance*: Review with management the terms of the external auditor's engagement, accountability, experience, qualifications and performance and evaluate the performance of the external auditor.
- vi. *Transition*: Review management's plans for an orderly transition to a new external auditor, if required.
- vii. *Audit Plan*: Review the audit plan and scope of the external audit with the external auditor and management, and consider the nature and scope of the planned audit procedures.

- viii. *Audit Plan Changes*: Discuss with the external auditor any significant changes required in the approach or scope of their audit plan, management's handling of any proposed adjustments identified by the external auditor, and any actions or inactions by management that limited or restricted the scope of their work.
- ix. *Review of Results*: Review, independently from management and without management present, the results of the annual external audit, the audit report thereon and the auditor's review of the related MD&A, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.
- x. *Disagreements with Management*: Resolve any disagreements between management and the external auditor regarding financial reporting.
- xi. *Material Written Communications*: Review all other material written communications between the external auditor and management, including the post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up identified weaknesses.
- xii. *Interim Financial Statements*: Engage the external auditor to read all interim financial statements and MD&A and report the compliance with reporting requirements. Review the results of the auditor's findings of the interim financial statements and the related MD&A independent of and without management present.
- xiii. *Other Audit Matters*: Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards or that relate to the external auditor.
- xiv. *Meeting with External Auditor*: Meet with the external auditor independently from management and without management present (1) at least annually to discuss and review specific issues; and (2) as appropriate with respect to any significant matters that the auditor may wish to bring to the Committee for its consideration.
- xv. *Correspondence*: Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
- xvi. *Independence*: At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the external auditor through discussions with the auditor on their relationship with the Corporation, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence, and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Corporation, and consider whether it is appropriate to recommend to the Board a policy of rotating the lead audit partner more frequently than every five years, as is required under the rules of the Canadian Public Accountability Board.
- xvii. *Non-Audit/Audit Services*: Pre-approve, in accordance with applicable law, any non-audit services to be provided to the Corporation by the external auditor, with reference to compatibility of the service with the external auditor's independence.
- xviii. *Hiring Policies*: Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

d) Risk Management

Review and assess the adequacy of the Corporation's risk management policies and procedures with respect to the Corporation's principal business risks. Review and assess the adequacy of the

implementation of appropriate systems to mitigate and manage the risks, and report regularly to the Board. Review the Corporation's insurance program.

e) Regulatory Compliance

Review with management the Corporation's relationship with regulators and the timeliness and accuracy of Corporation filings with regulatory authorities.

f) Related Party Transactions

Review with management all related party transactions and the development of policies and procedures related to those transactions.

g) Board Relationship and Reporting

- i. *Adequacy of Charter:* Review and assess the adequacy of the Committee Charter annually and submit such amendments as the Committee proposes to the Board.
- ii. *Disclosure:* Oversee appropriate disclosure of the Committee's Charter, and other information required to be disclosed by applicable legislation, in the Corporation's Annual Information Form and all other applicable disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Corporation's security holders.
- iii. *Reporting:* Report regularly to the Board on Committee activities, issues and related recommendations.

4. Chair

The Board will in each year appoint the Chair of the Committee. The Chair shall be financially literate. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

5. Meetings

The Committee shall meet at the request of its Chair, but in any event it will meet at least four times a year. Notices calling meetings shall be sent to all Committee members, to the CEO of the Corporation, to the Chair of the Board and to all other directors. The external auditor or any member of the Committee may call a meeting of the Committee.

6. Quorum

A majority of members of the Committee, present in person, by teleconference, or by videoconference will constitute a quorum.

7. Removal and Vacancy

A member may resign from the Committee, and may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director. The Board will fill vacancies in the Committee by appointment from among the directors of the Board in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

8. Experts and Advisors

In order to carry out its duties, the Committee may retain or appoint, at the Corporation's expense, such independent counsel and other experts and advisors as it deems necessary. The Committee shall provide notice to the Governance Committee of its actions in this regard.

9. Access

The Committee may have access to and direct contact with any employee, contractor, supplier, customer or other person that is engaged in any business relationship with the Corporation to confirm information or to investigate any matter within the mandate of the Committee.

10. Secretary and Minutes

The Chair of the Committee shall appoint a secretary for each meeting to keep minutes of such meeting. The minutes of the Committee will be in writing and duly entered into the books of the Corporation. The minutes of the Committee will be circulated to all members of the Board.