Pacific Inc.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2018 and 2017

The discussion and analysis that follows is intended to provide a summary of TVI Pacific Inc. ("**TVI**" or "**the Company**") results over the periods ended March 31, 2018 and 2017, as well as of its financial position and future plans. It should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017 and 2016, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All figures in this discussion and analysis are expressed in Canadian dollars unless otherwise indicated. Additional information is available on TVI's website at www.tvipacific.com or on SEDAR's website at www.sedar.com. Information in this Management Discussion & Analysis ("**MD&A**") is as of May 16, 2018.

Forward-looking Statements

Certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "forecast", "project", "intend", "believe", "anticipate", "outlook" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the dates the statements are prepared and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, without limitation: the inherent risks involved in the mining, exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project delays or cost overruns or unanticipated excessive operating costs and expenses, uncertainties related to the necessity of financing, the availability of and costs of financing needed in the future, and other factors described in the Company's Annual Information Form under the heading "Risk Factors". The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change other than as required by securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Qualified Persons

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

Additional information on the Company, including the Company's Annual Information Form, is also available on SEDAR at www.sedar.com and on the Company's website at www.tvipacific.com.

Corporate Profile

TVI is a publicly-traded Canadian resource company focused on the evaluation and acquisition of interests in resource projects in the Asia Pacific region.

TVI management's track record of success includes putting the first foreign-invested mine into production in the Philippines after the passage of the Philippine Mining Act of 1995. From 2004 to 2014, TVI produced 105,200 ounces of gold, 1.8 million ounces of silver, 199,778 tonnes of copper concentrate and 30,548 tonnes of zinc concentrate from the Canatuan mine and was recognized as one of the most responsible miners in the Philippines. TVI has carried out its work through its Philippine affiliate, TVI Resource Development (Phils.) Inc. ("**TVIRD**"), which it consolidated into its financial statements until 2014, and its track record of exceptional environmental performance was recognized by numerous environmental and safety awards at the annual Presidential Mineral Industry Environmental Awards. Top accolades received between 2010 and until the closure of Canatuan in early 2014 include the Presidential Mineral Industry Environmental Award – Platinum Award (2012); Titanium Award for Excellence in Environmental Management (2011); Platinum Achievement Award - Surface Mining Category (2010); and Titanium Award – Surface Mining Category (2013).

TVI management's track record of success has continued with the Agata nickel laterite project, Agata Mining Ventures Inc. ("**AMVI**"), a joint venture company between TVIRD (60%), Mindoro Resources Ltd. ("**Mindoro**") (15%) and Minimax (25%), in which TVIRD is operator. The Agata Direct Shipping Ore ("**DSO**") Project site is strategically located within proximity to main markets in Asia and bears the opportunity for shipping all year round. Nickel laterite DSO operations commenced in October 2014 and a total of 8.8 million wet metric tonnes have been shipped through 162 shipments as at the end of March 2018. TVIRD is focused on maximizing the production and sale of higher nickel grade saprolite ore in order to secure the highest selling prices and to maximize revenues. TVIRD also produces high iron limonite ore when market conditions are favorable. With TVIRD as operator, AMVI has continued to be recognized by the regulatory agencies and several environmental awards have been received.

During 2013, TVI was focused on obtaining additional financing for working capital and investment purposes and entered into various definitive agreements with Prime Resources Holdings, Inc. ("**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. TVI's interest in TVIRD was reduced at that time 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 and various other Philippine assets were deconsolidated from TVI's consolidated financial statements.

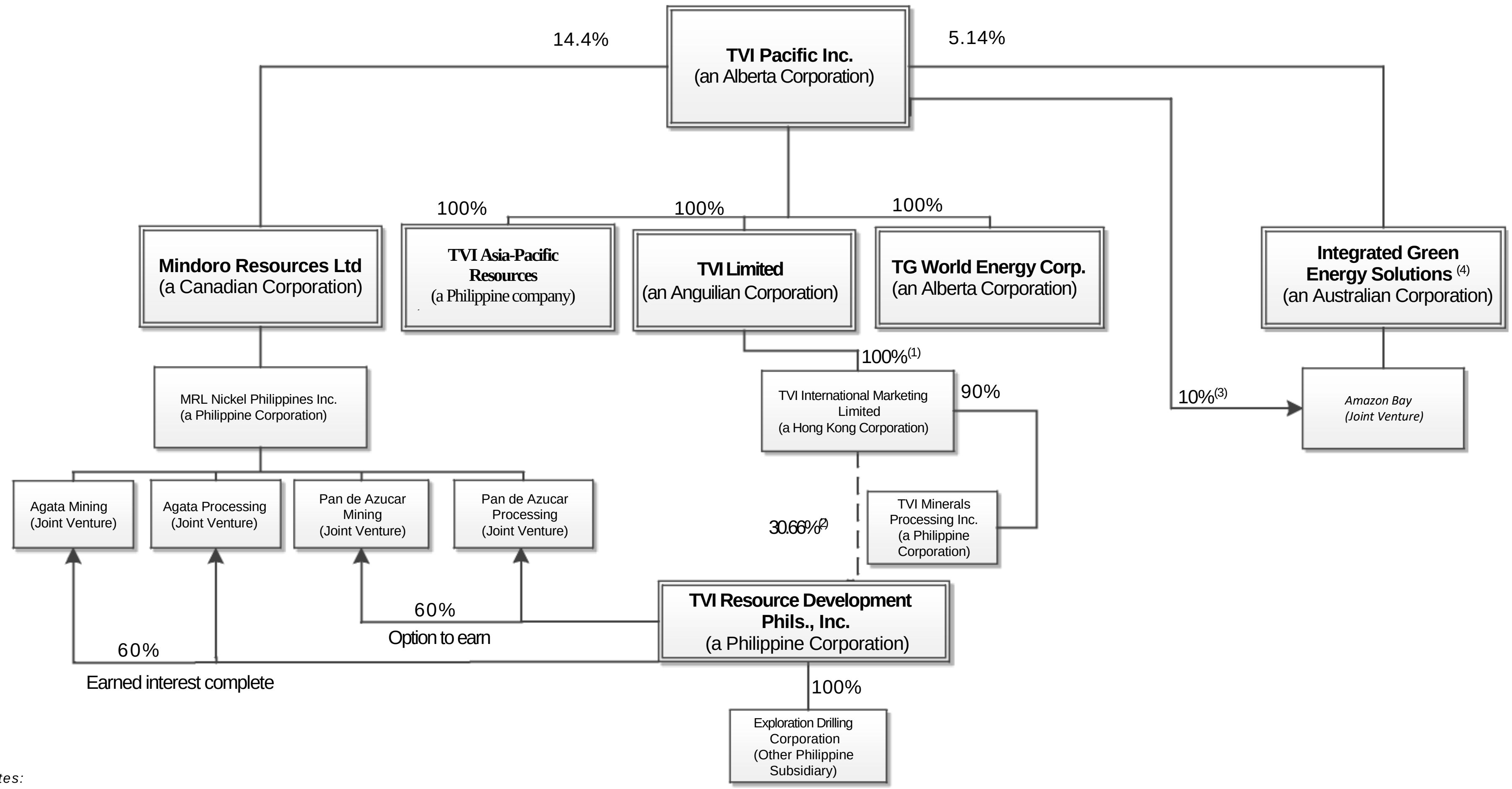
TVI's continuing interest of approximately 30.66% in TVIRD is recorded as an investment in joint venture within the mining segment and is accounted for using the equity method in the consolidated financial statements. As such, revenues earned and related expenses incurred at the level of TVIRD and its subsidiaries result in an adjustment to the investment account through its equity earnings/(loss). Cash generated at the level of TVIRD, its subsidiaries and joint ventures do not flow through directly to TVI. Cash flows generated by TVIRD are used to fund current and future operations and expansion activities at the level of TVIRD, its subsidiaries and joint ventures to further enhance the value of TVI's investment.

As part of PRHI's agreement to invest in TVI and TVIRD, the parties agreed that TVIRD would seek a listing on the Philippine Stock Exchange ("**PSE**") following PRHI's investment in TVIRD. In October 2015, TVIRD filed a preliminary prospectus with the Philippine Securities and Exchange Commission ("**SEC**") and a listing application with the PSE relating to its proposed initial public offering ("**IPO**"). As at March 31, 2018, all activities related to the proposed listing on the PSE and IPO continue to be on hold due to the uncertain environment in which the Philippine mining industry has operated since a nationwide audit of metallic mines was ordered by the Department of Environment and Natural Resources ("**DENR**") in June 2016. Such listing activities will resume once the DENR's position on various mining policies is further clarified.

In addition to its interest in TVIRD and other Philippine subsidiaries, TVI directly held at March 31, 2018 (i) a 5.14% equity interest in Integrated Green Energy Solutions Ltd ("**IGES**", formerly FOY Group Limited, and prior to that, Foyson Resources Limited); (ii) a 14.4% equity interest in Mindoro; (iii) a 10% interest in the Amazon Bay Iron Sands project; and (iv) a 100% investment in shares of TG World Energy Corp. ("**TG World**"). On January 30, 2018, IGES has completed its relisting to the ASX, resulting in TVI's interest in IGES being diluted at the time of relisting to 5.22 % as a result of a A$6.447 million capital raise completed by IGES and the issue of 32,235,000 shares to participants in the prospectus, and the issue of 209,700,000 shares to the IGE shareholder's nominees as consideration for the business assets defined in their Business Sale Agreement. A further issue of 4,387,046 shares by IGES in March 2018 to retire debt has resulted in a further dilution of TVI's interest in IGES to 5.17% while the sale also of 100,000 IGES shares by TVI through March 2018 has reduced TVI's interest in IGES to 5.14%. The ASX has advised that all shares and unlisted options held by TVI are not subject to any ASX restrictions.

TVI is currently focused on securing funding in order to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows. TVI expects the sale of portions of its interest in various equity holdings and possible distributions from its investment in joint venture to be a source of funding for its resource acquisition activities.

As at March 31, 2018:
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 wel 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.
(4) Formerly FOY Group Ltd.

INVESTMENT IN TVI RESOURCE DEVELOPMENT PHILS., INC.

TVIRD is a private Philippine resource company that developed and operated 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 ("**dmt**") of copper concentrate and 30,548 dmt 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 gross revenues and US$180 million in cash flows.

TVIRD is currently focused on maximizing its valuation for a listing on the PSE, which would also maximize its investment value for TVI, by focusing on the following areas of growth:

- Maximizing profits at the Agata Nickel Laterite DSO Project;
- Advancing the Balabag Gold-Silver Project towards production; and
- Exploring production and marketing opportunities at the Agata Limestone Project

TVI entered into an Option Agreement in April 2014 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 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 March 31, 2019, and the sale and purchase to be completed within 30 days from date of listing on the PSE. The total net purchase price is US $500,000, to be adjusted further as a result of share performance at time of listing, of which $232,000 has been paid. At March 31, 2018, the Company determined the fair value of the option to be $76,322 based on the current estimated value of TVIRD, taking into account the effects of ongoing mining at Agata, the probability of TVIRD completing its listing on the PSE and estimated future value of other projects.

TVIRD had previously aimed to complete its PSE listing and IPO in late 2015 to mid-2016; however, these efforts have been put on hold pending further clarification of the DENR's position on various mining policies under the new Administration of President Rodrigo Duterte that was elected to power in May 2016.

Summary information is provided below on key TVIRD projects as they may materially affect the valuation of TVIRD when it lists on the PSE.

Balabag Gold and Silver Project

The Balabag gold/silver project is owned 100% by TVIRD. The tenement covering the Balabag property has a total area of 4,779 hectares and is located within the municipalities of Bayog, Zamboanga Del Sur and Zamboanga Sibugay Province, Island of Mindanao, Philippines.

In June 2012, TVIRD filed with SEDAR an updated NI 43-101 compliant technical report on the project titled "NI 43-101 Technical report on the Balabag Gold Project, Zamboanga Province, Philippines" produced by Georeference Online Ltd. According to the report, the project had Indicated resources of 1.78 million tonnes averaging 2.34 g/t gold and 72.3 g/t silver for contained metal of 134,262 ounces of gold and 4,148,196 ounces of silver.

Since mid-2013, exploration and development work has been on hold pending the receipt of all permits. From that period through to the current date, TVIRD has continued to work on the engineering design for a gold-silver processing plant to process ore on site. TVIRD has also constructed and maintained 16 kilometers of access roads to the project in anticipation of the commencement of construction.

On April 29, 2016, the Mines and Geosciences Bureau ("**MGB**") approved the Declaration of Mining Project Feasibility ("**DMPF**"). Approval of the DMPF follows receipt of the Environmental Compliance Certificate ("**ECC**") on October 16, 2013. The DMPF limits the current project area to the 180 hectares defined by the ECC but provides for possible expansion into other areas of the Mineral Production Sharing Agreement ("**MPSA**") through amendment of the ECC once operations have commenced. TVIRD has requested an extension in the date of the ECC, which is scheduled to expire in October 2018. In the interim, studies have been revisited to assess the possibility of starting with a smaller operation while waiting for the approval of the expanded ECC.

On February 14, 2017 TVIRD learned through a news conference held by the DENR that MPSA No.086-97-IX, in which the Balabag project is located, is among 75 MPSAs that have been recommended for cancellation. TVIRD filed a response on February 23, 2017 to the Show Cause letter and emphasized their position to be 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 has further stated that it is confident their past work to obtain the Balabag MPSA, the ECC and DMPF in compliance with the requirements of the DENR will justify its position. TVI agrees that Balabag is clearly not in a proclaimed watershed forest reserve and remains confident that TVIRD's Balabag MPSA is valid and can withstand any legal challenge.

As at the current date of reporting, TVIRD has received no reply to its response to the Show Cause letter and requires also resolution of the open-pit mining ban announced by the former DENR Secretary in February 2017.

Agata Nickel Laterite Project

The Agata nickel laterite project is held by AMVI, a joint venture company between TVIRD, Mindoro and Minimax, in which TVIRD holds a 60% interest and is operator. The Agata DSO Project site is located in a 4,995-hectare MPSA area located in the adjacent municipalities of Tubay, Jabonga and Santiago in Agusan del Norte province. It is accessible by land (approximately 1.5-hours driving time) from the provincial capital of Butuan. The project mine site is located 3.5 km from AMVI's private port, which is strategically located within proximity to main markets in Asia and bears the opportunity for shipping all year round.

Nickel laterite DSO operations commenced in October 2014 and a total of 8.8 million wet metric tonnes have been shipped through 162 shipments as at the end of March 2018. TVIRD is focused on the production and sale of mid-grade nickel saprolite ore in order to maximize revenues. TVIRD also produces high iron limonite ore when market conditions are favorable.

From November 2014 to April 2015, TVIRD undertook a large-scale 16,768-meter drill program aimed at upgrading and increasing the resources previously disclosed in April 2013. Following completion of the program, a Philippine Mineral Reporting Code ("PMRC") technical report and an updated resource estimate was completed to support the valuation of the Agata project for TVIRD's proposed PSE listing.

On September 27, 2016, the DENR announced the results of a nationwide audit of 41 metallic mines. AMVI was issued a Show Cause order for alleged infractions but was successful in its response and on February 2, 2017, AMVI received confirmation that it would be allowed to continue its operations without interruption. AMVI is one of 11 successful mining companies allowed to continue its activities, while a further 20 mining companies face closure and another 10 have been suspended.

Agata Limestone Project

The Agata Limestone project is held by AMVI (in which TVIRD has a 60% interest) and is located in the same 4,995-hectare MPSA area as the Agata Nickel Laterite project.

From November 2014 to April 2015, AMVI carried out a 17-hole drill program on the property and results confirmed the presence of a high-purity recrystallized limestone deposit covering an area of 600 meters by 650 meters. The Resource estimate is not compliant with NI 43-101 but a report was prepared through 2015 by a PSE-affiliated Philippine competent person. The results of the drilling are expected to support TVIRD's valuation on its proposed IPO listing with the PSE.

As of March 31, 2018, AMVI was continuing to evaluate the feasibility of commencing a limestone DSO operation or producing hydrated lime and a higher value ground calcium carbonate ("**GCC**") product marketable to the paper and plastics industries in Asia. Due to the project's close proximity to the causeway where materials will be shipped, potential operations will benefit from having low transport and handling costs.

AMVI has been in discussion with limestone companies for the production of different products. In May 2016, a Japanese mining company commenced a due diligence review of the Payong payong limestone and confirmed the quality and quantity of the resource for possible supply to the steel and construction industry. Further evaluation of the three other potential limestone sites, one of which is located just south of the Payong payong deposit in Tinigbasan with the others located in San Vicente and north of Agata in San Jose, are ongoing, and the related exploration permit (EP 27) has been renewed thereby allowing drilling in San Vicente to proceed with 11 holes (approximately 10,000 meters) that are expected to be completed by the end of May 2018.

Carrying value of investment in TVIRD

The carrying value of the investment in joint venture is $11,312,563 as at March 31, 2018, adjusted from the balance reported at December 31, 2017 to account for TVI's proportionate share of net loss realized by the Philippine entities during the three months ended March 31, 2018, as well as TVI's proportionate share of other comprehensive income (loss).

		March 31, 2018
Investment in joint venture at January 1, 2017	$	12,837,563
Share of net income		1,457,170
Share of other comprehensive loss (1)		(48,798)
Foreign exchange revaluation of other comprehensive income		(1,174,700)
Cash dividend received, net of taxes		(1,236,058)
Investment in joint venture at December 31, 2017		11,835,177
Share of net loss		(220,373)
Share of other comprehensive income (loss) (1)		(302,241)
Investment in joint venture at March 31, 2018	$	11,312,563

(1) *Other comprehensive income (loss) is generated by the conversion from Philippine pesos of the Philippine books to $CAD equivalent.*

INVESTMENT IN MINDORO

Mindoro is a publicly listed company incorporated in Canada and with shares listed on the NEX. Mindoro was previously listed on the TSX-Venture Exchange but it was announced on July 6, 2016, that Mindoro had been halted from trading for failure to pay their annual sustaining listing fees. The annual reporting period of Mindoro ends as at December 31.

As at March 31, 2018, TVI owns 42,779,353 units of Mindoro, representing a 14.4% holding in the capital of Mindoro.

The carrying value of the Company's investment in Mindoro was reduced to nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment. As at March 31, 2018, a further proportionate share of net losses have been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize.

INVESTMENT IN INTEGRATED GREEN ENERGY SOLUTIONS LTD (FORMERLY FOY GROUP LIMITED and Foyson Resources Limited)

On August 17, 2012, TVI entered a Heads of Terms agreement ("**HOA**") with Foyson Resources Limited (subsequently renamed to IGES on August 7, 2017 following a previous name change to FOY Group on August 26, 2015). IGES is a publicly listed company incorporated in Australia with shares listed on the Australian Stock Exchange ("**ASX**") and was operating at the time of the HOA in the resource industry in Papua New Guinea. The HOA set out the terms of various proposed transactions consisting of a loan to IGES and acquisition of equity interests by way of private placement undertaken in two tranches with IGES (or affiliates).

As at March 31, 2018, TVI had a 5.14% direct equity interest in IGES that has been derived by the following:

		IGES Investment Held by TVI Pacific				
Date		**Notes**	**Cash Outlay**	**Share Price**	**Shares**	**Options**
Aug.28.2012	Tranche 1 Share Subscription	(1)	AUD 884,000	AUD 0.3250	2,720,000	
May 03.2013	Tranche 2 Share Subscription	(1)	100,000	AUD 0.1750	571,429	
Dec.09.2013	Tranche 2 Share Subscription	(1)	315,000	AUD 0.1750	1,800,000	
Mar.26.2014	Tranche 2 Share Subscription	(1)	585,000	AUD 0.1750	3,342,857	
Mar.31.2015	Loan Conversion	(1),(2),(3),(5)	211,528	AUD 0.0625	3,384,451	3,384,451
Jul.31.2015	Loan Conversion	(1),(2),(4),(5)	188,472	AUD 0.0625	3,015,549	3,015,549
Jul.31.2015	Capital Promissory Note *#1* - conversion	(1),(2),(5)	100,000	AUD 0.0725	1,379,311	1,379,310
Jul.31.2015	Capital Promissory Note *#2* - conversion	(1),(2),(5)	100,000	AUD 0.0725	1,379,311	1,379,310
March 2018	Sale of IGES shares	(6)			(100,000)	
			AUD 2,484,000	**AUD 0.1420**	**17,492,908**	**9,158,621**

Notes:

(1) Post 25:1 share consolidation of August 17, 2015. Cash Outlay and Share Price is reflected in actual A$.

(2) Loan was initially provided in August 2012 to Foyson Resources and changed to a convertible note on October 1, 2014, prior to introduction of IGE.

(3) Part conversion of loan as previously agreed with Foyson Resources on October 1, 2014, and approved by shareholders on March 31, 2015.

(4) Conversion of remaining balance of loan previously agreed with Foyson Resources on October 1, 2014, and further approved by shareholders at EGM of July 30, 2015.

(5) Options may be exercised at a conversion price of A$0.20 at any time through to their expiry on December 31, 2019.

(6) Shares sold at average share price of A$0.39 for net proceeds of $38,234.

The conversion options are accounted for as a derivative financial instrument and are separately accounted for at fair value in the consolidated financial statements.

Integrated Green Energy Pty Ltd ("**IGE**") entered a private placement with Foyson Resources Limited on October 23, 2014, in the amount of A$337,500 following an announcement on July 4, 2014, that Foyson Resources Limited had commenced exclusive negotiations for a strategic relationship with IGE to acquire and fund the commercialization of its plastics-to-diesel technology.

Foyson Resources Limited was granted a trading halt by the ASX on July 29, 2015, pending the outcome of a meeting to consider a restructuring of its business. The restructuring was intended to change the focus of the company from resource extraction to resource recovery by exploiting the opportunities from three key technologies acquired from IGE, which include:

- Plastics to Fuel;
- Biomass to Fuel; and,
- Biomass to energy / power.

Shareholder approval of the IGE transaction was received at an Extraordinary General Meeting 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.

On September 27, 2017, TVI resigned from its one director position that it held from December 27, 2014 (and previously from August 2012 to July 2013) on the Board of IGES in recognition of the substantial change in business and direction of IGES and that it no longer reflects the investment mandate of TVI, which is to invest in resource projects.

On January 30, 2018, IGES successfully completed its relisting on the ASX and TVI's interest in IGES was diluted to 5.22% as a result of a A$6.447 million ($6.3 million) capital raise completed by IGES and the issue of 32,235,000 shares to participants in the prospectus as well as the issue of 209,700,000 shares to the IGE shareholder's nominees as consideration for the business assets defined in their Business Sale Agreement. A further issue of 4,387,046 shares by IGES in March 2018 to retire debt and the sale of 100,000 IGES shares by TVI through to March 31, 2018 resulted in a further dilution of TVI's interest in IGES to 5.14%. The ASX has advised that all shares and unlisted options held by TVI are not subject to any ASX restrictions.

On January 30, 2018, IGES also announced the purchase of an Amsterdam based entity that comes with a site in Amsterdam that has a fully approved and sanctioned Environmental Approval Permit to operate a waste plastic to road ready fuel facility. Site work commenced on the project on March 8th, 2018 and is expected to start producing road ready fuel in November 2018.

On April 18, 2018, IGES announced the formation of a Joint Venture with Crown World Holdings Limited, a wholly owned subsidiary of Beautiful China Holdings Company Limited, a Hong Kong-based investment holding company listed on the Hong Kong Stock Exchange and principally engaged in ecology and environmental protection businesses. IGES is to hold 51% of the shares and the Joint Venture is expected to construct a waste plastics to fuel facility with an initial capacity of 200 tonnes per day. Plant construction is expected to be completed and commissioned in the fourth quarter of 2019.

On April 30th, IGES announced an application for quotation of additional securities, referring to the issue of an additional 10 million ordinary securities at A$0.25 to raise A$2.5 million for working capital and continuing business development in China. The release also of Appendix C – Quarterly Report by IGES on April 30, 2018 and mention of an estimated A$7.976 million construction expenditure for the Amsterdam facility in the next quarter prompted the ASX on May 10, 2018 to request IGES to confirm their ability to fund operations. IGES responded by reiterating its expectation to have the Amsterdam project producing by the fourth quarter of 2018 and referred also to the US $90 million secured debt funding facility it had announced on April 28, 2017 that may be used to help fund capital expenditures related to the Amsterdam facility and other facilities. IGES further announced also on May 10, 2018 a second application for quotation of additional securities, referring to the issue of an additional 10.4 million ordinary securities at A$0.25 to raise A$2.6 million for working capital and continuing business development in China and Hong Kong. The effect of the 20.4 million additional shares once issued through the applications of quotation of additional securities announced on April 23, 2018 and May 10, 2018 will be to dilute further the equity interest of TVI in IGES.

Interest in Amazon Bay Iron Sands Project

Pursuant to an HOA signed between TVI and IGES on August 28, 2012, TVI and IGES established a Joint Venture Agreement relating to the Amazon Bay Iron Sands Project ("**AB**") located in Papua New Guinea. The AB project is comprised of Exploration Licences totaling 1,171 square km containing an iron, titanium and vanadium sand deposit.

TVI completed Stage one of the AB Joint Venture through providing exploration funding of A$2 million and thereby earned a 10% interest in the Amazon Bay tenement, as confirmed by the Papua New Guinea Mineral Resources Authority on July 25, 2014. On this same date, TVI provided notice to IGES of its intent not to proceed with the Stage 2 farm-in of Amazon Bay but renewed its commitment to assist IGES in finding a cash flow positive project, with synergies for its PNG operations. This eliminated the opportunity TVI had through the Joint Venture Agreement to further increase its interest in the AB Project by funding development through to production of a possible DSO operation.

TVI entered into a Royalty Agreement on March 16, 2015 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. This followed Titan Mines Limited, the holder of the Amazon Bay exploration licenses, becoming a wholly owned subsidiary of IGES.

IGES announced through 2016 that it has continued to progress their strategy for PNG through continued active dialogue with the PNG MRA and the community and have been successful in extending the date of the Amazon Bay EL1396 together with Amazon North (EL2149) and Maruta (EL2281). IGES announced at that time 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. In their Annual Report of June 30, 2017, IGES announced that whilst they are still committed to realizing value from the Amazon Bay tenements, they have reduced the carrying value of these properties to nil to reflect their transition from a junior explorer to a technology company that will seek to construct and operate end-of-life plastics to fuel facilities.

Carrying value of investments in Mindoro and IGES

The carrying value of TVI's investment in Mindoro was reduced to nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment. As at March 31, 2018, a further proportionate share of net losses have been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize.

The estimated fair value of TVI's investment in Mindoro, based on its last traded price, is calculated as follows:

	Mindoro
Number of shares	42,779,353
Share price (at Mindoro's last day of trading on July 6, 2016)	0.005
Fair value	213,897

TVI adopted IFRS 9 'Financial Instruments' on January 1, 2018, that introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39 (see *Changes in Accounting Policies*). This has had the effect at March 31, 2018 of reporting TVI's investment in IGES, reclassified at March 31, 2018 from *Investment in Associate* to *Investment in Equity Securities*, through application of Fair Value Through Profit & Loss (FVTPL).

The fair value of TVI's investment in IGES is calculated as follows:

		IGES
Number of shares		17,492,908
Share price ($A at May 16, 2018)		0.37
Fair value in foreign currency		6,472,376
Exchange rate		0.9621
Fair value in CAD	$	6,227,073

The Company has determined that its significant influence ceased to exist as a result of the resignation of the TVI representative from the IGES Board in September 2017 and the dilution of TVI's equity interest in IGES that resulted from IGES' successful capital raise in January 2018 following its relisting on the ASX.

FIJI – CIRIANIU GOLD PROJECT

In November 2014, TVI entered into a Heads of Terms Agreement ("**Cirianiu Agreement**") with Kalo Exploration Ltd. ("**Kalo**"), 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 Cirianiu Agreement, TVI was granted the right to conduct an extensive due diligence review of the property which would include surveying, resampling of drill core, assaying, geological and mine modelling, and possibly confirmatory drilling.

On April 27, 2015, the Company announced that, based on encouraging results from data verification work carried out to date, management has determined that an additional exploration program including auger soil geochemical surveying and confirmation drilling would be essential in allowing an investment decision to be made on the project. Auger soil geochemical surveying commenced in July 2015 and a small-scale confirmation drilling program was completed in August 2015.

As of March 31, 2018, 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.

PETROLEUM AND NATURAL GAS PROPERTIES

On March 10, 2011, TVI acquired control of TG World, an international petroleum exploration and development company. At the time of acquisition, its major areas of focus were offshore Philippines, Alaska and Niger. TG World has subsequently sold its Alaskan interests in November 2011 and withdrew from its project in Niger in January 2012, retaining only its project in the Philippines.

Philippines 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 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. at 15%. On August 6, 2017, a three-year moratorium that had included SC 54A and was granted by the Philippine DOE expired and has been replaced by a three-year suspension that was granted through Force Majeure. The suspension runs through to August 5, 2020, unless the West Philippines Sea dispute is lifted prior to that time. The suspension continues to provide the joint venture sufficient time to study the development of the discovered marginal resources in the block. Once the suspension is lifted, the joint venture has the option to either enter sub-phase 7 with a commitment to drill one well or to relinquish SC 54A in good standing.

The suspension was granted after the DOE had previously approved the moratorium and three additional 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. 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.

TVI has fully written-down its investment in SC 54A in 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.

QUARTERLY FINANCIAL INFORMATION

(in thousands of Canadian dollars, except per share information)

	Revenue	Net Income (Loss)	Net Income (Loss) per Share[(1)] Basic	Diluted
March 31, 2018	$	$ 6,897	$ 0.011	$ 0.010
December 31, 2017	-	507	(0.001)	(0.001)
September 30,2017	-	(505)	(0.001)	(0.001)
June 30, 2017	-	(143)	(0.000)	(0.000)
March 31, 2017	-	(499)	(0.001)	(0.001)
December 31, 2016	-	(1,533)	(0.002)	(0.002)
September 30, 2016	-	(132)	(0.000)	(0.000)
June 30, 2016	-	(388)	(0.001)	(0.001)
March 31, 2016	-	(791)	(0.001)	(0.001)

(1) Net of non-controlling interests. Please see the "Non-controlling interests" section below.

QUARTERLY CONSOLIDATED RESULTS OF OPERATIONS

During Q1 2017, the Company incurred a net loss of $0.5 million, generated by $0.3 in continuing general and administrative expenses and the Company's $0.2 million proportionate share of losses associated with TVIRD and IGES.

During Q2 2017, the Company incurred a net loss of $0.1 million, the result of the Company's $0.7 million proportionate share of net income in TVIRD, offset by $0.5 million in continuing general and administrative expenses and the Company's $0.3 million proportionate share of net loss in IGES.

During Q3 2017, the Company incurred a net loss of $0.5 million, the result of $0.3 million in continuing general and administrative expenses, a $0.3 million share of net loss of IGES arising primarily from IGES' mineral rights and exploration and evaluation asset impairment in the quarter and $0.1 million withholding tax on dividend income received from TVIRD, offset by a $0.1 million proportionate share of the Company's net income in TVIRD and a foreign exchange gain of $0.1 million on the conversion of the Company's US dollar accounts..

During Q4 2017, the Company realized a net income of $0.5 million, the result of recognizing a $0.7 million dilution gain on investment in associate and revaluation of TVIRD option to purchase and $0.4 million deferred tax recovery in its subsidiary, TVI Minerals, offset by continuing general and administrative expenses of $0.4 million, a $0.1 million share of net loss of associate and joint venture and a further $0.1 million write-down of the fair value of the derivative financial instrument related to conversion options of IGES.

In Q1 2018, the Company incurred a net income of $6.9 million, which consists primarily of $6.6 million related to a gain generated by the initial recognition of TVI's investment held in IGES (investment in equity securities) at fair value and $1.3 million arising from the revaluation of IGES options (derivative financial instrument), offset by $0.3 million continuing general and administrative expenses and the Company's $0.2 million proportionate share of losses associated with TVIRD and further expenses of $0.5 deferred income tax on the fair value recognition of investment in equity securities.

Adjusting for taxes, depreciation, share of net loss of joint venture, the fair value recognition of equity securities and derivative financial instrument and other non-cash items, the net loss for the three months ended March 31, 2018, would be:

	Quarter Ended March 31, 2018 ($ million)
Reported net income	6.89
Other gains	(7.92)
Deferred Income tax	0.50
Share of net loss of joint venture	0.22
Net loss before share of net loss of joint venture and gain from fair value recognition of equity securities	(0.31)

CONSOLIDATED RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2018

For the three months ended March 31, 2018, TVI had a consolidated net income of $6.9 million compared to a $0.5 million net loss during the same period in 2017.

Total general and administrative expense amounted to $0.3 million in Q1 2018 and $0.4 million in Q1 2017, which is mainly composed of salaries & wages, consultants and professional fees and other corporate expenses.

In Q1 2018, TVI also had other gains of $7.9 million as compared to a $0.1 million loss in Q1 2017, which is primarily attributable to a gain generated by the initial recognition of TVI's investment held in IGES (investment in equity securities) at fair value and revaluation of IGES options (derivative financial instrument).

TVI is not currently recognizing its proportionate share of any further losses in Mindoro as its investment has been fully impaired since March 2014; these losses will continue to accumulate and offset any future proportionate share of net income reported by Mindoro.

TVI also recorded its proportionate share of net loss of the consolidated Philippine entities in an amount equal to $0.22 million in Q1 2018 as compared to the share of net loss of $0.07 million in Q1 2017. TVI accounts for its investment in Philippine entities, that primarily includes TVIRD, as an investment in joint venture.

SEGMENTED INFORMATION

TVI'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, which reflects the results of the mining operations in the Philippines, before the application of the equity method pertaining to its investment in joint venture.

TVI has the following reporting segments: (1) mining exploration in Fiji, and investments in associates and joint venture with mining activities in the Philippines; and (2) petroleum exploration in the Philippines.

Mining Segment

The mining segment of TVI produced a net income of $7.21 million during the three months ended March 31, 2018 compared to a $0.13 million net loss in 2017. Q1 2018 consists of the $6.62 million gain on initial fair value recognition of TVI's investment in IGES and $1.29 million related to the revaluation of IGES options (derivative financial instrument) offset by a $0.22 million proportionate share of loss in TVIRD ((Q1 2017: $0.06 million share of loss of IGES and $0.07 million share of loss in TVIRD) and $0.48 million deferred income tax on the initial fair value recognition of investment in equity securities. TVI is not currently recognizing its proportionate share of any further losses in Mindoro as its investment has been fully impaired since March 2014; these losses will continue to accumulate and offset any future proportionate share of possible net income reported by Mindoro.

	Three months ended March 31, 2018				Three months ended March 31, 2017			
	Mining	Petroleum Exploration	Corporate	Total	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	$ -	$ (13,031)	$ (330,245)	$ (343,277)	$ -	$ (10,474)	$ (317,353)	$ (327,827)
Exploration costs	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(2,436)	(2,436)	-	(40)	(2,875)	(2,915)
		(13,031)	(332,681)	(345,713)	-	(10,514)	(320,228)	(367,043)
Interest income	-	19	1,188	1,207	-	26	189	215
Foreign exchange gains (loss)	-	1,682	20,988	22,670	-	(859)	36,116	35,257
Other gain (loss)	7,918,201	-	443	7,918,644	-	-	(33,132)	(33,132)
Share of gains (losses) of associates and joint venture	(220,373)	-	-	(220,373)	(133,855)	-	-	(133,855)
Net income (loss) before income tax	7,697,828	(11,331)	(310,062)	7,376,435	(133,855)	(11,346)	(317,055)	(462,257)
Income tax expense	(478,916)	-	-	(478,916)	-	-	-	-
Net income (loss)	$ 7,218,912	$ (11,331)	$ (310,062)	$ 6,897,519	$ (133,855)	$ (11,346)	$ (317,055)	$ (462,257)
Assets	$ 17,974,184	$ 144,685	$ 2,664,076	$ 20,782,945	$ 12,720,527	$ 160,817	$ 2,112,230	$ 14,993,574
Liabilities	-	904	1,837,201	1,838,105	-	909	1,735,417	1,736,326
Capital expenditures	-	-	2,219	2,219	-	-	-	-

(1) Mining segment's operating results in the table above shows the share in the results of the associates and the 30.66% interest in the Philippine joint venture after the application of equity method.

CONSOLIDATED CASH POSITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Position

	Three months ended March 31	
	2018	**2017**
Operating cash flow used in operations	$ (208,875)	$ (11,017)
Change in working capital	(112,387)	(90,612)
Funds used in operations	(321,262)	(101,629)
Proceeds from sales	21,165	-
Expenditures on property & equipment	(2,219)	-
Free cash outflow[(1)]	$ (302,316)	$ (101,629)
Common shares outstanding	655,537,039	655,537,039
Free cash flow per share	$ (0.000)	$ (0.000)

(1) Free cash flow per share and funds used in operations are non-IFRS measure. Please see definitions in the "Non-IFRS Measures" section.

At March 31, 2018, TVI's consolidated financial statements reflect a total cash and short-term deposits balance of $0.7 million held by TVI, which includes TVI Pacific, TVI Marketing, TVI Asia-Pacific Resources Corporation ("**TVI Asia-Pacific**"), TVI Minerals and TG World, as compared to a consolidated cash balance of $0.9 million at the end of December 31, 2017.

Of note is that total cash held by all Philippine entities at March 31, 2018 is $7.2 million, of which $2.8 million is held in joint venture accounts and $4.4 million is held directly by TVIRD, all of which is available to the Philippine entities to fund activities and investments at that level that may contribute to the value of the *investments in joint ventures* within the accounts of TVI Pacific. Cash held at the level of TVIRD may also be available for distribution to its shareholders depending upon performance of the company and declarations of the shareholders, as evidenced by the cash dividends paid to date. Through 2017, total cash dividends issued by TVIRD were 185 million Philippine pesos ($4,742,220) of which TVI Marketing, as the direct shareholder of TVIRD, received 56.8 million Philippine pesos ($1,454,186) prior to Philippine dividend tax withholding in the amount of 8.5 million Philippine pesos ($2218,128). TVI and its management do not control the actions of the Philippine entities and therefore does not control the actual usage or distribution of funds held by each.

Capital Requirements

TVI's capital expenditures through 2018 have been negligible as the primary focus has been at the level of TVIRD, where capital expenditure programs have been funded by operations.

Equity

Total capital was $32,974,070 at March 31, 2018 and December 31, 2017. The Company's outstanding common shares as at March 31, 2018 and at December 31, 2017, were 655,537,039. The basic weighted average number of common shares issued and outstanding for the three months ended March 31, 2018 and at December 31, 2017 were 655,537,039.

Per Share Data

		Three months ended March 31, 2018		Three months ended March 31, 2017
Net income (loss)	$	6,897,519	$	(462,257)
Weighted average number of shares, basic and diluted		655,537,039		655,537,039
Basic income (loss) per share		0.011		(0.001)
Diluted income (loss) per share		0.010		(0.001)

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.

Stock Option Plan

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. Each share option converts into one ordinary share of TVI on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options generally vest over a period of up to three years, may be exercised at any time from the date of vesting to the date of their expiry and expire no more than 5 years from the date of grant.

There were no share options granted during the period ended March 31, 2018 and December 31, 2017. At March 31, 2018, TVI had 43.45 million options outstanding, of which 38,449,997 were vested and exercisable. During the period ended March 31, 2018, $5,533 of stock-based compensation was charged to the statement of comprehensive income (loss) in the consolidated financial statements.

RISK FACTORS

There are certain risks involved in TVI's operations, some of which are beyond its control. Additional risks and uncertainties not presently known, or not expressed or implied below, or that are presently deemed immaterial, could also have an impact to TVI's business, financial condition and operating results.

Statements made in this MD&A regarding risk factors are based upon the opinions of management 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 risk factors below 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.

Risk Management

TVI's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), liquidity risk and credit risk. TVI's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on TVI's financial performance. The

Board of Directors has the overall responsibility for the establishment and oversight of TVI’s risk management framework.

(a) Currency risk

TVI faces currency risks mainly due to the substantial cross-border element of its investment activities. TVI is headquartered in Canada (with Canadian Dollar and US Dollar bank accounts and expenses payable in each currency) while its associates and joint venture entities are located in the Republic of the Philippines (Peso) and Australia (Australian Dollar). TVI minimizes risks by carefully planning the timing of settlement of foreign currency denominated balances and closely monitoring changes in foreign exchange rates.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company’s income and operating cash flows are independent of changes in market interest rates. As at March 31, 2018, 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. TVI reviews its exposure to interest rate risk through regular monitoring of actual interest rates with market interest rates.

(c) Liquidity risk

Liquidity risk is the risk that TVI will not be able to meet its financial obligations as they fall due. TVI’s approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. Due to the dynamic nature of the underlying business, TVI maintains flexibility in funding through its joint ventures by keeping committed credit lines at that level with major vendors.

As at March 31, 2018, TVI has a $0.1 million working capital deficit, as compared to a working capital surplus of $0.2 million as at December 31, 2017. At March 31, 2018, the Company had an accumulated deficit of $17.2 million (2016 – $24.0 million). In addition, the Company recorded negative cash flows from operations ($0.2 million) for the three months ended March 31, 2018 (2016 – $nil). As at March 31, 2018, TVI and its subsidiaries do not have any outstanding loans payable.

While TVI did report a net income of $6.9 million for the three months ended March 31, 2018 (2016 - $0.5 million net loss), net income in the period was primarily generated by the initial recognition of TVI’s investment in equity securities at fair value and the revaluation of the derivative financial instrument. The Company’s ability to continue as a going concern is presently dependent on the sale of portions of its interest in IGES shares and possible distributions from its joint venture investment in TVIRD, which the Company does not control, to continue its operations and to fund expenses. The ability of TVI to continue as a going concern is also dependent on obtaining additional funding to finance ongoing operating activities and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows. There can be no assurance that the steps management will take will be successful.

These circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt as to the Company’s ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

(d) Credit risk

Credit risk arises from the potential that a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from TVI’s cash and cash equivalents, short-term deposits, derivative financial instrument, accounts receivable, due from related parties and other assets. TVI manages credit risk associated with cash, cash equivalents and short-term deposits by maintaining its cash and investments in accounts with creditworthy banks, which were approved by the Board of Directors.

The carrying amounts of cash and cash equivalents, short-term deposits, derivative financial instrument, accounts receivable, due from related parties and other assets at March 31, 2018 and December 31, 2017 represent TVI's maximum credit risk exposure.

Risk on Investments

In its joint venture investments in TVIRD, investment in equity securities in IGES and equity investments in 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 and movements in the share price of the equity investments in IGES and Mindoro. Market value of the shares may decline, affecting the valuation of the investments and derivatives and further losses may be incurred by TVIRD that would require a write-down in the value of these investments.

As at March 31, 2014, the carrying value of TVI's investment in Mindoro has already been fully written-down as a result of recognizing TVI's share in the losses of Mindoro. The value of investment in TVIRD continues to be adjusted at each reporting period by TVI's share in the income or loss of this joint venture.

TVI's interest in IGES was diluted to 5.22% at the time of IGES' relisting on the ASX in January 2018 as a result of a A$6.447 million ($6.3 million) capital raise completed by IGES and the issue of 32,235,000 shares to participants in the prospectus as well as the issue of 209,700,000 shares to the IGE shareholder's nominees as consideration for the business assets defined in their Business Sale Agreement. A further issue of 4,387,046 shares by IGES in March 2018 to retire debt and the sale of 100,000 IGES shares by TVI through to March 31, 2018 has resulted in a further dilution of TVI's interest in IGES to 5.14%. The ASX has advised that all shares and unlisted options held by TVI are not subject to any ASX restrictions.

Regulatory Risk

Political and Regulatory Environment in the Philippines related to investment in TVIRD

On July 9, 2012, the Philippine Government introduced a new mining policy in the form of a Presidential Executive Order (Executive Order #79, or "**EO 79**"), which provided direction to agencies of the Administration to carry out certain directives and signaled the Government's intention to seek legislation "rationalizing existing revenue sharing schemes and mechanisms". During the intervening period, no new permits were issued and industry operated in an environment of extreme uncertainty.

Readers are referred to previous MD&A documents for a detailed analysis of EO 79 and the Implementing Rules and Regulations issued subsequently to execute the Executive Order.

The key elements of the policy in the view of TVIRD Management were that (a) no new mining projects would be allowed until new fiscal legislation had been passed by Congress; (b) the Government was to cause Local Government Units ("**LGU**") to rescind and/or not pass legislation contravening the Mining Act; (c) companies would be issued new exploration permits on the condition that they be subject to the fiscal terms passed subsequently by Congress; and (d) there would be a definitive map published of "No Go" areas that would be off limits to minerals exploration and development.

The government also committed to honour existing contracts such as those held by TVIRD, and in fact has approved both the ECC and DMPF for the Balabag project, as well as the DMPF for the Agata project. But of note is that with the speed by which the permitting process is proceeding and the requirement as yet for TVIRD to obtain a tree-cutting permit for the Balabag project, there is a risk that illegal miners who were previously evicted from Balabag could make efforts to return or to obstruct development operations in some way, despite TVIRD maintaining control of the premises, and that the government may not act in a sufficiently timely way to prevent an impact on the project's timeline. While TVIRD continues to wait approval of the tree-cutting permit for Balabag to allow it to proceed into development, the project now also requires resolution of the issue related to the recommended cancelation by the Philippine DENR of 75 MPSAs on February 14, 2017, which includes the Balabag MPSA, and resolution also of the open-pit mining ban issued by the former DENR Secretary in February 2017, both of which are described further in the section "Political and Regulatory Risks in the Philippines related to investment in TVIRD".

Political and Regulatory Risks in the Philippines related to investment in TVIRD

Emerging from the above policy environment are certain risks faced by TVI through its investment in TVIRD, including, but not limited to:

- The government's intention is to increase the level of taxation for all new mining projects in the Philippines in its new fiscal regime. However, the new regime is to only be applied prospectively; i.e. new projects and existing projects will be given the option of adopting the new fiscal regime. The Balabag Project is an existing project in advanced stages of approval, and management believes it should be governed by the existing fiscal regime. There is nonetheless a risk that the new fiscal regime may be applied to the Balabag Project. In early 2015, three bills proposing a variety of taxation levels on mining projects were proposed in the Congressional Ways and Means Committee for deliberation. As of the time of this report, the bills remain pending for Congressional hearings. If certain bills are passed, specifically House Bill No. 5367 which proposes a 10% baseline revenue sharing agreement with the government or a 55% share of adjusted net mining revenues (whichever is higher), it would have a negative impact on the mining industry and the economics of most new mining projects. In an announcement by the newly appointed DENR Secretary, Mr. Roy Cimatu (first appointed May 9, 2017 and confirmed by the Commission of Appointments on October 4, 2017, and as discussed further in this section), he said an inter-agency mining council would review how mining companies in the Philippines were taxed. This follows the announcement by President Duterte the week of July 24, 2017, that he wants to stop exporting unprocessed mineral resources and warned miners that they may impose more taxes on the industry to raise money to help communities affected by their operations, which may include an increase in excise tax on mining from 2 percent to 10 percent.

- While the government has stated that Motions for Reconsideration will be processed for Application for Mineral Production Sharing Agreements ("**APSA**') and Applications for Financial and Technical Assistance Agreements ("**AFTAs**"), including TVIRD's AFTA 13, AFTA 14 and APSA 39, there is a risk that the Motions may not be approved; and that the Free Prior Informed Consent ("**FPIC**") process required for these tenements may drag out and/or not be secured.

- Government has raised through Bill HB00235 the possibility of a requirement for compulsory and mandatory insurance coverage for the affected environs and communities, as well as perpetual liability for the maintenance and rehabilitation of post mining sites (i.e., setting up trust funds or heritage funds with specified uses). Bill HB00235 was referred to the Committee on Ecology on July 26, 2016 and the Committee has taken no action as of yet.

- Several draft independent member's bills, referred to as "Alternative Mining Acts" have been presented for discussion in the Philippine House of Representatives. While these bills do not currently have the support of the Administration, in the event that they were to be passed into law by Congress, or have significant elements of them adopted as law, they would further impair the fiscal regime and regulatory framework under which the mining industry operates in the country.

- The Supreme Court has heard arguments before it from Petitioners in the case of Baraquel vs. DENR Secretary, Sagittarius Mining Inc., Oceana Gold Corporation and TVIRD, which seeks to challenge the constitutionality of certain sections of the Mining Act of 1995 and in effect to revisit the Court's La Bugal judgment that upheld its constitutionality. TVIRD is a respondent in regard to an application for a Financial and Technical Assistance Agreement ("**FTAA**"), which has subsequently been denied but which denial TVIRD has appealed. Three sessions of oral argument have taken place before the Court and all parties to the case, as well as the Chamber of Mines of the Philippines, have provided final written submissions to the Court. At the time of writing the Court continues to deliberate the case in camera. A risk exists that the Supreme Court could choose not to reject the petition and make a new ruling on the constitutionality of key provisions in the Mining Act. In that event, there is a risk that the mining agreements cited in the case would be ruled null and void and TVIRD's appeal of the denial would be rejected; or that all mining agreements in the country would be ruled null and void and their taxation agreements would have to be renegotiated (which would affect TVIRD along with all other tenement holders). On March 5, 2015, TVIRD filed a manifestation with the Supreme Court that House Bill No. 5367 is filed in Congress which proposes the new fiscal regime and revenue sharing arrangement between the Government and the mining contractor for large scale metallic mineral mining operations. TVIRD is of the position that the determination of the government's share in mining is a policy matter and Congress is acting on said authority by deliberating on House Bill No. 5367. This case is still pending decision.

- In August 2016, the DENR conducted a mining audit of all metallic mines operating in the country which included AMVI, a subsidiary of TVIRD, engaged in a DSO Project in Agusan del Norte. While it was later announced in February 2017 that AMVI had passed the audit, a risk continues to exist that similar audits may be performed in the future and their result may not be predicted if to consider the composition of the team that performed the most recent audit, which included representatives of non-government organizations ("**NGO**") who are vocal critics of the mining industry. The risk is further noted by the announcement of February 14, 2017, by the DENR and subsequent issue of a Show Cause letter with respect to the recommended cancelation of 75 MPSAs said to be operating within critical watershed areas, which included the Balabag MPSA. While TVIRD has responded to the Show Cause letter, there has not been a decision rendered by the DENR as at the reporting date.

  Further to the recommended cancelation by the Philippine DENR of 75 MPSAs on February 14, 2017, said to be operating within critical watershed areas and which includes the Balabag MPSA, this, together with the DENR Mining Moratorium, may affect the ability of TVIRD to expand the ECC area related to the Balabag project beyond the currently approved 180 hectares defined within the existing ECC.

- On May 9 2017, a new secretary of the DENR was appointed to replace the previously appointed Ms. Gina Lopez. The replacement, Mr. Roy Cimatu, confirmed by the Commission on Appointments on October 4, 2017, has proceeded to overturn some of the Administrative Orders issued previously by Ms Lopez, one of which has returned to the director and regional directors of the Environmental Management Bureau ("EMB") the authority to approve ECC applications.

- Despite the appointment of Mr. Cimatu as a replacement to Ms. Lopez as DENR Secretary, Ms. Lopez, known for her personal stance against large-scale mining activities in the province of Palawan as well as a scion of the Lopez-controlled media network, ABS-CBN, continues to be active as a well-known anti-mining advocate. She has objected coal mining and the use of fossil fuels as sources of energy while her family remains heavily-invested in the country's energy sector. Uncertainty continues with respect to the ongoing potential influence Ms. Lopez may have to discourage investment and growth in the mining sector, and mining projects, whether compliant or non-compliant with national regulations, may continue to be subject to unnecessary scrutiny in terms of their environmental and social development programs.

- Prior to the rejection of Ms. Lopez as DENR Secretary by the Commission on Appointments, Ms. Lopez initiated a ban on the open-pit method of mining for copper, gold, silver and complex ores throughout the Philippines. The order was issued despite open pit mining being allowed under the Philippine Mining Act and that the Constitution also supports the exploration, development and utilization of the country's mineral resources. On August 1, 2017, Mr. Cimatu has announced that the order banning all prospective open-pit mines in the country will remain in effect and will be taken up at the interagency Mining Industry Coordinating Council ("MICC"), despite failure by the MICC to yet release the results of its review on the mining sites that had been ordered closed or suspended by Ms. Lopez in February 2017. An ongoing ban on open pit mining may have an adverse effect upon current and future projects of TVIRD.

Social and Economic Environment

Although TVIRD has obtained a title opinion with respect to its Philippine properties, there is no guarantee that title to such mining rights will not be challenged.

There are continuing risks that communities or local politicians could withdraw support for TVIRD projects and mount protests or refuse to provide the necessary endorsements to support project titles and applications. TVIRD has been successful to date in gaining community support for its operations, and management is committed to continuing the policies of community development, sustainable development and corporate social responsibility that have been effective and rewarding up to this time. Accordingly, management believes the risk of the withdrawal of community and local political support is low but will continue to monitor developments further to the uncertainty associated with the appointment of a new DENR Secretary in 2017.

In addition, there is a continuing background security risk involved in any operation in the Philippines, including Mindanao – over and above the normal security risks of theft and robbery that may generally affect any mine elsewhere.

Future Project Acquisition, Exploration and Development Activities may not be Successful

TVI may incur substantial expenses on evaluating projects that are subsequently abandoned due to conditions that do not meet TVI's project acquisition criteria. Exploration for and development of precious and base metal properties involve significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of minerals or metals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting the minerals or metals. TVI may incur such substantial expenses on exploration programs that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically.

The economic feasibility of development projects is based upon many factors, including but not limited to: the accuracy of reserve/resource estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting, environmental protection; and market prices. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. TVI also conducts feasibility studies that derive estimates of capital and operating costs based upon many factors, including anticipated tonnage and grades of minerals or metals to be mined and processed; ground and mining conditions; expected recovery rates; and anticipated social, environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from TVI's best estimates. It is not unusual for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated or experience higher operating costs. These uncertainties could have an adverse impact on TVI's future cash flows, earnings, results of operations and financial condition.

Funding and Liquidity

Future development and exploration depends on the ability of TVI and its investments to obtain funding through project and mining cash flows, joint ventures, debt financing, equity financing, sale of investments and other means. Failure to obtain additional funding when needed or on terms acceptable or favourable to TVI or its affiliates, associates or joint ventures may cause TVI or its affiliates, associates or joint ventures to postpone its exploration and development plans, forfeit rights in some or all of its properties, or reduce or terminate some or all of its operations. This could have a material adverse effect on TVI.

The ability to make scheduled payments of expenses depends on the financial condition and operating performance of TVI and its affiliates and associates or joint ventures, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As at March 31, 2018, TVI and its subsidiaries do not have any outstanding loans payable nor are there any 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 quarter or financial year, or entered into before the most recently completed financial year, that are still in effect.

Current financial markets remain volatile due to uncertainties in the global economy. Commodity markets have seen substantial volatility and uncertainty in the current markets could lead to difficulties in raising funds. There can be no assurance that amounts will be adequate for future financial obligations and internal cash available for investments of TVI. TVI remains focused upon conserving cash through reducing expenditures and expects also possible distributions from its investment in joint venture and the sale of portions of its interest in various equity holdings to help settle liabilities and be a source of funding to help the Company pursue resource projects that can be rapidly developed and put into production to generate revenue and cash flows. Risk nonetheless exists that the Company may not be successful in its various cash raising efforts.

Subsidiaries and Joint Ventures

The consolidated financial statements include the accounts of TVI and its subsidiaries TG World, TVI Limited, TVI Marketing, TVI Asia-Pacific and TVI Minerals, and its interest in TVIRD, IGES and Mindoro.
TVI has significant investment in some entities over which it does not have control. In some cases, TVI has board representation but does not control day-to-day operations of any of those entities. Similarly, TVI does not control the financial reporting and internal controls of any of those entities. Therefore, TVI relies on the internal controls and financial reporting controls of those entities and their failure to maintain effectiveness or comply with applicable standards may adversely affect TVI.

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.

Environmental Hazards

The mining business is subject to a variety of risks such as ground fall, explosions and other accidents, flooding, environmental hazards and the discharge of toxic chemicals. 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.

NON-IFRS MEASURES

Funds from (used in) operations is a measure that does not have any standardized meaning as prescribed by IFRS. It represents cash generated from (used in) operating activities before changes in working capital. Funds from (used in) operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities. Management believes that funds from (used in) operations is a useful supplemental measure to analyze TVI's ability to generate cash flow to fund capital investment and working capital requirements. Funds from (used in) operations may not be comparable to similar measures used by other companies.

Free cash flow from (used in) operations and free cash flow per share are measures that do not have any standardized meaning as prescribed by IFRS. Free cash flow from (used in) operations represents cash generated from (used in) operations, before changes in working capital, less cash expenditures on property and equipment and cash expenditures on other assets. Free cash flow should not be considered an alternative to, or more meaningful than, cash flow from (used in) operating activities. Free cash flow per share is calculated as free cash flow from (used in) operations over the number of common shares outstanding. Management believes that free cash flow and free cash flow per share are useful measures that represents cash available for reinvestment or growth after considering all the expenditures necessary to maintain TVI's asset base.

Net loss before impairment loss, interest, depreciation, income tax expense and share of net income (losses) of associates and joint venture, is a measure that does not have any standardized meaning as prescribed by IFRS. It represents income before non-cash expenses in impairment, depreciation expense, share of loss of associates and joint venture. This measure should not be considered an alternative to, or more meaningful than, net income/(loss). Management believes that net loss before interest, depreciation, impairment and share of net income (losses) of associates and joint venture is a useful supplemental measure to analyze TVI's results prior to taking into consideration non-cash expenses or income. This measure may not be comparable to similar measures used by other companies.

COMPARATIVE AMOUNTS

Effective January 1, 2018 TVI's investment in IGES has been reclassified from investment in associates to investment in equity securities and the accounting policy and form of measurement has been changed from the equity method of accounting to Fair Value Through Profit & Loss (FVTPL) This follows the dilution of TVI's interest in IGES to 5.22% as a result of a A$6.447 million ($6.3 million) capital raise completed by IGES at the time of its relisting on the ASX and the issue of 32,235,000 shares to participants in the prospectus as well as the issue of 209,700,000 shares to the IGE shareholder's nominees as consideration for the business assets defined in their Business Sale Agreement. A further issue of 4,387,046 shares by IGES in March 2018 to retire debt and the sale of 100,000 IGES shares by TVI through to March 31, 2018 has resulted in a further dilution of TVI's interest in IGES to 5.14%. As such, combined with the resignation of the TVI representative from the IGES Board in September 2017, TVI has determined that the Company no longer has any significant influence over IGES as it does not have the power to participate in the financial and operating policy decisions of IGES.

CHANGES IN ACCOUNTING POLICIES

a) Adoption of IFRS 9, "Financial Instruments"

Effective January 1, 2018, the Company adopted IFRS 9, "Financial Instruments" ("IFRS 9"), which replaced IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The Company applied the new standard retrospectively and, in accordance with the transitional provisions, comparative figures have not been restated.

Three principal classification categories are contained in IFRS 9 for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the company's business model for managing the financial asset. Additionally, embedded derivatives are not separated if the host contract is a financial asset within the scope of IFRS 9. Instead, the entire hybrid contract is assessed for classification and measurement. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

Investment in Equity Securities has been measured through the application of FVTPL at March 31, 2018. Investment in Equity Securities contains TVI's investment in IGES that had been included in the Company's consolidated financial statements at December 31, 2017 in Investment in Associates. The transition to IFRS 9 at January 1, 2018 and the application of FVTPL, combined with the relisting of IGES on the ASX on January 30, 2018, has had a material impact on the Company's total assets and net income at March 31, 2018.

IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments measured at FVOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39.

With the transition to IFRS 9, the new classification and measurement of financial instruments did not have a material impact on the Company's opening retained earnings as at January 1, 2018. In addition, the application of the ECL model to financial assets classified as measured at amortized cost did not result in a material adjustment on transition.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at January 1, 2018 for each class of the Company's financial assets and financial liabilities.

Financial Instrument	Measurement Category (IAS 39)	Measurement Category (IFRS 9)
Cash and cash equivalents	Loans and receivables (measured at amortized cost)	Amortized cost
Accounts receivables	Loans and receivables (measured at amortized cost)	Amortized cost
Investment in equity securities	Fair value through profit and loss	Fair value through profit and loss
Investment in joint venture	Fair value through profit and loss	Fair value through profit and loss
Derivative financial instruments	Fair value through profit and loss	Fair value through profit and loss
Accounts payable and accrued liabilities	Financial liabilities (measured at amortized cost)	Amortized cost

Impairment of Financial Assets IFRS 9 requires the application of an ECL model to financial assets measured at amortized cost, contract assets and debt investments measured at fair value through other comprehensive income. The Company has no significant impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities. The Company currently has no financial assets classified as available-for-sale, nor any hedging activities, and does not have any significant accounts receivable and therefore the impact of the expected credit loss model has not had a significant impact on the Company upon adoption. There has also been 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.

b) IFRS 15, "Revenue from Contracts with Customers"

The Company adopted IFRS 15 effective January 1, 2018, which replaces IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded.

The standard was adopted using the Modified Retrospective approach. The Company elected to apply IFRS 15 retrospectively only to contracts that were not completed as at January 1, 2018 and, for modified contracts, elected to evaluate the original contract together with any contract modifications at the date of initial application.

The adoption of IFRS 15 did not materially impact the timing or measurement of revenue and did not result in an adjustment to the balance of Retained Earnings at January 1, 2018.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management is responsible for applying judgement in preparing accounting estimates. Certain estimates and related disclosures included within the consolidated financial statements are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgements. The following are significant accounting estimates and judgements:

- The Company uses the Black-Scholes option pricing model to assess under the fair value method the value of stock options granted to employees and directors under the share option plan. Management must estimate the volatility, forfeiture rate, expected life and risk-free interest rates in using the model to assess the fair value of stock options. The option to purchase TVIRD shares and the option to acquire IGES shares are accounted for as derivative financial instruments. The fair value of the option to purchase TVIRD shares is assessed taking into account the effects of ongoing mining at Agata, the probability of TVIRD's PSE listing and estimated future value of other projects, while the options to acquire IGES shares considers the estimated share price and expected volatility.

- The Company reviews and tests the carrying amounts of investments in associates and joint ventures as well as property and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the amount by which the carrying value of assets exceeds their estimated recoverable value is charged to the statement of comprehensive income (loss).

- Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. TVI recognizes liabilities for any anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

- Management has assessed the level of influence that TVI has on Mindoro and has determined that it has significant influence, though TVI's shareholding is below 20%, because of the right to board representation and contractual terms. Consequently, this investment has been classified as an associate.

- The Board of Directors of TVIRD considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions related to and affecting TVIRD. The Philippine Peso is the currency of the primary economic environment in which TVIRD operates. It is the currency in which TVIRD and its related group of Philippine entities measures its performance and reports its results.

- The Board of Directors of TVI has considered the Company's current activities, funding position and projected funding requirements for the period of at least twelve months from the date of approval of the consolidated financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the consolidated financial statements for the three months ended March 31, 2018. The assessment of the Company's ability to execute its strategy to meet its future funding requirements involves judgement.

OFF BALANCE SHEET ARRANGEMENTS

TVI does not have any off balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are recorded at the exchange amounts which are the amounts established and agreed to by the parties.

(a) Due from related parties

		March 31, 2018		December 31, 2017
TVIRD	$	28,284	$	28,646
IGES		31,691		31,368
Seajay Management Enterprises Ltd. ("Seajay Management")		15,702		4,381
Regent Parkway 3202 Management Inc.("Regent Parkway")		1,503		2,777
	$	77,180	$	67,172

The Company's receivable from TVIRD relates to reimbursable expenses and services provided by TVI Pacific to TVIRD, while the receivable from IGES relates to outstanding interest on previously provided loans. The receivable from Seajay Management, a corporation owned by the President of the Company, represents an advance payment for management fees, travel costs and support staff.

During the three months ended March 31, 2018, the Company also incurred expenses of $44,808 (December 31, 2017 - $182,512) for administrative services provided by Regent Parkway, a corporation controlled by a director and officer of TVIRD. The receivable from Regent Parkway represents an advance payment of $1,503 (December 31, 2017 - $2,777) due back to TVI.

(b) Due to related parties

		March 31, 2018		December 31, 2017
Seajay Management	$	347,750	$	307,625
Director's fee		371,875		348,750
TVIRD		4,301		4,389
	$	723,926	$	660,764

Effective February 1, 2016, payment of management fees related to services of the President, and as charged by Seajay Management, have been deferred as the Company is actively working to conserve cash.

Effective January 1, 2016, also, payment of directors' fees has been deferred as the Company is actively working to conserve cash. . Deferred directors' fees include $23,125 incurred during the three months ended March 31, 2018 (March 31, 2017 - $33,750).

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

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 but has been extended under the same terms to June 30, 2018. The remaining total rent payments up to the end of the lease contract in June 2018 amounts to $14,385, 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 to focus to reduce expenditures and to conserve cash.

Legal Actions

The Company has no known current or pending claims filed against it.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant material information is gathered and reported to management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the design and effectiveness of TVI's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that for the period ending March 31, 2018 such disclosure controls and procedures are effective and designed to ensure they are aware of all material information relating to the Company.

Internal Controls over Financial Reporting

TVI's internal controls over financial reporting ("**ICOFR**") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Management has evaluated the effectiveness of TVI's ICOFR and has concluded that TVI's ICOFR were designed and operating effectively, with no material weaknesses related to operations existing as at March 31, 2018.

It should be noted that while TVI's Chief Executive Officer and Chief Financial Officer believe that ICOFR provide a reasonable level of assurance, they do not expect that the ICOFR would prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable assurance that the objectives of the control system are met.

SUBSEQUENT EVENTS

TVI divested of 320,000 shares of IGES through May 16, 2018 at an average share price of A$0.395 to generate net proceeds of approximately $120,800, reducing TVI's equity interest in IGES to 5.05%.

On April 16, 2018, the TVIRD Board of Directors declared a dividend of 30 million Philippine pesos ($0.7 million) to be issued among all shareholders of record as of March 31, 2018. As the direct shareholder of TVIRD, TVI Marketing received as its share on April 23, 2018 a dividend of 9.2 million Philippine pesos ($0.23 million), prior to Philippine dividend tax in the amount of 1.4 million Philippine pesos ($0.03 million), and the net amount of 7.8 million Philippine pesos ($0.2 million) was then transferred through to TVI as repayment of intercompany advances.

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A 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, it 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 Philippines, Fiji, and elsewhere; volatility of prices for precious metals, base metals, 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 and development 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 exploration.

Forward-looking statements regarding the timing and nature of exploration and drilling activities in TVIRD’s tenements in the Philippines are based upon current and previous exploration activities, management's experience with other exploration programs undertaken in the Philippines and elsewhere, and TVIRD’s overall plans, budget and strategy (which are all subject to change). In certain cases, the timing of exploration activities in the Philippines, Fiji and Papua New Guinea are dependent upon the receipt of free prior informed consent from indigenous communities and regulatory approvals from the governments of the Philippines, Fiji and Papua New Guinea.

***Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this MD&A and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes**.*

The forward-looking statements of TVI contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. Various risks to which TVI and its affiliates are exposed in the conduct of their business are described in detail in TVI’s Annual Information Form for the year ended December 31, 2017, which was filed on SEDAR on April 19, 2018, and is available at www.SEDAR.com. Subject to applicable securities laws, TVI does not undertake any obligation to publicly revise the forward-looking statements included in this MD&A to reflect subsequent events or circumstances, except as required by law.

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