



Interim Consolidated Financial Statements

**For the Nine Months Ended
September 30, 2017 and 2016
(Unaudited)**

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

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

The accompanying unaudited consolidated interim financial statements of TVI Pacific Inc. (“TVI”, or “the Company”) for the interim reporting period ended September 30, 2017, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Company’s management.

The Company’s independent auditors, PricewaterhouseCoopers, have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

TVI Pacific Inc.
 Unaudited Interim Consolidated Statement of Financial Position
 September 30, 2017
 (in Canadian dollars)



	Notes	September 30, 2017	December 31, 2016
Assets			
Current assets:			
Cash and cash equivalents	5	\$ 539,186	\$ 376,887
Short-term deposits	5	1,000	720,243
Accounts receivable		22,021	23,088
Due from related parties	7	144,377	157,948
Prepaid expenses		55,014	49,691
Total current assets		761,598	1,327,857
Non-current assets:			
Investment in associates	8	-	636,801
Investment in joint venture	9	12,064,252	12,837,563
Total investments in associates and joint venture		12,064,252	13,474,364
Derivative financial instrument	6	738,979	798,705
Property and equipment		29,942	36,710
Other assets	10	145,704	146,088
Total non-current assets		12,978,877	14,455,867
Total assets		\$ 13,740,475	\$ 15,783,724
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	11	\$ 146,926	\$ 553,751
Due to related parties	7	590,866	364,558
Total current liabilities		737,792	918,309
Deferred tax liability		682,515	763,434
Total liabilities		1,420,307	1,681,743
Equity attributable to shareholders of the Company:			
Share capital	12(b)	32,974,070	32,974,070
Contributed surplus	12(d)	7,073,937	7,019,600
Deficit		(24,600,225)	(23,453,803)
Translation reserves		(3,127,614)	(2,437,886)
Total equity		12,320,168	14,101,981
Total liabilities and equity		\$ 13,740,475	\$ 15,783,724

Commitment (note 18)

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due (Note 1).

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

On behalf of the Board:

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

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)
September 30, 2017 and 2016
(in Canadian dollars)



	Notes	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
Expenses:					
Exploration costs		\$ 4,074	\$ -	\$ 4,074	\$ 27,887
Depreciation expense		2,697	3,242	8,370	10,624
Administrative and general costs	15	265,634	409,435	1,079,342	1,808,273
Total expenses		272,405	412,677	1,091,786	1,846,784
Operating loss		(272,405)	(412,677)	(1,091,786)	(1,846,784)
Other income (expenses):					
Interest income		478	743	1,077	2,319
Interest expense		-	-	-	-
Foreign exchange gain (loss)	17	136,496	43,553	(22,200)	(85,810)
Other gains (losses)		1,248	(33,997)	(65,979)	(89,412)
Share of gains of associates and joint venture	8,9	(250,383)	269,919	152,575	708,082
Other income, net		(112,161)	280,218	65,473	535,179
Net loss before income tax		(384,566)	(132,459)	(1,026,313)	(1,311,605)
Income tax		(120,109)	-	(120,109)	-
Net loss		(504,675)	(132,459)	(1,146,422)	(1,311,605)
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations		(132,882)	2,361	72,255	66,923
Foreign currency translation adjustment – associates and joint venture		120,927	(221,370)	(761,983)	(1,327,537)
Comprehensive loss		\$ 516,630	\$ (351,468)	(1,836,150)	\$ (2,572,219)
Basic and diluted loss per share	13	\$ (0.001)	\$ 0.000	\$ (0.002)	\$ (0.002)
Weighted average number of common shares	12	655,537,039	655,537,039	655,537,039	655,537,039

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
September 30, 2017
(in Canadian dollars)



	Share capital (Note 12b)	Contributed surplus (Note 12d)	Deficit	Accumulated other comprehensive income (loss)	Total equity
January 1, 2017	\$ 32,974,070	\$ 7,019,600	\$ (23,453,803)	\$ (2,437,886)	\$ 14,101,981
Transaction with owners					
Stock-based compensation	-	54,337	-	-	54,337
Total transaction with owners	-	54,337	-	-	54,337
Comprehensive loss					
Net loss	-	-	(1,146,422)	-	(1,146,422)
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(689,728)	(689,728)
Total comprehensive loss	-	-	(1,146,422)	(689,728)	(1,836,150)
September 30, 2017	\$ 32,974,070	\$ 7,073,937	\$ (24,600,225)	\$ (3,127,614)	\$ 12,320,168
January 1, 2016	\$ 32,972,145	\$ 6,835,472	\$ (20,608,691)	\$ (1,179,823)	\$ 18,019,103
Transaction with owners					
Warrants exercised	1,925	(925)	-	-	1,000
Stock-based compensation	-	157,231	-	-	157,231
Total transaction with owners	1,925	156,306	-	-	158,231
Net loss	-	-	(1,311,605)	-	(1,311,605)
Other comprehensive income:					
Foreign currency translation adjustment	-	-	-	(1,260,614)	(1,260,614)
Total comprehensive income (loss)	-	-	(1,311,605)	(1,260,614)	(2,572,219)
September 30, 2016	\$ 32,974,070	\$ 6,991,778	\$ (21,920,296)	\$ (2,440,437)	\$ 15,605,115

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
September 30, 2017
(in Canadian dollars)



	Notes	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss before income tax		\$ (384,566)	\$ (132,459)	\$ (1,026,313)	\$ (1,311,605)
Adjustments for:					
Depreciation expense		2,697	3,242	8,370	10,624
Stock based compensation	12 (d)	5,984	24,260	54,337	157,231
Interest income		(478)	(743)	(1,077)	(2,319)
Cash dividend received from investment in joint venture	9	306,832	-	800,703	-
Unrealized foreign exchange loss (gain)		6,896	(45,744)	(6,253)	(3,905)
Other losses (gains)		(1,248)	33,998	65,979	89,412
Share of gains of associates and joint venture	8,9	250,383	(269,919)	(152,575)	(708,082)
Changes in working capital	16	(111,364)	121,212	(178,353)	617,831
Interest received (paid)		478	743	1,077	2,319
Income taxes paid		(120,109)	-	(120,109)	-
Net cash used in operating activities		(44,495)	(265,410)	(554,214)	(1,148,494)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from options exercised		-	\$ 1,000	-	\$ 1,000
Net cash used in financing activities		-	1,000	-	1,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in short-term deposits		7,924	116,390	719,243	286,200
Change in notes receivable		-	-	-	-
Expenditures on property and equipment and other assets		-	(1,198)	(1,992)	(1,198)
Proceeds from sale of equipment		-	-	-	1,788
Net cash generated from investing activities		7,924	115,192	717,251	286,790
Effect of foreign exchange rates on cash		-	(414)	(738)	(6,308)
Net decrease in cash and cash equivalents		(36,571)	(149,632)	162,299	(867,012)
Cash and cash equivalents at beginning of the period		575,757	689,072	376,887	1,406,452
Cash and cash equivalents at end of the period		\$ 539,186	\$ 539,440	\$ 539,186	\$ 539,440

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

1. Going concern:

These unaudited interim consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), as well as Canadian generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

For the nine months ended September 30, 2017, TVI reported a net loss of \$1,146,422 (September 30, 2016 – net loss \$1,311,605) and operating cash outflows of \$554,214 (September 30, 2016 - \$1,148,494), resulting in a working capital surplus of \$23,806 (December 31, 2016 - \$409,548). TVI has no outstanding loans payable nor does it currently have any annual expenditure obligations as at September 30, 2017. As at September 30, 2017, TVI had an ending cash and cash equivalents and short-term deposits balance of \$540,186 (December 31, 2016 - \$1,097,130, including restricted cash of \$350,000). Restricted cash, previously held and reported in short-term deposits for distribution as a death benefit in accordance with certain agreements, has been fully settled during the nine months ended September 30, 2017.

TVI is presently dependent on the sale of portions of its interest in various equity holdings and possible distributions from its investment in joint venture to continue its operations and to fund expenses. The ability of TVI to continue as a going concern is dependent on obtaining additional funding to finance ongoing operating activities and to pursue resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows. There can be no assurances that these funding activities will be successful; and uncertainty exists in relation to events or conditions that may cast significant doubt as to whether TVI will be able to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues, expenses and balance sheet classifications that would be necessary if TVI were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Corporate information and nature of operations:

TVI is a publicly listed resource company incorporated in Alberta, Canada on January 12, 1987 under the Alberta Business Corporations Act. TVI's shares were delisted from the Toronto Stock Exchange on July 29, 2016 and listed on the TSX Venture Exchange on August 2, 2016. TVI is focused on the acquisition of diversified resource projects in the Asia Pacific region and on evaluating and acquiring resource projects that can be rapidly developed and put into production to generate revenue and cash flows. TVI does not presently have an active resource property but holds various equity and joint venture investments in resource companies (together referred to as the “Company”) engaged in production, development and/or exploration activities in the Philippines and Papua New Guinea (“PNG”) as well as the commercialization of plastics-to-fuel technology and biomass to fuel and energy conversion technologies in Australia.

TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. (“TVIRD”). TVIRD's assets include the Canatuan project, the Balabag gold-silver project, a 60% interest in the Agata nickel laterite project and Direct Shipping Ore (“DSO”) operations and various interests in the Agata processing project and exploration properties in the Philippines. At September 30, 2017, TVI also holds a 22.79% equity interest in Integrated Green Energy Solutions Ltd (“IGES”) (formerly FOY Group Limited), an Australian company engaged in the commercialization of technologies related to plastics and biomass to fuel and energy conversion and the construction of a waste plastics-to-diesel

2. Corporate information and nature of operations (continued):

conversion plant in Australia, who holds also a 90% interest in Amazon Bay, where they have continued to progress their strategy for PNG through continued active dialogue with the PNG Mineral Resource Authority and the community; as well as a 14.4% equity interest in Mindoro Resources Ltd. ("Mindoro"), a Canadian company engaged in mining and exploration in the Philippines. TVI also participates in the business of international petroleum exploration and development through its 100% owned subsidiary, TG World Energy Corp. ("TG World") whose major area of focus is in the Philippines, through its affiliate TG World (BVI) Corp. ("TG BVI"). At September 30, 2017, the TG World entities are inactive. At September 30, 2017 also, TVI continues to carry out a due diligence work program at the Cirianiu gold project in Fiji for the purpose of making an investment decision on the project once it can secure additional funding to carry out resource acquisition and development activities. TVI has established its principal business address at Suite 806, 505 2nd St. SW Calgary, Alberta, Canada T2P 1N8.

These interim consolidated financial statements were authorized for issue by the Board of Directors on November 13, 2017.

3. Basis of preparation:

(a) Statement of compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with the IFRS issued by the International Accounting Standards Board and IFRIC, as well as generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

These interim financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 filed with the Canadian Securities Administrators.

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

These interim financial statements have not been reviewed by the Company's auditor.

(b) Changes in accounting policies

These interim financial statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2016. There are no new IFRSs or IFRIC interpretations that are effective for the period beginning January 1, 2017 that would be expected to have a material impact to the Company.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2017

IFRS 9, "Financial Instruments" replaces existing requirements included in IAS 39, "Financial Instruments - Recognition and Measurement". The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company expects no significant impact from the new classification, measurement and derecognition rules on the group's

3. Basis of preparation (continued):

financial assets and financial liabilities. The Company currently has no financial assets classified as available-for-sale nor any hedging activities. There will also be no impact on the accounting for financial liabilities, as the Company does not have financial liabilities that are designated at fair value through profit or loss. The Company continues to assess the impact of the new impairment model on the Company's financial assets.

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

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

There are no other new standards, amendments and interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Financial risk management:

The Company's activities expose it to a variety of financial risks: market risk (currency risk and interest rate risk), liquidity risk and credit risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with TVI's audited consolidated financial statements for the year ended December 31, 2016.

a) Financial risk management

(i) Currency risk

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

For nine months ended September 30, 2017, the impact on net income (loss) if the US Dollar moved by 7% against the Canadian Dollar, with all other variables held constant, would be \$32,612.

The impact on net income (loss) if the Australian Dollar moved by (1%) against the Canadian Dollar, with all other variables held constant, would be (\$5,786). The impact on net income (loss) of other currencies with all other variables held constant is not material for disclosure.

The impact on net income (loss) if the Philippine Peso moved by 11% against the Canadian Dollar, with all other variables held constant, would be \$3,412. The impact on net income (loss) of other currencies with all other variables held constant is not material for disclosure.

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

	Average rate		Spot rate	
	Three months ended	Year ended	September 30, 2017	December 31, 2016
	September 30, 2017	December 31, 2016		
Canadian Dollar/US Dollar	1.2526	1.3248	1.2480	1.3427
Canadian Dollar/ Australian Dollar	1.9890	0.9852	0.9783	0.9707
Canadian Dollar/ Philippine Peso	0.0246	0.0279	0.0243	0.0272

4. Financial risk management (continued):

ii) Interest rate risk

As at September 30, 2017, TVI has no term deposits with fixed interest terms and therefore does not have exposure to interest rate risk that may result from changes in market conditions. The Company reviews its exposure to interest rate risk through regular monitoring of actual interest rates with market interest rates.

iii) Liquidity risk

As at September 30, 2017, the Company has \$0.02 million available working capital surplus, as compared to a working capital surplus of \$0.4 million at December 31, 2016.

The table below summarizes the Company's financial liabilities by relevant maturity groupings based on contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not considered to be significant.

	September 30, 2017	December 31, 2016
Due within 12 months:		
Accounts payable and accrued liabilities	\$ 146,926	\$ 553,751
Due to related parties	590,866	364,558
	\$ 737,792	\$ 918,309

The Company remains focused upon conserving cash through reducing expenditures and is presently dependent on possible distributions from its investment in joint venture and the sale of portions of its interest in various equity holdings to help settle liabilities and continue as a going concern, as well as to be a source of funding to help the Company pursue resource projects that can be rapidly developed and put into production to generate revenue and cash flows. There can be no assurances that these funding activities will be successful; and uncertainty exists in relation to events or conditions that may cast significant doubt as to whether TVI will be able to continue as a going concern.

Note 11 includes a further breakdown and explanation of accounts payable and accrued liabilities.

iv) Credit risk

The carrying amounts of cash and cash equivalents, short-term deposits, accounts receivable, due from related parties, derivative financial instruments, and other assets at September 30, 2017 and December 31, 2016 represent the Company's maximum credit risk exposure.

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

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

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

The fair value disclosed for the derivative financial instrument (note 6) and option to purchase TVIRD shares (note 10) were classified under Level 3).

During the nine months ended September 30, 2017, there were no transfers between levels in the fair value hierarchy of any fair value measurements nor were there changes in valuation techniques.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, short-term deposits, accounts receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at September 30, 2017 and December 31, 2016 due to their short term nature.

4. Financial risk management (continued):

c) *Capital risk management*

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

Debt is composed of accounts payable and accrued liabilities and due to related parties. Equity comprises all components of equity other than amounts in accumulated other comprehensive income. Assets are defined as the Company's total current and non-current assets. The Company's strategy is to improve the debt to equity ratio in order to secure access to financing at a reasonable cost by maintaining a good credit rating.

	September 30, 2017		December 31, 2016
Debt	\$ 737,792	\$	918,309
Equity	15,447,782		16,539,867
Assets	13,740,475		15,783,724
Debt-to-equity	5%		6%
Debt-to-assets	5%		6%

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

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

	September 30, 2017		December 31, 2016
Cash on hand	\$ 709	\$	778
Cash in banks	538,477		376,109
Total cash on hand and in banks	539,186		376,887
Short-term deposits and restricted cash	1,000		720,243
	\$ 540,186	\$	1,097,130

Cash in banks and short-term deposits earn interest at the prevailing bank deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value.

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

	September 30, 2017		December 31, 2016
Canadian Dollars	\$ 45,607	\$	487,543
US Dollars	462,386		564,528
Philippine Pesos	32,193		45,059
	\$ 540,186	\$	1,097,130

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

	September 30, 2017		December 31, 2016
Canada	\$ 380,282	\$	951,665
Philippines	116,789		98,986
Others	43,115		46,479
	\$ 540,186	\$	1,097,130

Restricted cash, previously held and reported in short-term deposits for distribution as a death benefit in accordance with certain agreements, has been fully settled during the nine months ended September 30, 2017.

6. Derivative financial instrument:

As at September 30, 2017, TVI holds a total of 9,158,621 options to purchase IGES shares as a result of the conversion of A\$400,000 note receivable and A\$200,000 capital promissory notes into shares during the year ended December 31, 2015.

6. Financial risk management (continued):

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

	September 30, 2017		December 31, 2016	
Beginning balance	\$	798,705	\$	947,105
Options received		-		-
Gain (Loss) on revaluation		(65,979)		(113,082)
Foreign currency translation		6,253		(35,318)
Ending balance	\$	738,979	\$	798,705

7. Related party transactions:

The interim consolidated financial statements include the financial statements of TVI and the following subsidiaries, affiliates, associates and joint venture:

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		September 30, 2017	December 31, 2016
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World Energy Corp.	Canada	100%	100%
TVI Asia Pacific	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World (BVI) Corp.	British Virgin Islands	100%	100%
TG World Petroleum Limited	Bahamas	100%	100%
TG World Energy Inc.	United States	100%	100%

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		September 30, 2017	December 31, 2016
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
IGES (see note 8)	Australia	22.79%	25.50%
Mindoro	Canada	14.40%	14.40%

Transactions with related parties are entered into at the exchange amounts which are the amounts established and agreed to by the parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

(a) Due from related parties

During the nine months ended September 30, 2017, the Company's remaining receivable from TVIRD and Mindoro was \$108,209 (December 31, 2016 - \$102,293), presented as part of due from related parties in the statement of financial position and relating to reimbursable expenses and services provided by TVI Pacific to TVIRD and Mindoro.

The outstanding interest receivable from IGES was \$31,310 which formed part of the due from related parties at September 30, 2017 (December 31, 2016 - \$32,235).

At September 30, 2017, the Company's remaining advance payment for management fees to a Corporation owned by the President of the Company for travel cost and support staff was \$4,858 which formed part of the due from related parties in the statement of financial position (December 31, 2016 - \$15,145).

(b) Due to related parties

During the three and nine months ended September 30, 2017, the Company incurred management fees of \$60,485 and \$175,551 (September 30, 2016- \$55,732 and \$186,081). Management fees are paid to a corporation owned by the President of the Company for the services of the President, travel costs and support staff. At September 30, 2017, the amount payable to the corporation was \$267,500 which formed part of the due to related parties in the statement of financial position (December 31, 2016 - \$147,125). Effective February 1, 2016, payment of management fees related to services of the President have been deferred as the Company is actively working to conserve cash.

7. Related party transactions (continued):

During the three and nine months ended September 30, 2017, the Company incurred directors' fees of \$26,125 and \$120,625 (September 30, 2016- \$43,750 and \$150,250). At September 30, 2017, the fees payable to directors were \$318,625 which formed part of the due to related parties in the statement of financial position (December 31, 2016 – \$198,000). Effective January 1, 2016, payment of directors' fees has been deferred as the Company is actively working to conserve cash.

During the three and nine months ended September 30, 2017, the Company incurred \$44,357 and \$140,626 (September 30, 2016 - \$37,761 and \$113,997), to a corporation controlled by a director and officer of TVIRD for administrative expenses. At September 30, 2017, the amount payable to the corporation was \$501, which formed part of the due to related parties in the statement of financial position. At December 31, 2016 the Company has a net receivable of \$8,275, which formed part of due from related parties in the statement of financial position.

At September 30, 2017, the Company's remaining payable to the joint ventures in the Philippines was \$4,240 (December 31, 2016 - \$19,433), presented as part of due to related parties in the statement of financial position.

8. Investment in associates:

	FOY Group	Mindoro	Total
January 1, 2016	\$ 972,106	\$ -	\$ 972,106
Share of net loss	(397,860)	-	(397,860)
Share of other comprehensive income	(20,566)	-	(20,566)
Dilution gain on investment in associate	83,121	-	83,121
December 31, 2016	\$ 636,801	\$ -	\$ 636,801
Share of net loss	(636,801)	-	(301,448)
Share of other comprehensive loss	-	-	(102,026)
September 30, 2017	\$ -	\$ -	\$ 233,327

IGES recorded an impairment related to its Mineral Rights during the period ended June 30, 2017, of which TVI's share relating to its net remaining allocation to the Mineral Rights is \$1.9 million and has resulted in the Company's investment in IGES being fully written-down during the nine months ended September 30, 2017. The June 30, 2017 financial statements of IGES were finalized and released after the release of the Company's June 30, 2017 financial statements on August 11, 2017.

The Company has determined that it has significant influence by virtue of its right to representation on the Board of Directors of the associates and various other contractual terms.

(a) Investment in Integrated Green Solutions Ltd (formerly FOY Group)

IGES is a publicly listed company incorporated in Australia, with shares listed on the ASX. Its annual reporting period ends at June 30. The trading of IGES shares was halted since July 29, 2015 pending the outcome of a meeting to consider a restructuring of its business to change the focus of the company from resource extraction to resource recovery and will resume upon relisting on the ASX. TVI holds 17,592,908 shares and 9,158,621 options as at September 30, 2017.

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

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

8. Investment in associates (continued):

IGES greater opportunities to exploit the Waste Plastic-to-Fuel Technologies in the US market, which includes plans to construct and operate a plastic-to-fuel conversion facility in Indiana, USA. On April 28, 2017, IGES Group announced that it has resolved to enter into a US \$90 million funding commitment to construct and establish 4 commercial sites in the United Kingdom.

IGES must yet meet the requirements of certain ASX Listing Rules prior to relisting. The ASX has advised IGES 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:

- IGES 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
- IGES must obtain shareholder approval for the IGE transaction; and
- IGES must meet the requirements in ASX Listing Rules Chapters 1 and 2 as if IGES 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 EGM held on November 15, 2016, and on September 12, 2017, IGES released its Replacement Prospectus to raise up to A\$15 million to assist with its international rollout of plastic-to-fuel facilities in the US, UK and the Netherlands. Further to an announcement by IGES on October 25, 2017, the expected ASX re-listing date is now December 8, 2017.

(b) Investment in Mindoro

Mindoro is a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange. Its annual reporting period ends at December 31.

As at September 30, 2017, TVI owns 42,779,353 units of Mindoro, representing a 14.4% holding in the capital of Mindoro. Each unit consists of one common share and one common share purchase warrant that had entitled TVI to purchase one additional share, at a price of \$0.10 per share. All common share purchase warrants have now expired as at October 10, 2017.

9. Investment in joint venture:

		September 30, 2017
Investment in joint venture at January 1, 2016	\$	14,004,387
Share of net income		259,890
Share of other comprehensive income (loss)		83,146
Foreign exchange revaluation of other comprehensive income		(1,383,314)
Write down of investment		(126,546)
Investment in joint venture at December 31, 2016		12,837,563
Cash dividend received		(800,704)
Share of net income		789,376
Share of other comprehensive loss		(761,983)
Investment in joint venture at September 30, 2017	\$	12,064,252

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI International Marketing Limited ("TVI Marketing")). TVIRD continues to be the operator of the Agata and Pan de Azucar joint ventures.

TVIRD has issued the following cash dividends through 2017, all of which have been received by TVI Marketing as the direct shareholder of TVIRD:

Date Received	Total TVIRD Dividend Declared		Total TVI International Marketing Share			
			Prior to Philippine Dividend Tax		Net of Philippine Dividend Tax	
	PHP(millions)	\$CAD(millions)	PHP(millions)	\$CAD millions	PHP (millions)	\$CAD millions
Feb 22, 2017	30.0	\$ 789.1	9.2	\$ 241.9	7.8	\$ 205.7
May 15, 2017	30.0	\$ 821.4	9.2	\$ 251.9	7.8	\$ 214.1
Aug 14, 2017	40.0	\$ 1000.6	12.3	\$ 306.9	10.4	\$ 260.8
Total Dividend	100.0	\$ 2,611.1	30.7	\$ 800.7	26.0	\$ 680.6

10. Other assets:

Other assets are composed of:

	September 30, 2017	December 31, 2016
Option to purchase TVIRD shares	\$ 142,603	\$ 142,603
Others	3,101	3,485
	\$ 145,704	\$ 146,088

During the year ended December 31, 2014, TVI paid \$232,020 as an option to acquire the remaining Class B shares of TVIRD held by a non-controlling interest holder, representing a 0.92% interest in TVIRD, upon execution of TVIRD's listing on the Philippine Stock Exchange ("PSE"). The option requires the listing of TVIRD to take place no later than five (5) years from the execution date of the option, or by December 2018, and the sale and purchase to be completed within 30 days from the date of listing on the PSE. The total net purchase price is expected to be US \$500,000, including the payment, plus 10% of (i) initial public offering ("IPO") value of the Class B shares, to be calculated as if they were included in the TVIRD IPO, or (ii) the average price of the Class B shares during the first 5 trading days of TVIRD's listing – whichever is higher. At December 31, 2016, the Company determined the fair value of the option to be \$142,603 based on the current estimated value of TVIRD, taking into account the effects of ongoing mining at Agata, the probability of TVIRD's PSE listing and the estimated future value of other projects. The Company does not believe that any further adjustment to the fair value of the option is required at September 30, 2017. In the event the listing of TVIRD does not take place within the required period, for whatever reason, whether or not attributable to the Company, or should the Company decide not to pursue its purchase of the Class B Shares, funds paid with respect to this option will be forfeited.

11. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	September 30, 2017		December 31, 2016	
Trade payables	\$	33,082	\$	63,289
Other accrued expenses		113,844		490,462
	\$	146,926	\$	553,751

Accrued expenses include accruals of personnel expenses, consultancy and other professional fees. Other accrued liabilities at December 31, 2016 included \$351,000 held for distribution as a death benefit in accordance with certain agreements, which was held at that time in short-term deposits but has been fully settled during the nine months ended September 30, 2017.

12. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

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

(b) Issued and fully paid

The total number of common shares since January 1, 2017 up to September 30, 2017 was 655,537,039 in the amount of \$32,974,070.

(c) Share options

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. The options generally vest over a period of up to three years and expire no more than 5 years from the date of grant.

There were no share options granted during the period ended September 30, 2017, and no share options granted during the period ended December 31, 2016.

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	57,600,000	\$ 0.018	60,800,000	\$ 0.019
Issued	-	-	-	-
Exercised	-	-	(66,667)	0.015
Forfeited	(1,333,335)	0.016	(750,000)	0.017
Expired	(4,516,665)	0.019	(2,383,333)	0.063
Options outstanding, end of period	51,750,000	\$ 0.018	57,600,000	\$ 0.018
Options exercisable, end of period	46,499,997	\$ 0.018	35,749,999	\$ 0.019

Price range	Number outstanding	Weighted average remaining contractual life (years)	Number Exercisable
\$ 0.001 to 0.008	46,499,997	1.6146	46,499,997

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

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

12. Share capital (continued):

(d) Stock-based compensation and contributed surplus

During the three and nine months ended September 30, 2017, a net of \$5,984 and \$54,337 (September 30, 2016 - \$24,259 and \$157,231) of stock-based compensation was charged to the interim consolidated statement of comprehensive income.

	2017		2016	
Contributed surplus, beginning of period	\$	7,019,600	\$	6,835,472
Stock-based compensation		66,815		191,889
Employee options exercised		-		(925)
Options forfeited		(12,478)		(6,836)
Contributed surplus, end of period	\$	7,073,937	\$	7,019,600

13. Per share data:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net loss	\$ (504,675)	\$ (132,459)	\$ (1,146,422)	\$ (1,311,605)
Weighted average number of shares, basic and diluted	655,537,039	655,537,039	655,537,039	655,537,039
Basic and diluted loss per share	(0.001)	(0.000)	(0.002)	(0.002)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares consisting of share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

14. Segmented information:

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

The Company has two reporting segments:

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

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

14. Segmented information (continued):

Geographic information:

	Revenues		Property and equipment and exploration and evaluation assets	
	For nine months ended September 30, 2017	For nine months ended September 30, 2016	September 30, 2017	December 31, 2016
Philippines	\$ -	\$ -	\$ -	\$ -
Papua New Guinea	-	-	-	-
Canada	-	-	29,942	36,710
	\$ -	\$ -	\$ 29,942	\$ 36,710

Mining segment's operating results in the table below include TVI's 30.66% interest in TVIRD whose summarized financial information is presented in note 9, interest in IGES and Mindoro (note 8), as well as the exploration costs incurred in Fiji.

TVI Pacific Inc.
Notes to the Unaudited Interim Consolidated Financial Statements
September 30, 2017 and 2016
(in Canadian dollars)



	Three months ended September 30, 2017				Three months ended September 30, 2016			
	Mining	Petroleum Exploration	Corporate	Total	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	\$ -	\$ (9,295)	\$ (256,339)	\$ (265,634)	\$ -	\$ (14,771)	\$ (394,663)	\$ (409,435)
Exploration costs	(4,074)	-	-	(4,074)	-	-	-	-
Depreciation expense	-	(40)	(2,657)	(2,697)	-	(58)	(3,184)	(3,242)
Interest income	(4,074)	(9,335)	(258,996)	(272,405)	-	(14,829)	(397,847)	(412,676)
Foreign exchange gains (loss)	-	57	421	478	-	61	682	743
Other loss	-	163,442	(26,947)	136,496	-	56	43,497	43,553
Share of gains of associates and joint venture	(636,801)	-	1,248	(635,553)	-	-	(33,997)	(33,997)
Net income (loss) before tax	386,418	-	-	386,418	269,919	-	-	269,919
Income tax	(254,457)	154,164	(284,273)	(384,566)	269,919	(14,712)	(387,666)	(132,459)
Net income (loss)	-	-	(120,109)	(120,109)	-	-	-	-
Assets	\$ (254,457)	\$ 154,164	\$ (404,382)	\$ (504,675)	\$ 269,919	\$ (14,712)	\$ (387,666)	\$ (132,459)
Liabilities	\$ 12,064,252	\$ 145,832	\$ 1,530,391	\$ 13,740,475	\$ 15,823,525	\$ 189,072	\$ 1,373,775	\$ 17,386,372
Capital expenditures	-	-	-	-	-	-	-	-
	-	-	1,420,837	1,420,837	-	-	1,781,257	1,781,257
	-	-	-	-	-	-	-	-

	Nine months ended September 30, 2017				Nine months ended September 30, 2016			
	Mining	Petroleum Exploration	Corporate	Total	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	\$ -	\$ (33,479)	\$ (1,045,863)	\$ (1,079,342)	\$ -	\$ (73,560)	\$ (1,734,712)	\$ (1,808,273)
Exploration costs	(4,074)	-	-	(4,074)	(27,887)	-	-	(27,887)
Depreciation expense	-	(120)	(8,250)	(8,370)	-	(172)	(10,452)	(10,624)
Interest income	(4,074)	(33,599)	(1,054,113)	(1,091,786)	(27,887)	(73,732)	(1,745,164)	(1,846,783)
Foreign exchange gains (loss)	-	108	969	1,077	-	104	2,215	2,319
Other loss	-	(6,841)	(15,360)	(22,200)	-	(7,461)	(78,349)	(85,810)
Share of gains of associates and joint venture	(636,801)	-	(65,979)	(702,780)	-	(1)	(89,411)	(89,412)
Net income (loss) before tax	789,376	-	-	789,376	708,082	-	-	708,082
Income tax	\$ 148,501	\$ (40,322)	\$ (1,134,482)	\$ (1,026,313)	\$ 680,195	\$ (81,090)	\$ (1,910,710)	\$ (1,311,605)
Net income (loss)	-	-	(120,109)	(120,109)	-	-	-	-
Assets	\$ 148,501	\$ (40,322)	\$ (1,254,591)	\$ (1,146,42)	\$ 680,195	\$ (81,090)	\$ (1,910,710)	\$ (1,311,605)
Liabilities	\$ 12,064,252	\$ 145,832	\$ 1,530,391	\$ 13,740,475	\$ 15,823,525	\$ 189,072	\$ 1,373,775	\$ 17,386,372
Capital expenditures	-	-	-	-	-	-	-	-
	-	-	1,420,837	1,420,837	-	-	1,781,257	1,781,257
	-	-	-	-	-	-	-	-

15. Expenses by nature:

	Nine months ended September 30	
	2017	2016
Personnel costs	\$ 401,882	\$ 758,334
Contracted services	180,230	314,817
Professional fees	149,091	200,381
Travel and transportation	90,660	82,131
Rent	72,120	76,189
Stock-based compensation	54,337	157,231
Advertising and investor relations	60,146	87,360
Insurance	44,780	59,012
Taxes and licenses	11,624	18,280
Utilities	7,441	14,173
Freight	744	752
Materials and supplies	(1,905)	12,254
Others	8,192	27,359
Total administrative and general costs	\$ 1,079,342	\$ 1,808,273

Personnel costs for the nine months ended September 30, 2016 include termination allowances for various employees. The year-over-year variance reflects initiatives introduced by the Company at January 1, 2016 to reduce costs and conserve cash.

16. Changes in working capital:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Accounts receivable	\$ (1,439)	\$ 30,644	\$ 1,067	\$ 77,341
Prepaid expenses	30,607	37,743	(5,296)	5,580
Trade accounts payables and accrued liabilities	(188,424)	(42,899)	(414,003)	177,475
Due to/from related parties	47,892	95,724	239,879	357,435
	\$ 111,364	\$ 121,212	\$ 178,353	\$ 617,831

The change in trade accounts payable and accrued liabilities and due to/from related parties was due to the settlement of consultancy, professional fees and service fees during the period ended September 30, 2017.

17. Foreign exchange gain:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Unrealized foreign exchange gain (loss)	\$ 145,958	\$ 45,743	\$ (13,140)	\$ 3,905
Realized foreign exchange loss	(9,462)	(2,190)	(9,060)	(89,715)
	\$ 136,496	\$ 43,553	\$ (22,200)	\$ (85,810)

The unrealized foreign exchange gain (loss) during the period ended September 30, 2017 and 2016 pertain to the revaluation of USD-denominated short-term deposits and derivative financial instrument.



18. Commitment:

The Company has entered into a lease contract with respect to its corporate office premises that has commenced on April 1, 2015. The lease is for a three-year term through to March 31, 2018, and the remaining total rent payments up to the end of the lease contract in March 2018 amounts to \$28,769 inclusive of base rent, estimated operating expense and taxes. The Company has sublet a portion of its corporate office premises through to the date of expiration of its current three-year lease term as it continues its focus to reduce expenditures and to conserve cash.

19. Subsequent Events:

On October 2, 2017, the TVIRD Board of Directors declared a dividend of 35 million Philippine pesos (\$1.0 million) to be issued among all shareholders of record as of June 30, 2017. Payment was made on October 5, 2017. As the direct shareholder of TVIRD, TVI Marketing received as its share a dividend of 10.7 million Philippine pesos (\$0.26 million), prior to Philippine dividend tax in the amount of 1.6 million Philippine pesos (\$0.04 million), and the net amount of 9.1 million Philippine pesos (\$0.22 million) was transferred through to TVI as repayment of intercompany advances.



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