

Interim Consolidated Financial Statements

For the Nine Months Ended
September 30, 2014 and 2013
(Unaudited)

TVI Pacific Inc.
Unaudited Interim Consolidated Statement of Financial Position
September 30, 2014
(in Canadian dollars)

		September 30, 2014		December 31, 2013
Assets				
Current assets:				
Cash and cash equivalent (note 5)	$	2,023,131	$	2,362,952
Short-term deposits (note 5)		4,143,671		-
Accounts receivable (note 6)		515,315		8,489,402
Notes receivable (note 7)		393,598		940,362
Due from related parties (note 8)		172,545		384,726
Prepaid expenses (note 9)		94,591		108,929
Total current assets		7,342,851		12,286,371
Non-current assets:				
Investment in associates (note 10)		405,141		1,248,450
Investment in joint venture (note 11)		9,457,277		10,675,596
Total investments in associates and joint venture		9,862,418		11,924,046
Option to purchase contracts (note 22)		-		1,985,834
Property and equipment (note 12)		85,519		101,572
Exploration and evaluation assets (note 13)		3,969,129		1,882,078
Other assets		10,487		46,622
Total non-current assets		13,927,553		15,940,152
Total assets	$	21,270,404	$	28,226,523
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (note 14)	$	425,970	$	2,481,118
Due to related parties (note 8)		89,756		259,913
Total liabilities		515,726		2,741,031
Equity attributable to shareholders of the Company:				
Share capital (note 15b)		32,972,145		32,972,145
Contributed surplus (note 15d)		6,469,054		6,333,382
Deficit		(14,343,217)		(9,453,379)
Other reserves		(4,343,304)		(4,366,656)
Total equity		20,754,678		25,485,492
Total liabilities and equity	$	21,270,404	$	28,226,523

Commitment (note 23)
Subsequent events (note 25)

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

On behalf of the Board:

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

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Comprehensive Income (Loss)
September 30, 2014 and 2013
(in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenues:				
Concentrate sales (note 18)	$ -	$ 11,734,996	$ -	$ 38,359,011
Other revenues	-	339,408	-	975,235
Total revenues	-	12,074,404	-	39,334,246
Expenses:				
Mining, milling and other expenses	-	8,097,322	-	29,758,883
Exploration costs	-	17,560	-	252,292
Depreciation, depletion and accretion	5,943	2,028,772	18,597	6,719,639
Administrative and general costs	737,440	2,234,902	2,535,017	6,906,963
Total expenses	743,383	12,378,556	2,553,614	43,637,777
Operating loss	(743,383)	(304,152)	(2,553,614)	(4,303,531)
Other income (expense):				
Interest income	18,887	-	37,658	52,745
Interest expense	-	(30,570)	-	(95,545)
Foreign exchange gain (loss)	718,705	(38,425)	870,607	(419,956)
Other gains (losses)	97,341	701,142	71,757	1,517,536
Share of loss of associates and joint venture	(1,045,962)	(245,131)	(2,801,908)	(1,562,764)
Impairment of associate	(343,763)	-	(343,763)	-
Other gains (losses), net	(554,792)	387,016	(2,165,649)	(507,984)
Net income (loss) before income tax	(1,298,175)	82,864	(4,719,263)	(4,811,515)
Income tax expense	(170,575)	259,525	(170,575)	259,525
Net income (loss)	(1,468,750)	342,389	(4,889,838)	(4,551,990)
Other comprehensive income (loss):				
Items to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustment – Foreign operations	(484,418)	(641,944)	(468,320)	(253,975)
Foreign currency translation adjustment – associates and joint venture	236,787	(87,552)	491,672	(201,312)
Items not to be reclassified to profit or loss in subsequent periods				
Remeasurements on defined benefit plan	-	(190,672)	-	193,506
Comprehensive loss	$ (1,716,381)	$ (577,779)	$ (4,866,486)	$ (4,813,771)
Net income (loss) attributable to:				
Shareholders of the Company	$ (1,468,750)	$ 240,215	$ (4,889,838)	$ (4,588,086)
Non-controlling interests	-	102,174	-	36,096
	$ (1,468,750)	$ 342,389	$ (4,889,838)	$ (4,551,990)
Comprehensive income (loss) attributable to:				
Shareholders of the Company	$ (1,716,381)	$ (679,953)	$ (4,866,486)	$ (4,849,867)
Non-controlling interests	-	102,174	-	36,096
	$ (1,716,381)	$ (577,779)	$ (4,866,486)	$ (4,813,771)
Net income (loss) per share attributable to shareholders of the Company:				
Basic	$ (0.002)	$ 0.000	$ (0.007)	$ (0.007)
Diluted	(0.002)	0.000	(0.007)	(0.007)
Weighted average number of common shares:				
Basic (note 17)	655,470,372	622,137,039	655,470,372	622,137,039
Diluted (note 17)	655,470,372	623,351,248	655,470,372	622,137,039

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Changes to Equity
September 30, 2014 and 2013
(in Canadian dollars)

	Attributable to shareholders of the Company						Non-controlling interests (note 16)	Total equity
	Share capital (Note 15b)	Contributed surplus (Note 15d)	Retained earnings (deficit)	Translation reserve	Net Defined Benefit Plan (note 19)	Subtotal		
January 1, 2014	**$ 32,972,145**	**$ 6,333,382**	**$ (9,453,379)**	**$ (4,366,656)**	**$ -**	**$ 25,485,492**	**$ -**	**$ 25,485,492**
Transactions with owners								
Stock-based compensation	-	136,792	-	-	-	136,792	-	136,792
Options forfeited	-	(1,120)	-	-	-	(1,120)	-	(1,120)
Transactions with owners	-	135,672	-	-	-	135,672	-	135,672
Comprehensive income (loss)								
Net loss	-	-	(4,889,838)	-	-	(4,889,838)	-	(4,889,838)
Other comprehensive income:								
Foreign currency translation adjustment	-	-	-	23,352	-	23,352	-	23,352
Total comprehensive income (loss)	-	-	(4,889,838)	23,352	-	(4,866,486)	-	(4,866,486)
September 30, 2014	**$ 32,972,145**	**$ 6,469,054**	**$ (14,343,217)**	**$ (4,343,304)**	**$ -**	**$ 20,754,678**	**$ -**	**$ 20,754,678**
January 1, 2013	**$ 32,265,811**	**$ 6,191,931**	**$ 6,348,297**	**$ (869,376)**	**$ (1,306,428)**	**$ 42,630,235**	**$ 1,007,887**	**$ 43,638,122**
Transactions with owners								
Stock-based compensation	-	129,439	-	-	-	129,439	-	129,439
Options forfeited	-	(14,825)	-	-	-	(14,825)	-	(14,825)
Net distribution to non- controlling interest	-	-	-	-	-	-	(33,212)	(33,212)
Transactions with owners	-	114,614	-	-	-	114,614	(33,212)	81,402
Comprehensive income (loss)								
Net income (loss)	-	-	(4,588,086)	-	-	(4,588,086)	36,096	(4,551,990)
Other comprehensive income (loss):	-	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	(455,287)	-	(455,287)	-	(455,287)
OCI - IAS 19	-	-	-	-	193,506	193,506	-	193,506
Total comprehensive income (loss)	-	-	(4,588,086)	(455,287)	193,506	(4,849,867)	36,096	(4,813,771)
September 30, 2013	**$ 32,265,811**	**$ 6,306,545**	**$ 1,760,211**	**$ (1,324,663)**	**$ (1,112,922)**	**$ 37,894,982**	**$ 1,010,771**	**$ 38,905,753**

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

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) before income tax	$ (1,298,175)	$ 82,864	$ (4,719,263)	$ (4,811,515)
Adjustments for:				
Depreciation, depletion and accretion	5,943	2,028,772	18,597	6,719,639
Pension expense (note 19)	-	99,730	-	746,185
Stock based compensation (note 15d)	75,890	25,488	135,672	114,614
Interest income	(18,887)	-	(37,658)	(52,745)
Interest expense	-	30,570	-	95,545
Unrealized foreign exchange loss (gain)	19,106	43,498	(110,623)	555,664
Other loss (gain)	-	(43,830)	-	96,668
Share of loss of associates and joint venture	1,045,962	245,131	2,801,908	1,562,764
Impairment of associate	343,763	-	343,763	-
Changes in working capital (note 21)	(1,507,851)	415,019	(2,010,942)	2,237,614
Contribution to pension funding	-	172,285	-	-
Asset retirement obligation settled	-	(76,807)	-	(644,941)
Cash generated from (used in) operations	(1,334,249)	3,022,720	(3,578,546)	6,619,492
Interest received	14,592	6,284	55,547	42,570
Income taxes received (paid)	-	192,208	-	(448,312)
Net cash generated from (used in) operating activities	(1,319,657)	3,221,212	(3,522,999)	6,213,750
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayment of short-term loan facilities	-	(5,262,227)	-	(5,106,146)
Net utilization (repayment) of term facilities	-	15,552	-	(1,352,506)
Interest and financing costs paid	-	(98,347)	-	(183,470)
Net distribution of non-controlling interest	-	-	-	(33,212)
Net cash used in financing activities	-	(5,345,022)	-	(6,675,334)
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in short-term deposits	(4,143,671)		(4,143,671)	
Change in notes receivable	-	(118,851)	256,671	(324,171)
Change in other assets	(37,247)	(8,624)	-	(26,790)
Expenditure on investment in associates	-	-	(283,971)	(105,460)
Expenditure on option to purchase contracts	-	(1,019,885)	-	(5,725,542)
Expenditures on property and equipment and other assets	-	(832,544)	(2,544)	(4,499,526)
Proceeds on partial disposal of subsidiaries	5,678,568	-	7,355,250	-
Net cash generated from (used in) investing activities	1,497,650	(1,979,904)	3,181,735	(10,681,489)
Effect of foreign exchange rates on cash	676	(119,991)	1,443	8,138
Net increase (decrease) in cash and cash equivalent	178,669	(4,223,705)	(339,821)	(11,134,935)
Cash and cash equivalent at beginning of the period	1,844,462	9,105,220	2,362,952	16,016,450
Cash and cash equivalent at end of the period	$ 2,023,131	$ 4,881,515	$ 2,023,131	$ 4,881,515

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

1. Corporate information and nature of operations:

TVI Pacific Inc. (“TVI”) is a publicly listed company incorporated in Alberta, Canada on January 12, 1987 under the Alberta Business Corporations Act and its shares are listed on the Toronto Stock Exchange. TVI, through its subsidiaries and investment in associates and joint ventures (together referred to as the "Company"), is a resource company focused on the production, development, exploration, and acquisition of resource projects in the Philippines and Southeast Asia. TVI is the ultimate parent company that is a direct or indirect participant/operator in several joint venture projects in the Philippines and Papua New Guinea and also has an interest in an offshore Philippine oil property.

TVI’s investment in joint venture, TVI Resource Development Phils., Inc. (“TVIRD”), has operated a commercial gold and silver mine from 2005 to April 2008. It started commercial production of the Canatuan sulphide project in March 2009 with the production of copper concentrates and added in April 2011 the production of zinc concentrates, but on January 20, 2014, stopped milling operations in Canatuan, after having exhausted its remaining stockpile, pending the results of assessing various mine life extension and expansion opportunities. TVIRD has now commenced production of high-iron/low nickel ore at its Agata nickel direct shipping ore (“DSO”) project and is working towards completion of a Definitive Feasibility Study for an innovative nickel processing plant at the Agata mine site. In addition, TVIRD continues to advance its Balabag Gold-Silver project towards development.

Beginning 2011, TVI participated in the business of international petroleum exploration and development, through its subsidiary, TG World Energy Corp. (“TG World”), whose major area of focus is in the Philippines, through its affiliate TG World (BVI) Corp (“TG BVI”).

In July and August 2012, TVI has also entered into heads of agreement (“HOA”) each with Mindoro Resources Ltd. ("Mindoro"), a Canadian company engaged in mining exploration in the Philippines, and Foyson Resources Limited ("Foyson"), an Australian company engaged in mining exploration in Papua New Guinea. Pursuant to the HOA, TVI has granted loans; has entered into subscription agreements for the acquisition of equity interests undertaken in two tranches for each company; and has entered into joint arrangements with Mindoro and Foyson (and affiliates).

In December 2013, various definitive agreements were signed with Prime Resources Holdings, Inc. (“PRHI”), a Philippine corporation, involving a private placement of common shares of TVI and the acquisition of an interest in the Philippine subsidiaries. The transactions resulted in TVI’s loss of control, deconsolidation of the entities and accounting for the retained interest as investment in joint venture (note 11). It has also resulted in the Exploration Drilling Corporation (“EDCO”) becoming a wholly owned subsidiary of TVIRD.

TVI has established its principal business address at Suite 2000, 736–6th Avenue SW Calgary, Alberta, Canada T2P 3T7.

These interim consolidated financial statements were authorized for issue by the Board of Directors on November 12, 2014.

2. Basis of preparation:

These condensed unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim consolidated financial statements do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 filed with the Canadian Securities Administrators.

2. Basis of preparation (continued):

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

3. Significant accounting policies:

(a) Changes in accounting policies

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2013 except for the adoption of the new standards and interpretations effective January 1, 2014.

Amendments to IAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. The standard is deemed to have no significant impact on the interim consolidated financial statements.

IFRIC 21, "Levies", is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., income taxes) and fines or other penalties for breaches of legislation. It clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. The standard is deemed to have no significant impact on the interim consolidated financial statements.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2014

On July 24, 2014, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9") to replace International Accounting Standard 39, "Financial Instruments: Recognition and Measurement." The new standard requires financial assets to be classified at initial recognition into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Under IFRS 9, fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement unless this creates an accounting mismatch. The adoption of IFRS 9 is expected to have an impact on the Company's financial assets.

IFRS 9 is effective for years beginning on or after January 1, 2018. Early adoption is permitted if IFRS 9 is adopted in its entirety at the beginning of a fiscal period. The Company is currently evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

In May 2014, the IASB published IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15") replacing 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 new standard is effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 15 on the Consolidated Financial Statements.

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

3. Significant accounting policies (continued):

(c) Changes in accounting estimates

There have been no material revisions to the nature of judgments and amount or changes in estimates of amounts reported in the audited consolidated financial statements for the year ended December 31, 2013.

(d) Comparative figures

Certain of the prior year comparative figures have been reclassified to conform to the presentation adopted for the current year

4. Financial risk management:

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

a) Currency risk

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

For the nine months ended September 30, 2014, the pro forma impact on net income if the Philippine peso moved by 2% against the US dollar currency, with all other variables held constant, would be $358. On the other hand, the pro forma impact on net income if the Australian dollar moved by 3% against the Canadian dollar currency, with all other variables held constant, would be $11,748 mainly as a result of foreign exchange gains/losses on translation of the Australian dollar denominated notes receivable. The pro forma impact on net income if the US Dollar moved by 6% against the Canadian dollar currency, with all other variables held constant, would be $177,439.

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

	Average rate		Spot rate	
	Nine months ended September 30, 2014	Year ended December 31, 2013	September 30, 2014	December 31, 2013
US Dollar	1.0942	1.0299	1.1208	1.0636
Philippine Peso	0.0247	0.0243	0.0248	0.0240

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.

The Company has exposure to fair value interest rate risk since its note receivable and short-term deposits have fixed interest terms, regardless of changes in market conditions. The Company reviews its exposure to interest rate risk through regular monitoring of actual interest rates with market interest rates.

4. Financial risk management (continued):

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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, the Company maintains flexibility in funding by keeping committed credit lines with major vendors. The Company expects to be able to meet its current financial obligations with its current source of funds.

As at September 30, 2014, the Company has $6.8 million available working capital surplus, as compared to a working capital surplus of $9.5 million as at December 31, 2013 as a result of the deconsolidation of some Philippine subsidiaries (note 11).

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

	September 30, 2014	December 31, 2013
Due within 12 months:		
Accounts payable and accrued liabilities	$ 425,970	$ 2,481,118
Due to related parties	89,756	259,913
	$ 515,726	$ 2,741,031

There was no outstanding loan payable at September 30, 2014.

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 the Company's cash and cash equivalent, short-term deposits, accounts receivable, due from related parties and note receivable. The Company manages credit risk associated with cash by maintaining its cash and investments in accounts with highly reputable banks, which were approved by the Board of Directors.

The following are the components of the accounts receivable:

	September 30, 2014	December 31, 2013
Tax refund	11%	3%
Partial disposal of subsidiaries (note 11)	-	89%
Petroleum Production Tax Credits ("PPTC") receivable	-	7%
Other receivables	89 %	1%
	100%	100%

The Company's accounts receivable as at December 31, 2013 includes a receivable related to the financing and investing transactions with PRHI as described in Note 11, which has been fully collected during the period ended September 30, 2014. Other receivables consist of a receivable from non-controlling interest (note 16), which is expected to be collected within one year.

The carrying amounts of cash and cash equivalent, short-term deposits, accounts receivable, due from related parties and note receivable at September 30, 2014 and December 31, 2013 represent the Company's maximum credit risk exposure.

The Company only deals with parties who have appropriate credit history and sufficient security to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

4. Financial risk management (continued):

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value disclosed for the Company's equity accounted investments in Foyson and Mindoro fall under Level 1 (note 10), while the recurring measurement for option to purchase contracts was classified under Level 3 (note 22b). The Company has no financial assets and liabilities under Level 2 of the fair value hierarchy and no non-recurring fair value measurements as of September 30, 2014.

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalent, short-term deposits, accounts receivable, note receivable, due from and to related parties and accounts payable and accrued liabilities, approximate their fair values at September 30, 2014 and December 31, 2013 due to their short term nature.

During the nine months ended September 30, 2014, there were no transfers between levels in the fair value hierarchy of any fair value measurements.

f) Capital risk management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns and benefits to shareholders. In order to provide a return to shareholders, the Company must explore, develop, and invest in viable properties in order to sustain future operations of the Company.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the issuance of new shares, the issuance of new debt, or the issuance of new debt to replace existing debt with different characteristics.

The Company does not have externally imposed capital requirements. Consistent with other capital intensive companies, the Company monitors capital on the basis of the debt-to-equity ratio and the debt-to-assets ratio.

4. Financial risk management (continued):

Debt is composed of accounts payable and accrued liabilities and due to related parties. Equity comprises all components of equity other than amounts in accumulated other comprehensive income. Assets are defined as cash and cash equivalent, short-term deposits, accounts receivable, notes receivable, due from related parties, investments in associates, investment in joint ventures, option to purchase contracts, property and equipment, exploration and evaluation assets, and other assets. The Company's strategy is to improve the debt to equity ratio in order to secure access to financing at a reasonable cost by maintaining a good credit rating.

	September 30, 2014	December 31, 2013
Debt	$ 515,726	$ 2,741,031
Equity	25,097,982	29,852,148
Assets	21,175,813	28,117,594
Debt-to-equity	2%	9%
Debt-to-assets	2%	10%

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

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

	September 30, 2014	December 31, 2013
Cash on hand	$ 358	$ 345
Cash in bank	2,021,773	2,362,607
Total cash on hand and in banks	2,023,131	2,362,952
Short-term deposits	4,144,671	-
	$ 6,166,802	$ 2,362,952

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

Cash and cash equivalent and short-term deposits are denominated in the following currencies:

	September 30, 2014	December 31, 2013
Canadian Dollars	$ 3,030,672	$ 319,483
US Dollars	3,055,420	1,996,715
Philippine Peso	80,710	46,754
	$ 6,166,802	$ 2,362,952

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

	September 30, 2014	December 31, 2013
Canada	$ 6,058,390	$ 2,293,899
Philippines	105,340	64,643
Others	3,072	4,410
	$ 6,166,802	$ 2,362,952

6. Accounts receivable:

Accounts receivable consists of:

	September 30, 2014	December 31, 2013
Tax recoverable	$ 56,486	$ 262,422
Partial disposal of subsidiaries (note 11)	-	7,556,878
PPTC receivable	-	614,358
Other receivables	458,829	55,744
	$ 515,315	$ 8,489,402

Other receivables consist of $418,927 receivable from former non-controlling interest (note 16).

6. Accounts receivable (continued):

The receivable related to the financing and investing transactions with PRHI was fully collected during the period ended September 30, 2014. The tax refund and PPTC are receivable from the State of Alaska attributable to the TG World's joint venture oil and gas properties previously held on the Alaskan North Slope (note 13). The areas explored by TG World for hydrocarbons in Alaska qualified TG World to apply for PPTC from the State of Alaska. PPTC are cash credits for previous exploration and seismic expenditures. TG World has received US$573,268 ($609,479) cash credits for past applications during the nine months ended September 30, 2014.

7. Notes receivable:

Pursuant to the HOA with Foyson (note 1), TVI issued a loan to Foyson in the amount of AUD$400,000 on August 17, 2012. On February 13, 2013, the Company and Foyson agreed to changes in the terms of the loan where the interest rate was reduced to nil. TVI also agreed to restructure the loan to a convertible loan in the amount of AUD$600,000 repayable on September 30, 2014; and was granted the option through the period December 31, 2013 to September 30, 2014 to convert the loan to 75 million shares and receive also a further 75 million options.

On March 26, 2014, half of the principal was settled by offsetting AUD$300,000 from the payment of Tranche 2 investment (note 10). An additional loan of AUD$100,000 was issued at an interest rate of 5% per annum, based on another loan amendment on May 15, 2014. The total outstanding principal and interest as at September 30, 2014 was $393,598 (AUD$400,000) (December 31, 2013 - $558,560 or AUD$600,000).

Pursuant to the HOA with Mindoro (note 1), TVI agreed to loan Mindoro $938,968 in 2012, which bore interest of 8% per annum (calculated semiannually and not in advance) and was secured by Mindoro's interests in the Agata South nickel laterite mineral project. On September 28, 2012, the secured loan receivable was discharged in full through acquisition of the equity interest in Mindoro.

On June 20, 2013, the Company agreed to loan, pursuant to a secured promissory note, up to CAD $1.3 million to Mindoro. The loan was agreed to be used by Mindoro to help fund its operations for the next twelve months and to finance an initial acquisition payment to acquire the remaining 25% interest in the Agata project. Mindoro currently holds a 75% interest in the Agata project, from which TVIRD shall earn its 60% of total property interests, and concluded an option agreement to acquire the additional 25%. The total outstanding principal and interest as at December 31, 2013 was $381,802 which was fully paid to TVI in April 2014.

8. Related party transactions:

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

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		September 30, 2014	December 31, 2013
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World	Canada	100%	100%
Affiliates:			
TVI International Marketing ("TVI Marketing")	Hong Kong	100%	100%
TVI Minerals Processing Inc. ("TVI Minerals")	Philippines	100%	100%
TG BVI	Philippines	100%	100%
TG World Petroleum Limited	Niger	100%	100%
TG World Energy Inc	Alaska	100%	100%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
Foyson (see Note 25)	Australia	23.01%	15.51%
Mindoro	Canada	14.4%	14.4%

8. Related party transactions (continued):

Transactions with related parties are entered into at the exchange amounts which are the amounts established and agreed to by the parties:

- During the nine months ended September 30, 2014, notes receivable of AUD$300,000 from Foyson and $381,802 from Mindoro were settled (note 7). The outstanding notes receivable were $393,598 as at September 30, 2014 (December 31, 2013 - $940,362).
- During the three and nine months ended September 30, 2014, the Company had incurred management fees of $111,315 and $618,469 (September 30, 2013- $46,384 and $445,151). Management fees are paid to a corporation owned by the President of the Company for the services of the President and support staff. At September 30, 2014, the amount payable to the corporation was $28,843 which formed part of the due to related parties in the statement of financial position (December 31, 2013 - $72,635).
- The Company's interest in joint venture, TVIRD has also entered into a management contract with the corporation owned by the President of the Company for the services of the President starting January 1, 2014. As a result, portion of the fees previously paid by the Company to the President shall be reimbursed by the corporation back to the Company. At September 30, 2014, the amount receivable from the corporation was $148,216 which formed part of the due from related parties in the statement of financial position (December 31, 2013 - $72,635).
- During the three and nine months ended September 30, 2014, the Company incurred directors fees and consultant fees of $52,938 and $174,813 (September 30, 2013 - $55,938 and $187,813) and paid $121,875 (September 30, 2013 - $119,875) for director fees. At September 30, 2014, the fees payable to directors were $52,938 which formed part of the due to related parties in the statement of financial position (December 31, 2013 – $176,813).
- During the three and nine months ended September 30, 2014, the Company incurred or paid $120,894 and $191,177 (September 30, 2013 - $97,639 and $295,722) to corporations controlled by a director and officer of TVIRD for administrative expenses. The Company owed the corporations $7,975 at September 30, 2014 which formed part of the due to related parties in the statement of financial position (December 31, 2013 - $27,159).
- In 2013, the Company also incurred a finder's fee and consultancy fees to be paid to a corporation associated with a director who is also a director and principal of the corporation. A finder's fee of 3% of the value of the transaction was payable to the corporation for its role in identifying PRHI and helping to negotiate the initial terms of the proposal with PRHI. The total amount payable to the corporation was $717,930 as at December 31, 2013 which was fully paid during the period ended September 30, 2014.
- At September 30, 2014, remaining receivable of TVI from the joint ventures in the Philippines was $24,329 (December 31, 2013 - $384,726), presented as part of due from related parties in the statement of financial position.

9. Prepaid expenses

Details of prepaid expenses are:

	September 30, 2014	December 31, 2013
Prepaid insurance	$ 67,613	$ 48,306
Prepaid rent	9,414	9,414
Others	17,564	51,209
	$ 94,591	$ 108,929

10. Investment in associates:

The following are the associates of the Company as at September 30, 2014:

	Foyson	Mindoro	Total
January 1, 2013	860,251	1,937,663	2,797,914
Additional investment	416,586	-	416,586
Share of net loss	(447,827)	(1,539,612)	(1,987,439)
Share of other comprehensive income (loss)	(20,371)	41,760	21,389
December 31, 2013	$ 808,639	$ 439,811	$ 1,248,450
Additional investment	592,371	-	592,371
Share of net loss	(764,860)	(439,811)	(1,204,671)
Impairment loss	(343,763)	-	(343,763)
Share of other comprehensive income	112,754	-	112,754
September 30, 2014	$ 405,141	$ -	$ 405,141

The Company has determined that it has significant influence by virtue of its representation, or right for representation, on the Board of Directors of the associates and various other contractual terms. The HOA with Foyson and Mindoro (note 1) provided for the acquisition by TVI of equity interests by way of private placement (to be undertaken in two tranches for each company).

As at September 30, 2014, the fair values of the investments in Foyson and Mindoro which have been calculated based on the number of shares held by the Company multiplied by share price of each associate at September 30, 2014, were $405,141 and $1,711,174, respectively,. An impairment loss of $343,763 was recorded to write down the investment in Foyson to its fair value at September 30, 2014, while the total unrecognized cumulative proportionate share of net losses of Mindoro amounted to $933,410. The Company's share of the associates' result of operations, assets and liabilities for the nine months ended September 30, 2014 are as follows:

	Foyson	Mindoro	Total
September 30, 2014			
Share of revenue	$ 64,273	$ -	$ 64,273
Share of comprehensive loss	(652,106)	(439,811)	(1,091,917)
Share of total current assets	43,179	46,368	89,547
Share of total assets	4,239,245	1,612,080	5,851,325
Share of total current liabilities	248,881	361,728	610,609
Share of total liabilities	248,881	403,344	652,225
December 31, 2013			
Share of revenue	25,824	-	25,824
Share of comprehensive loss	(468,198)	(1,497,852)	(1,966,050)
Share of total current assets	162,281	82,512	244,793
Share of total assets	3,064,883	2,904,624	5,969,507
Share of total current liabilities	167,652	91,180	258,832
Share of total liabilities	207,598	131,788	339,386

(a) Investment in Foyson

Foyson is a publicly listed company incorporated in Australia, with shares listed on the Australian Securities Exchange. Its annual reporting period ends on June 30.

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

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

10. Investment in associates (continued):

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

- subscribe for 142,857,143 Foyson shares at AUD$0.007 for a total AUD$1.0 million investment (as compared to an initially agreed investment of AUD$2.4 million, as per the original subscription agreement) and receive 80 million options from Foyson, exercisable at AUD$0.015 prior to December 31, 2014, that would bring TVI's ownership of Foyson to 29.5% on a fully diluted basis;
- replace the previously provided loan to Foyson by a convertible loan in the amount of AUD$600,000, with the right (but not the obligation) to request repayment from Foyson through the issuance of 75 million shares and 75 million options to TVI (note 7);

On May 3, 2013, TVI invested an initial part payment of AUD$100,000 towards the restructured Tranche 2, increasing at that time TVI's shareholding in Foyson to 82,285,719 shares, representing 10.608% of Foyson's issued capital.

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

- Subject to funding, the remaining Tranche 2 placements (AUD$900,000, following part payment on May 3, 2013) were rescheduled so as to be made by TVI in two payments, the first for AUD$315,000 within 10 days of further financing to be received by TVI, and the second for AUD$585,000 within 10 days following the Foyson shareholder meeting to approve the transaction. The price per share was agreed at AUD$0.007; and

- As part of the amended terms of agreement, Foyson agreed to make an early repayment of 50% of the restructured AUD$600,000 unsecured convertible loan provided earlier by TVI, payable from the final Tranche 2 placement. The balance of the loan was agreed to continue to be subject to existing terms.

On December 19, 2013, TVI invested the further agreed AUD$315,000 of the AUD $1.0 million Tranche 2, increasing the shareholding to 127,285,714 shares, representing 15.51% of Foyson's issued capital. On March 26, 2014, TVI invested the final agreed AUD$585,000 of the AUD $1.0 million Tranche 2, increasing the shareholding to 210,857,143 shares, representing 23.01% of Foyson's issued capital. The warrants outstanding at the end of the period include 37,500,000 related to the loan and 80,000,000 (unlisted options).

On July 25, 2014, TVI provided notice to Foyson of its intent not to proceed with the Stage 2 farm-in of Amazon Bay.

(b) Investment in Mindoro

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

On September 28, 2012, TVI acquired ownership of 18,779,353 units of Mindoro by way of a private placement ("Tranche 1") at a price of $0.05 per unit, for a total of $938,968. Each unit consists of one common share and one common share purchase warrant that entitles TVI to purchase one additional share, at a price of $0.10 per share, at any time and from time to time until September 28, 2017. The total common shares acquired on September 28, 2012 represented an approximate 6.9% interest in Mindoro.

10. Investment in associates (continued):

On October 10, 2012, TVI completed the purchase of an additional 24 million units of Mindoro, at $0.05 per unit, for an aggregate purchase price of $1.2 million ("Tranche 2A"). Each unit consists of one common share and one common share purchase warrant that entitles TVI to purchase, at any time and from time to time until October 10, 2017, one additional common share, at an exercise price of $0.10. The 24,000,000 common shares acquired by TVI represented an approximate additional 8.1% interest in Mindoro. When added to Tranche 1 acquisition, TVI now owns 42,779,353 units of Mindoro, representing approximately 14.4% holding in the capital of Mindoro. Assuming the exercise of all of the warrants acquired, TVI would hold 85,558,706 shares, representing an approximate 25.2% holding in the capital of Mindoro.

11. Investment in joint venture:

		For the nine months ended September 30, 2014
Investment in joint venture at January 1, 2014	$	10,675,596
Share of loss		(1,218,319)
Investment in joint venture at September 30, 2014	$	9,457,277

The Company's share of the joint venture's result of operations, assets and liabilities for the nine months ended September 30, 2014 are as follows:

		September 30, 2014
Share of revenue	$	2,919,973
Share of comprehensive loss		(1,218,319)
Share of total current assets		3,952,408
Share of total assets		14,433,589
Share of total current liabilities		2,286,356
Share of total liabilities		2,519,786

On December 11, 2013, various definitive agreements were signed with Prime Resources Holdings, Inc. ("PRHI"), a Philippine corporation, and various subsidiaries/affiliates of TVI, relating to the private placement in TVI and third party investment in its indirectly held Philippine assets ("Transactions").

The Transactions occurred in multiple closings and included: (a) private placement of common shares in capital of TVI for gross proceeds of US$2 million; (b) investments in TVI Marketing and TVI Minerals, in the aggregate amount of US$7.845 million; (c) investments in TVIRD in the aggregate amount of US$12.655 million (to acquire 68.42% of the voting shares of TVIRD); and (d) agreement between the parties to seek a listing for the shares of TVIRD on the Philippine Stock Exchange.

On December 13, 2013, the Company completed an initial closing ("First Closing") which included the following transactions:

(i) US$2 million ($2,119,000) was paid by PRHI to purchase 33,333,333 common shares in the capital of TVI at a price of US$0.06 per share, which shares represent approximately 5% of the total number of issued and outstanding TVI Shares (note 15);

(ii) US$1.545 million ($1,636,928) was invested in TVI Marketing to purchase one non-voting non-participating deferred share of TVI Marketing that is redeemable at par value;

(iii) US$2 million ($2,115,625) was paid to TVIRD as partial payment of PRHI's subscription of Class B shares of TVIRD subject to the approval of the Philippine Securities and Exchange Commission ("SEC") of the application for an increase in authorized capital stock of TVIRD.

11. Investment in joint venture (continued):

(iv) US $12.655 million was advanced by PRHI and placed into an escrow account – representing a portion of the additional amount that PRHI agreed to invest in TVI group entities in subsequent closings.

On December 27, 2013, the application for the increase in authorized capital stock of TVIRD was approved by the SEC and, as a result, the subscribed ordinary shares were issued to PRHI resulting in the reduction of TVI's indirect interest as well as in the indirect interest in other Philippine subsidiaries. Management has determined that the Company does not have control 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, EDCO, the eight inactive Philippine subsidiaries, and interests in Agata and Pan de Azucar joint venture entities were deconsolidated. The retained interest of approximately 30.66% was considered an investment in joint venture to be accounted for using the equity method.

On January 10, 2014, the Company and PRHI completed a further closing of various investment and financing transactions ("Second Closing"), following satisfaction of certain conditions, which included the approval of the SEC for an increase in the authorized capital stock of TVIRD, obtained on December 27, 2013. The following were completed during the Second Closing:

(i) TVIRD delivered to PRHI and TVI Marketing the share certificates representing TVIRD shares subscribed;

(ii) The release of the following funds previously placed in escrow by PRHI:

(a) US$1.305 million, representing the balance of the subscription price for PRHI's investment in TVI Marketing for which PRHI received a second deferred non-voting share of TVI Marketing that is redeemable at par value;

(b) US$10.12 million, representing the balance of the subscription prices paid by PRHI for the newly issued Class B voting shares of TVIRD. A portion of the funds was used by TVIRD for further restructuring of the Company, paying in part for the purchase of EDCO shares, the inactive Philippine companies and the repurchase of Class A shares in TVIRD; and

(iii) A further US $4.3 million was advanced by PRHI (and placed into an escrow account), representing the purchase price of voting shares in the capital of TVI Minerals.

On July 8, 2014, the final closing (the "Third Closing") of various investment and financing transactions involving PRHI was completed, which included the following:

(i) release of all proceeds remaining in escrow, including:

(a) US$4.3 million for the purchase of 3.97% of the common shares of TVI Minerals; and
(b) US$1.23 million related to the sale and restructuring of subsidiaries and Class A shareholders of TVIRD.

(ii) US $5.3 million ($5,678,568) of the above transactions coming through to TVI as the repayment of intercompany advances, resulting in an aggregate US $10.65 million to TVI as a result of all Transactions and US $11.85 million to TVIRD and various subsidiaries, each before tax and related fees.

After giving effect to the Transactions and various other activities that have occurred since the Third Closing, TVI continues to indirectly hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD remains the operator of the Agata and Pan de Azucar joint ventures. As well, the Company continues to directly hold (i) its investment in shares of Mindoro (ii) its investment in shares of Foyson; (iii) its 10% interest in the Amazon Bay project; and (iv) its investment in shares of TG World.

11. Investment in joint venture (continued):

Accounts receivable balance as at December 31, 2013 amounted to $7,556,878 with respect to the Transactions and was fully collected during the period ended September 30, 2014.

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

		Nine months ended September 30, 2014
Revenue from concentrate sales	$	9,472,622
Other revenues		51,099
Total revenues		9,523,721
Total expenses		(15,389,862)
Operating loss		(5,866,141)
Other income		656,628
Net loss		(5,209,513)
Other comprehensive income		1,235,869
Comprehensive income (loss)		(3,973,644)
The Company's share of net loss		(1,597,237)
The Company's share of other comprehensive loss		378,918
Share of comprehensive loss of joint venture		(1,218,319)
Current assets		12,891,088
Non-current assets		34,185,196
Total assets		47,076,284
Current liabilities		7,457,129
Non-current liabilities		761,351
Total liabilities		8,218,480
Net assets		38,857,805
Adjustments and eliminations		(29,400,528)
Investment in joint venture	$	9,457,277

The joint venture had no contingent liabilities as at September 30, 2014.

12. Property and equipment:

September 30, 2014

	Computer equipment	Office furniture and equipment	Land, buildings and leasehold improvements	Total
Cost				
At January 1, 2014	**$ 226,012**	**$ 20,431**	**$ 78,803**	**$ 325,246**
Additions	2,544	-	-	2,544
At September 30, 2014	**228,556**	**20,431**	**78,803**	**327,790**
Accumulated Depreciation				
At January 1, 2014	**(165,045)**	**(18,019)**	**(40,610)**	**(223,674)**
Depreciation	(12,744)	(491)	(5,362)	(18,597)
At September 30, 2014	**(177,789)**	**(18,510)**	**(45,972)**	**(242,271)**
Net book value	**$ 50,767**	**$ 1,921**	**$ 32,831**	**$ 85,519**

12. Property and equipment (continued):

December 31, 2013

	Transportation and heavy equipment	Communication and other equipment	Computer equipment	Field and geological equipment	Office furniture and equipment	Buildings and leasehold improvements	Plant equipment	Construction in progress	**Total**
Cost									
At January 1, 2013	**$ 1,174,017**	**$ 49,967**	**$ 1,127,095**	**$ 409,019**	**$ 146,798**	**$ 2,820,580**	**$ 24,100,349**	**$ 23,562,551**	**$ 53,390,376**
Additions	187,004	-	99,146	16,415	1,202	9,200	280,449	629,783	1,223,199
Reclassification to other assets	-	-	(10,315)	-	-	-	21,324,561	(21,335,824)	(21,578)
Disposal	(23,203)	-	(4,277)	-	(10,182)	-	(230,566)	-	(268,228)
Write-off	-	-	(11,869)	-	-	-	(17,377)	-	(29,246)
Foreign currency translation	(11,339)	(393)	(8,021)	(3,428)	(878)	(21,679)	(198,153)	(185,033)	(428,924)
Deconsolidation of subsidiaries (note 11)	(1,326,479)	(49,574)	(965,747)	(422,006)	(116,509)	(2,729,298)	(45,259,263)	(2,671,477)	(53,540,353)
At December 31, 2013	**$ -**	**$ -**	**$ 226,012**	**$ -**	**$ 20,431**	**$ 78,803**	**$ -**	**$ -**	**$ 325,246**
Accumulated Depreciation									
At January 1, 2013	**$ (846,379)**	**$ (42,705)**	**$ (963,868)**	**$ (201,764)**	**$ (125,596)**	**$ (2,205,123)**	**$ (17,861,051)**	**$ (17,163,956)**	**$ (39,410,442)**
Depreciation	(242,952)	(4,727)	(110,550)	(69,524)	(6,298)	(587,996)	(2,493,305)	(3,381,890)	(6,897,242)
Reclassification	-	-	-	-	-	-	(20,632,793)	20,632,793	-
Disposal	23,203	-	4,277	-	10,182	-	208,849	-	246,511
Write-off	-	-	11,869	-	-	-	17,377	-	29,246
Foreign currency translation	9,483	397	7,402	2,481	792	24,543	169,620	178,479	393,197
Deconsolidation of subsidiaries (note 11)	1,056,645	47,035	885,825	268,807	102,901	2,727,966	40,591,303	(265,426)	45,415,056
At December 31, 2013	**$ -**	**$ -**	**(165,045)**	**$ -**	**$ (18,019)**	**$ (40,610)**	**$ -**	**$ -**	**$ (223,674)**
Net book value	**$ -**	**$ -**	**$ 60,967**	**$ -**	**$ 2,412**	**$ 38,193**	**$ -**	**$ -**	**$ 101,572**

13. Exploration and evaluation assets:

The carrying amount and the related movement of the petroleum and natural gas exploration and evaluation assets are as follows:

	September 30, 2014	December 31, 2013
Beginning balance	$ 1,882,078	$ 3,715,037
Reclassification of option to purchase contract (note 22b)	1,985,834	-
Foreign currency translation	101,217	215,651
Impairment loss	-	(2,048,610)
Ending Balance	$ 3,969,129	$ 1,882,078

The balance at September 30, 2014 consists of petroleum and natural gas properties located in the Philippines and the interest in the Amazon Bay tenement (note 22b).

Philippines

TG World holds a 12.5% working interest in Service Contract 54A ("SC 54A") in the Philippines. SC 54A is situated offshore west of the Palawan islands. The project operator is Nido Petroleum Limited of Perth, Australia ("Nido") who owns a 42.4% working interest in the project.

The partners operate under a farmout agreement through which TG World will receive 85% of its share of future revenue generated from crude oil production until it has paid US$2,689,844 to two of its partners. Subsequent to funding this amount from oil production it will retain 100% of its share of revenue generation.

During the year ended December 31, 2013, the Company has recorded a provision for impairment of the exploration and evaluation assets amounting to $2,048,610, recorded under other gains (losses) based on the estimated value of the project as at year-end.

As at September 30, 2014, the partners were re-evaluating the opportunities and considering various options under the service contract.

Alaska

TG World had a joint venture agreement with Alaska Venture Capital Group ("AVCG") and Brooks Range Petroleum Corporation ("BRPC"), a wholly-owned subsidiary of AVCG, to explore joint venture oil and gas properties held on the Alaskan North Slope. TG World's working interests varied from 20% to 35% in four distinct areas.

On November 9, 2011, the Company completed the sale of all of its leasehold interests in Alaska, for US$16 million.

As at September 30, 2014, TG World has a collected its remaining PPTC receivable relating to further tax credits (note 6).

14. Accounts payable and accrued liabilities:

Account consists of the following:

	September 30, 2014	December 31, 2013
Trade payables	$ 111,854	$ 332,060
Deferred revenue	7,962	19,906
Accrued finder's and consultancy fees	-	717,930
Other accrued expenses	306,154	1,411,222
	$ 425,970	$ 2,481,118

Accrued expenses include accruals of personnel expenses, marketing expenses, consultancy and other professional fees and at September 30, 2014 also Philippine income tax related to foreign exchange gains realized upon settlement of intercompany advances. The accrued finder's fee and consultancy fees were fully paid during the period ended September 30, 2014 (note 8).

15. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

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

(b) Issued and fully paid

Common shares	Number of shares		Amount
January 1, 2013	622,137,039	$	32,265,811
Shares issued (note 11)	33,333,333		706,334
December 31, 2013 and September 30, 2014	655,470,372	$	32,972,145

(c) Share options

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

In June 2014, the Company granted share options to directors and employees of the Company.

	Nine months ended September 30, 2014		Year ended December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	50,220,275	$ 0.046	53,488,442	$ 0.046
Issued	32,500,000	0.015	-	-
Forfeited	(266,667)	0.019	(2,250,000)	0.030
Expired	(37,201,575)	0.048	(1,018,167)	0.083
Options outstanding, end of period	45,252,033	$ 0.022	50,220,275	$ 0.046
Options exercisable, end of period	5,718,690	$ 0.048	42,253,598	$ 0.048

Price range		Number outstanding	Weighted average remaining contractual life (years)	Exercisable
$	0.015 – 0.022	32,300,000	4.70	-
	0.023 – 0.033	10,883,333	3.01	3,649,990
	0.051 – 0.075	21,250,002	2,000,000	1.65
	0.256 – 0.383	361,820	68,700	0.17
$	0.015 – 0.383	45,252,033	4.15	5,718,690

The fair value of share options granted during the three and nine months ended September 30, 2014 was $0.014 per share. The following table sets out the assumptions used by the Company to estimate the fair value of awards granted during the period:

	Three and nine months ended September 30, 2014
Risk free interest rate – average	1.31%
Expected life (in years)	5
Expected volatility	157.88%
Estimated forfeiture rate	10%

15. Share capital (continued):

(d) Stock-based compensation and contributed surplus

During the three and nine months ended September 30, 2014, a net of $75,890 and $135,672 (September 30, 2013 - $25,488 and $114,614) of stock-based compensation were charged to the consolidated statement of comprehensive income.

	Nine months ended September 30, 2014	Year ended December 31, 2013
Contributed surplus, beginning of period	$ 6,333,382	$ 6,191,931
Stock-based compensation	136,792	156,276
Options forfeited	(1,120)	(14,825)
Contributed surplus, end of period	$ 6,469,054	$ 6,333,382

16. Non-controlling interests:

The non-controlling interests prior to the loss of control (note 11) were made up of Class A shares and Class B shares held by Philippine residents or companies. As of December 31, 2013, the non-controlling interests related to the Philippine subsidiaries were derecognized as a result of the deconsolidation of some Philippine subsidiaries (note 11).

The movement in the non-controlling interests is as follows:

	December 31, 2013
Balance at the beginning of year	$ 1,007,887
Additional capital contribution	64,583
Share in net loss	(32,857)
Share in other comprehensive loss	(86,017)
Cash dividend	(191,935)
Deconsolidation of subsidiaries	(761,661)
Balance at the end of year	$ -

17. Per share data:

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Net income (loss) attributable to shareholders of the Company	$ (1,468,750)	$ 240,215	$ (4,889,838)	$ (4,588,086)
Weighted average number of shares, basic	655,470,372	622,137,039	655,470,372	622,137,039
Dilutive securities – options and warrants	-	1,214,209	-	-
Weighted average number of shares, diluted	655,470,372	623,351,248	655,470,372	622,137,039
Net income (loss) per share attributable to shareholders of the Company:				
Basic	(0.002)	0.000	(0.007)	(0.007)
Diluted	(0.002)	0.000	(0.007)	(0.007)

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

17. Per share data (continued):

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.

18. Revenues from concentrate sales:

	Three months ended September 30, 2013	Nine months ended September 30, 2013
Revenues from:		
Copper	$ 6,507,689	$ 26,763,448
Gold	2,926,229	10,189,240
Silver	1,554,263	5,598,925
Zinc	3,609,327	3,477,690
Gross revenues	14,597,508	46,029,303
Treatment, refining, and other charges	(2,862,512)	(7,670,292)
Net revenues	$ 11,734,996	$ 38,359,011

Metal concentrates were sold under pricing arrangements where no less than 90% of the initial estimated value of the shipment is receivable when loading has been completed, based upon market prices. The final payment for the remaining 10% was due once the final testing details relating to the weight, assays and updated market prices were determined in a period subsequent to the date of sale.

The gross revenue for the nine months ended September 30, 2013 includes US$120,874 upward price adjustment for the 33rd copper concentrate shipment and US$212,665 downward adjustment for the 5th zinc concentrate shipment, based on the final concentrate testing relating to the final weight, assays and market price.

Results during the nine months ended September 30, 2014, are not directly comparable to those at September 30, 2013, due to the deconsolidation of the Philippine subsidiaries as described in Note 11.

19. Pension expense:

During the three and nine months ended September 30, 2013, the Company recognized $99,730 and $746,185 in pension costs, respectively, including amortization of past service cost, recorded under administrative and general costs in the consolidated statement of comprehensive income.

The pension expense during the nine months ended September 30, 2014, is not directly comparable to that at September 30, 2013, due to the deconsolidation of the Philippine subsidiaries as described in Note 11.

20. Segmented information:

The Company's revenue from mining, extraction, production and selling of copper and zinc concentrates to an external client is indirectly recognized within the Company's investment in joint venture, through the application of the equity method as described in Note 11. Prior to the deconsolidation of its Philippine subsidiaries on December 27, 2013, TVI consolidated its interest in its Philippine subsidiaries and recognized its share of assets, liabilities, revenues and expenses. The Company's 2013 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 mining operations in the Philippines, before the application of the equity method pertaining to its investment in joint venture.

20. Segmented information (continued):

The Company has three reporting segments:

- mining activities in the Philippines;
- petroleum exploration and development in the Philippines; and
- corporate offices in Canada and in the Philippines, which include TVI's equity investments in associates, Foyson and Mindoro.

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

There was only one customer in the mining division contributing to 100% of the revenue from concentrate sales. Mining segment's operating results in the table below include TVI's 30.66% interest in the Philippine joint venture entities whose summarized financial information is presented in note 11. The assets under mining segment include the carrying value of investment in joint venture (note 11) as well as the assets of TVI Minerals.

Geographic information:

	Net revenues		Property and equipment and other assets	
	For nine months ended September 30, 2014	For nine months ended September 30, 2013	September 30, 2014	December 31, 2013
Philippines	$ -	$ 39,334,246	$ 7,918	$ 7,882
Canada	-	-	85,519	101,572
	$ -	$ 39,334,246	$ 93,437	$ 109,454

Three months ended September 30, 2014	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	$ (16,687)	$ (21,695)	$ (699,058)	$ (737,440)
Depreciation, depletion and accretion	-	(478)	(5,465)	(5,943)
	(16,687)	(22,173)	(704,523)	(743,383)
Interest income	14,550	41	4,296	18,887
Foreign exchange gain (loss)	643,636	8,515	66,554	718,705
Other income (loss)	102,008	(4,879)	212	97,341
Share of loss of associates and joint venture	(350,540)	-	(695,422)	(1,045,962)
Impairment of associate	-	-	(343,763)	(343,763)
Net income (loss) before income tax	392,967	(18,496)	(1,672,646)	(1,298,175)
Income tax expense	(170,575)	-	-	(170,575)
Net income (loss)	$ 222,392	$ (18,496)	$ (1,672,646)	$ (1,468,750)
Assets	$ 9,517,611	$ 2,219,272	$ 9,533,521	$ 21,270,404
Liabilities	202,349	4,422	308,955	515,726
Capital expenditures	-	-	-	-

20. Segmented information (continued):

Three months ended September 30, 2013	Mining	Petroleum Exploration	Corporate	Total
Revenues from concentrate sales	$ 11,734,996	$ -	$ -	$ 11,734,996
Other revenues	339,408	-	-	339,408
	12,074,404	-	-	12,074,404
Operating expenses	(9,285,190)	(52,312)	(994,722)	(10,332,224)
Exploration costs	(17,560)	-	-	(17,560)
	2,771,654	(52,312)	(994,722)	1,724,620
Depreciation, depletion and accretion	(2,021,223)	(682)	(6,867)	(2,028,772)
	750,431	(52,994)	(1,001,589)	(304,152)
Interest income	18,510	-	(18,510)	-
Interest expense	(30,570)	-	-	(30,570)
Foreign exchange loss	(13,803)	(462)	(24,160)	(38,425)
Other gains	701,142	-	-	701,142
Share in loss of associates	-	-	(245,131)	(245,131)
Net income (loss) before tax	1,425,710	(53,456)	(1,289,390)	82,864
Income tax expense	259,525	-	-	259,525
Net income (loss)	$ 1,685,235	$ (53,456)	$ (1,289,390)	$ 342,389
Assets	$ 44,440,183	$ 3,840,456	$ 6,493,105	$ 54,773,744
Liabilities	14,686,212	33,146	1,148,633	15,867,991
Capital expenditures	832,544	-	-	832,544

Nine months ended September 30, 2014	Mining	Petroleum Exploration	Corporate	Total
Administrative and general costs	$ (34,237)	$ (256,438)	$ (2,244,342)	$ (2,535,017)
Depreciation, depletion and accretion	-	(1,434)	(17,163)	(18,597)
	(34,237)	(257,872)	(2,261,505)	(2,553,614)
Interest income	14,594	57	23,007	37,658
Foreign exchange gain (loss)	651,063	(3,205)	222,749	870,607
Other gains (loss)	72,325	(780)	212	71,757
Share of loss of associates and joint venture	(1,597,237)	-	(1,204,671)	(2,801,908)
Impairment of associate	-	-	(343,763)	(343,763)
Net loss before income tax	(893,492)	(261,800)	(3,563,971)	(4,719,263)
Income tax expense	(170,575)	-	-	(170,575)
Net loss	$ (1,064,067)	$ (261,800)	$ (3,563,971)	$ (4,889,838)
Assets	$ 9,517,611	$ 2,219,272	$ 9,533,521	$ 21,270,404
Liabilities	202,349	4,422	308,955	515,726
Capital expenditures	-	-	2,544	2,544

20. Segmented information (continued):

Nine months ended September 30, 2013	Mining	Petroleum Exploration	Corporate	Total
Revenues from concentrate sales	$ 38,359,011	$ -	$ -	$ 38,359,011
Other revenues	975,235	-	-	975,235
	39,334,246	-	-	39,334,246
Operating expenses	(33,526,484)	(258,516)	(2,880,846)	(36,665,846)
Exploration costs	(252,292)	-	-	(252,292)
	5,555,470	(258,516)	(2,880,846)	2,416,108
Depreciation, depletion and accretion	(6,695,772)	(2,048)	(21,819)	(6,719,639)
	(1,140,302)	(260,564)	(2,902,665)	(4,303,531)
Interest income	52,162	228	355	52,745
Interest expense	(95,545)	-	-	(95,545)
Foreign exchange gain (loss)	(378,100)	1,987	(43,843)	(419,956)
Other gains (loss)	1,518,176	(640)	-	1,517,536
Share in loss of associates	-	-	(1,562,764)	(1,562,764)
Net loss before tax	$ (43,609)	$ (258,989)	$ (4,508,917)	$ (4,811,515)
Income tax	259,525	-	-	259,525
Net income (loss)	215,916	(258,989)	(4,508,917)	(4,551,990)
Assets	$ 44,440,183	$ 3,840,456	$ 6,493,105	$ 54,773,744
Liabilities	14,686,212	33,146	1,148,633	15,867,991
Capital expenditures	4,497,502	-	2,024	4,499,526

21. Changes in working capital:

	Three months ended September 30 2014	2013	Nine months ended September 30 2014	2013
Accounts receivable	$ (415,387)	$ 2,731,490	$ 689,212	$ 3,565,738
Advances to suppliers	-	70,391	-	229,852
Inventories	-	(1,613,816)	-	(660,378)
Prepaid expenses	43,035	(33,593)	14,338	(502,939)
Trade accounts payables and accrued liabilities	(1,254,916)	(823,660)	(2,756,516)	(415,851)
Due to related parties	119,417	84,207	42,024	21,192
	$ (1,507,851)	$ 415,019	$ (2,010,942)	$ 2,237,614

The changes in working capital during the nine months ended September 30, 2014, are not directly comparable to those at September 30, 2013, due to the deconsolidation of the Philippine subsidiaries as described in Note 11.

22. Joint arrangements:

a. Joint agreements – Mindoro

Pursuant to the HOA, TVI and its investment in joint venture, TVIRD, entered into various joint venture arrangements with Mindoro (and its affiliates) on September 25, 2012 with respect to the following:

i) Agata Mining Option and Joint Venture - TVIRD has an option to earn a 60% interest in the Agata Mining Joint Venture upon commencement of commercial production subject to (i) TVIRD having expended a minimum of $2 million within 12 months of the date of the agreement, and (ii) commercial production at Agata having commenced within 3 years of the date of the agreement. Under this agreement, TVIRD is required to fund all expenditures associated with the establishment of a mining operation.

22. Joint arrangements (continued):

Shipping of the limonite high-iron/low nickel ore commenced in October 2014 (see note 25). As such, TVIRD has fully earned its 60% interest in the Agata Mining Joint Venture in October 2014.

ii) Agata Processing Option and Joint Venture - TVIRD has the right to earn a 60% interest in the Agata Processing Joint Venture upon delivery of a definitive feasibility study with respect to nickel processing at Agata, subject to TVIRD having expended a minimum of $2 million within 12 months of the date of the agreement and completing the definitive feasibility study within 4 years of the date of the agreement. Under this agreement, TVIRD is required to fund all required expenditures associated with the preparation of the definitive feasibility study.

iii) Pan de Azucar ("PDA") Mining Option and Joint Venture - TVIRD has an option to earn a 60% interest in the PDA Mining Joint Venture by: (i) making minimum aggregate expenditures of $2 million in respect of the PDA mining project prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of that project (the "Feasibility Declaration Date"); and (ii) solely funding the PDA mining project to the point of commercial production, provided commercial production is achieved on or prior to the third anniversary of the Feasibility Declaration Date. The PDA Mining Option and Joint Venture Agreement contemplates that TVIRD will make expenditures in respect of the PDA mining project in an aggregate amount of not less than $500,000, prior to the date that is 12 months following the date of that agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the $2 million of aggregate expenditures noted above.

iv) PDA Processing Option and Joint Venture - TVIRD has the right to earn up to a 60% interest in the PDA Processing Joint Venture in two stages as follows: (i) a 51% interest, by making minimum aggregate expenditures of $2 million in respect of the PDA processing project on or prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of the processing project (the "Processing Declaration Date"); and (ii) a 9% interest by making additional minimum aggregate expenditures of $3 million in respect of the processing project on or prior to the fourth anniversary of the Processing Declaration Date. TVIRD will make expenditures in respect of the PDA processing project in an aggregate amount of not less than $500,000, prior to the date that is 12 months following the date of that agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the $2 million of aggregate expenditures noted above.

On June 18, 2013, TVI and Mindoro agreed to amend some terms of the original joint venture agreements. It was agreed that TVI's contributions to the joint ventures would be for shares in the applicable joint venture, rather than as paid in capital, with such shares to be issued as earned and placed in escrow until TVI's full 60% interest is earned. TVI's minimum spending commitments pursuant to the Pan de Azucar Joint Venture agreements were also extended by one year, from December 31, 2013 to December 31, 2014.

As at September 30, 2014, the joint venture entities have incurred a total of $8,481,957. The amount has been derecognized in the statement of financial position due to the deconsolidation of the Philippine subsidiaries (note 11):

		September 30, 2014
Agata Mining	$	3,087,413
Agata Processing		5,084,458
PDA Mining		243,513
PDA Processing		66,573
	$	8,481,957

b. Joint agreements – Foyson

On August 28, 2012, TVI signed the following agreements relating to the following joint venture projects contemplated by the HOA:

22. Joint arrangements (continued):

i) Amazon Bay Iron Sands Project ("AB") – (i) TVI committed to a minimum expenditure of AUD$2 million in the twelve months following the later of the date on which all applicable joint venture conditions are satisfied and the date of the Tranche 1 Closing; (ii) TVI agreed to refund Foyson for any expenditures incurred on AB since July 1, 2012, to a maximum of AUD$200,000 creditable against TVI's spending commitments; (iii) TVI would earn a 10% interest in AB as a result of initial expenditure; (iv) TVI would have the right to earn a further 20% in AB by spending an additional AUD$5.5 million within 12 months following the expiration of the initial earning period; (v) during the two earning periods and up to the end of the second earning period, TVI and Foyson may, at TVI's expense, carry out a feasibility study of a DSO operation. If a DSO project is determined to be feasible, TVI would have the right to undertake the development to earn a 51% interest in the DSO project area. TVI was also provided the option to advance $10 million to Foyson to acquire the remaining 50% in AB held by Titan Mines. On July 25, 2014, TVI provided notice to Foyson of its intent not to proceed with the Stage 2 farm-in of Amazon Bay.

ii) New Britain Gold/Copper ("NB") - (i) TVI committed to a minimum expenditure of AUD$1.25 million in the twelve months following the later of the date on which all applicable joint venture conditions are satisfied and the date of the Tranche 1 Closing; (ii) TVI agreed to refund Foyson for any expenditures incurred on NB since July 1, 2012, to a maximum of AUD$200,000 creditable against TVI's spending commitments; (iii) TVI would earn a 12.5% interest in NB as a result of the initial expenditure; and (iv) TVI would have the right to earn a further 42.5% interest in NB by spending an additional AUD$5.25 million within 12 months following the expiration of the initial earning year.

The Company has provided its notice of withdrawal from the New Britain project, which resulted in the write-down of $813,145 in related expenditures as of December 31, 2013.

iii) New Ireland Gold/Copper ("NI") and Massau and Tanga Islands ("MTI") - (i) TVI committed to spend AUD$100,000 for each project, within nine months of the granting of the tenements; and (ii) such expenditure would earn TVI the right to match any third party offer to farm into NI or MTI, received during the year of the expenditure by TVI or during the 12 months following the finalization of the information memorandum on NI or MTI.

Of the amount of the total spending commitment in relation to the joint venture arrangements with Foyson, the Company has incurred a total of $2,798,979.

		September 30, 2014 and December 31, 2013
Amazon Bay Iron Sands	$	1,985,834
New Britain Gold/Copper		813,145
		2,798,979
Write-down of New Britain Gold/Copper		(813,145)
	$	1,985,834

Foyson has acknowledged that TVI has earned its 10% interest in Amazon Bay as a result of satisfying its spending commitment. On July 25, 2014, TVI's 10% earned interest in the Amazon Bay tenement was formally registered with the Papua New Guinea Mineral Resources Authority after having been earlier approved by the Minister for Mining on June 5, 2014.

Accordingly, the net amount of $1,985,834 was reclassified from option to purchase contract to exploration and evaluation assets in the statement of financial position as at September 30, 2014 (note 13).

c. Joint venture agreement - Others

In February 2010, TVIRD signed a joint venture agreement with an independent and unrelated third party, to conduct exploration, development and production of mineral deposits in the area known as EXPA 61, in the Greater Canatuan Tenement ("GCT"). Potential prospects identified lie within a 15 km radius trucking distance to the current Canatuan sulphide plant. Under the joint venture agreement, TVIRD will hold a 70%

22. Joint arrangements (continued):

interest, while the remaining 30% interest will be held by the independent third party. TVIRD will act as the operator. The partners will fund an exploration program for a period of two years amounting to a maximum of US$2 million, to be shared in accordance with their interests in the joint venture. There are still no exploration costs incurred in relation to the GCT.

23. Other commitments:

The Company rents its corporate office premises on a five-year term lease. The total rental paid during the nine months ended September 30, 2014 was $92,590 (2013 - $119,883). The future rent payments up to the end of the lease contract in March 2015 amounts to $61,727, net of short-term sub-leasing arrangements.

24. Financial instruments:

(a) Analysis of financial assets and financial liabilities

The tables below set out the classification for each of its financial assets and liabilities at September 30, 2014.

		September 30, 2014		December 31, 2013
Loans and receivables:				
Cash and cash equivalent	$	2,023,131	$	2,362,952
Short-term deposits		4,143,671		-
Accounts receivable		515,315		8,489,402
Notes receivable		393,598		940,362
Due from related parties		172,545		384,726
Derivative financial asset				
Option to purchase contracts		-		1,985,834
	$	7,248,260	$	14,163,276
Other financial liabilities:				
Accounts payable and accrued liabilities	$	(425,970)	$	(2,481,118)
Due to related parties		(89,756)		(259,913)
	$	(515,726)	$	(2,741,031)

25. Subsequent events:

In October 2014, TVIRD's investment in joint venture company, AMVI has launched operations and commenced loading its first shipment of limonite high-iron/low nickel direct shipping ore produced from the Agata project in the Philippines which was completed on October 23, 2014.

In October 2014, TVI and Foyson agreed to further amend the terms of the loan that was to be due September 30, 2014. TVI agreed to extend the due date of the loan to March 31, 2015, and to be provided the option to convert the loan to equity at any time prior to that date. Effective October 1, 2014, the total principal of the loan outstanding shall be subject to 8% per annum interest, until converted or repaid. The change in terms of the loan is subject to shareholder approval.

On October 23, 2014, Foyson announced completion of a private placement by Integrated Green Energy ("IGE") in the amount of AUD$337,500, through which IGE was granted 135 million ordinary shares, representing 14.73% of Foyson's share capital. This has resulted in the dilution of TVI's interest in Foyson to 20.04% and follows the announcement by Foyson on September 30, 2014, of its intention to enter into a strategic relationship with IGE whereby Foyson will acquire exclusive licenses to use IGE's waste conversion technology in Australia, New Zealand, China, North America, India, Southeast Asia, Papua New Guinea and Fiji, and also fund the construction of up to four plants in eastern Australia.

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