Pacific Inc.

Management's Discussion and Analysis

For the Year Ended December 31, 2014 and 2013

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 December 31, 2014 and 2013, as well as its financial position and future plans. It should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and 2013, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All numbers 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 March 24, 2015.

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 made, 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 the scientific and technical information 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 production, development, exploration and acquisition of resource projects in the Asia Pacific region. Led by a management team with the proven ability to design, build and operate mines, TVI is currently focused on evaluating and acquiring resource projects that can be rapidly developed and put into production to generate revenue and cash flows.

The Company is currently evaluating the Cirianiu Gold Project located in Fiji for potential investment while pursuing other opportunities for investment and development in the Asia Pacific region as recommended by members of its highly experienced Project Advisory Group.

Prior to 2014, TVI consolidated TVI Resource Development (Phils.), Inc. ("**TVIRD**"), a private Philippine company previously engaged in the profitable production of gold, silver, copper and zinc at its 100% owned Canatuan mine. TVIRD is currently engaged in the production of nickel laterite ore at its 60% owned Agata joint venture mining project and the development of the 100% owned Balabag gold-silver project. TVI also previously owned 100% of Exploration Drilling Corp. ("**EDCO**"), a drilling company which carried out all drilling operations for TVIRD, and which is now a 100% owned subsidiary of TVIRD.

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, ("**Transactions**") in December 2013. The Transactions occurred in multiple closings with the final closing in July 2014, and TVI received total proceeds of US$10.65 million while US$11.85 million was received by TVIRD and various subsidiaries, each before tax and related fees.

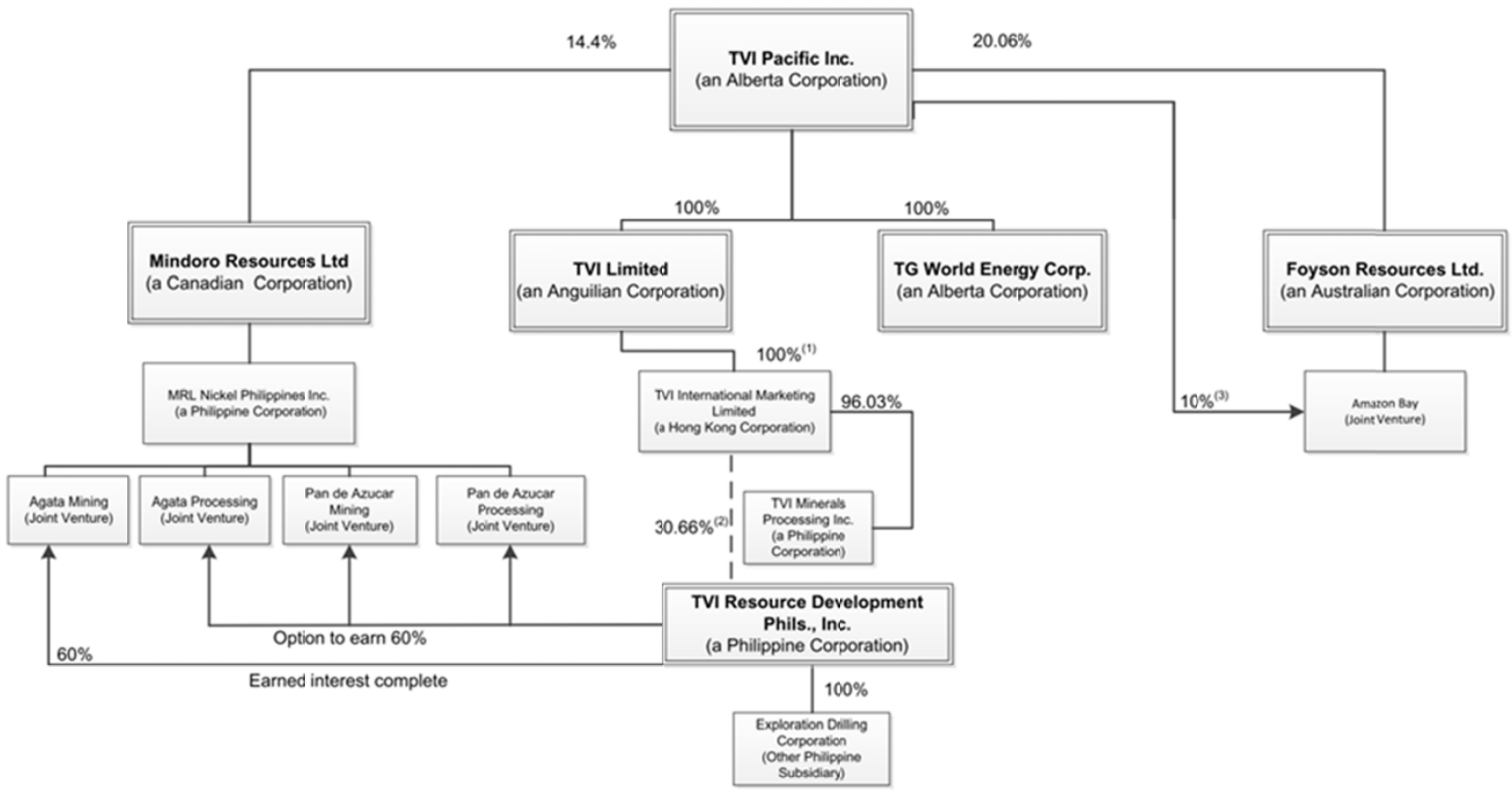
As a result of the Transactions, TVI's interest in TVIRD was reduced to 30.66% and TVI's management determined that TVI no longer had control in TVIRD due to the reduction of interest and by virtue of an agreement with PRHI which requires unanimous consent from both parties on decisions concerning relevant activities, resulting in joint control. EDCO has now become a wholly owned subsidiary of TVIRD. Consequently, TVIRD, EDCO and interests in Agata and Pan de Azucar joint venture projects, were deconsolidated from TVI's consolidated financial statements.

TVI's continuing interest of approximately 30.66% in TVIRD is now recorded in the consolidated financial statements as an investment in joint venture within the mining segment, and accounted for using the equity method. As such, revenues earned and related expenses incurred at the level of TVIRD and its subsidiaries now result in an adjustment to the investment account and therefore do not make financial results directly comparable year-over-year.

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 completion of the Transactions. As at December 31, 2014, TVIRD was actively looking at securing a listing on the PSE and aims to complete the listing process in 2015.

In addition to its interest in TVIRD and other Philippine subsidiaries, TVI continues to directly hold (i) a 20.06% equity interest in Foyson Resources Limited ("**Foyson**") (ii) a 14.4% equity interest in Mindoro Resources Ltd. ("**Mindoro**" or "**MRL**"); (iii) a 10% interest in the Amazon Bay Iron Sands project; and (iv) its 100% investment in shares of TG World Energy Corp. ("**TG World**").

TVI 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 3.97% of TVI Minerals Processing as well as 5% equity of TVI Pacific as at February 1, 2014.
(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.

INVESTING AND FINANCING TRANSACTIONS

On December 11, 2013, TVI and various subsidiaries/affiliates of TVI signed various definitive agreements with PRHI relating to a private placement in TVI and third party investment in its indirectly held Philippine assets. The Transactions were for an aggregate investment by PRHI of US$22.5 million.

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 Processing, Inc. ("**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 PSE. An aggregate US$10.65 million went through to TVI as a result of all Transactions and US$11.85 million to TVIRD and various subsidiaries, each before tax and related fees.

On December 13, 2013, TVI completed an initial closing of the Transactions ("**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;

(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 SEC of the application for an increase in authorized capital stock of TVIRD; and

(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 interest in TVIRD and other Philippine subsidiaries.

On January 10, 2014, TVI and PRHI completed a further closing of the Transactions ("**Second Closing**"), as follows:

(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 ($1,424,669), 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 ($11,048,004), representing the balance of the subscription prices paid by PRHI for the newly issued Class B voting shares of TVIRD. A portion of these funds was used by TVIRD for further restructuring of the TVI Group of companies, 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 of the Transactions ("**Third Closing**") was completed, which included the following:

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

a) US$4.3 million ($4,589,820) for the purchase of 3.97% of the common shares of TVI Minerals; and

b) US$1.23 million ($1,292,544) 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.

As a result of the Transactions, PRHI now holds approximately 5% of the total number of issued and outstanding common shares of TVI and 68.42% of the total number of outstanding voting shares of TVIRD through which TVI's Philippine assets are held.

TVI's continuing interest of approximately 30.66% in TVIRD is now recorded as an investment in joint venture within the mining segment, and 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 now result in an adjustment to the investment account. Cash generated also at the level of TVIRD, its subsidiaries and joint ventures, will be accounted for directly at that level, and be used to fund activities at that level, and will therefore not flow through directly to TVI but may be expected 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 the investment.

During the year ended December 31, 2014, $232,020 was paid by TVI to the non-controlling interest holder of TVIRD as a down-payment of an option to acquire the remaining Class B shares of TVIRD, upon execution of TVIRD's listing on the PSE within an agreed time. The total net purchase price is expected to be US $500,000, including the down-payment, plus 10% of a function of share price following the listing.

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

TVIRD is a private Philippine resource company responsible for putting the first foreign-invested mine into production after the passage of the Philippine Mining Act of 1995. This was the Canatuan mine which produced over 105,200 ounces of gold and 1.8 million ounces of silver from 2004 to 2008 and 199,778 dry metric tonnes of copper concentrate and 30,548 dry metric tonnes of zinc concentrate from 2009 to 2014. During the 10-year period in which the Canatuan gold-silver and copper-zinc mines were in production, TVIRD generated over US$479 million in revenues and US$180 million in cash flows.

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

- Maximizing profits and expanding resources at the Agata Nickel Laterite Direct Shipping Ore ("**DSO**") Project;
- Finalizing a Definitive Feasibility Study ("**DFS**") at the Agata Nickel Processing Project;
- Defining an initial NI43-101 resource at the Agata Limestone Project;
- Advancing the Balabag Gold-Silver Project towards production; and
- Exploring opportunities for mine life extension at the Canatuan mine.

Summary information is provided below on the various TVIRD projects as they may materially affect the valuation of TVIRD when it lists on the PSE. This may in turn have a material impact on the valuation of TVI's investment interest in TVIRD.

Agata Nickel Laterite Project

The Agata nickel laterite project is held by Agata Mining Ventures Inc. ("**AMVI**"), a joint venture company between TVIRD and Mindoro in which TVIRD holds a 60% interest and is operator. Pursuant to a joint venture agreement signed on September 24, 2012, TVIRD earned a 60% interest and started to consolidate AMVI following the commencement of commercial production of nickel laterite DSO in October 2014.

The Agata DSO Project site is located in a 4,995-hectare Mineral Processing Sharing Agreement ("**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 provides the opportunity for shipping all year round.

According to an April 10, 2013, NI 43-101 technical report entitled "Independent Report on the Nickel Laterite Resource - Agata North, Philippines" prepared for TVIRD by Mark G. Gifford, MSc (Hons), FAusIMM, of Margaret River, Western Australia, the Agata DSO project has Proven and Probable Reserves of 9.7 million wet metric tonnes of nickel laterite ore with a grade of 48% Fe with 0.9% Ni.

Operations began in October 2014 consisting of shipments of approximately 55,000 wet metric tonnes (wmt) of high-iron/low-nickel ore every three to four weeks, generating gross revenues of between US$600,000 to US$915,000 per shipment. AMVI continues to ramp up its DSO operations with the goal of shipping over 2.5 million wet metric tonnes of ore in 2015. In order to achieve this goal, AMVI expects to increase its shipment schedule to four shipments of limonite ore per month and at least one to two shipments of saprolite ore per month once causeway expansion and stockpile area development work has been completed within the 1st half of 2015.

Since October 2014, TVIRD has also undertaken a large-scale drill program at the Agata nickel laterite project consisting of approximately 700 infill and 85 step-out holes with the aim of upgrading and increasing the resources previously disclosed in April 2013. Following program completion, an updated NI43-101 technical report that also meets the Philippine Mineral Report Code ("**PMRC**") will be produced by mid-2015 in order to support the valuation of the Agata project for TVIRD's PSE listing.

Agata Nickel Processing Project

The Agata nickel processing project is held by Agata Processing Inc. ("**API**"), a joint venture company in which TVIRD has the right to earn a 60% interest upon expending a minimum of $2 million and the delivery of a DFS. As at December 31, 2014, TVIRD has completed its requirement to spend a minimum of $2 million and has earned 45% of shares in API, which remain in escrow until it completes a DFS.

The project is located in the middle of the current Agata nickel laterite DSO operation and immediately adjacent to the causeway facilities that were built to support the DSO operations, which is strategically located within proximity to main markets in Asia and provides the opportunity for shipping all year round.

As at the end of December 31, 2014, TVIRD is conducting final optimization studies and awaiting the results of an updated resource report on the Agata nickel laterite project based on an extensive drilling program underway since October 2014 to validate and expand the existing resources. Results of the optimized DFS are expected to be published in the second or third quarter of 2015.

Agata Limestone Project

The Agata Limestone project is held by AMVI. Based on the technical report entitled "Technical Report for the Agata Nickel Laterite Project, Mindanao, Philippines" dated 20 December 2011 prepared by Ausenco for Mindoro (the "**Agata Report**"), massive recrystallized limestone occurs near the Agata nickel laterite deposit with very high purity levels of CaCO3 of greater than 95%. This information was based on an initial five-hole drill program completed by Mindoro in 2011 which outlined a large area of approximately 400 meters by 800 meters and yielded intercepts with a weighted average of 60.46 meters of 98.86% CaCO3 (calcium carbonate).

In November 2014, AMVI announced that it has commenced an exploration program aimed at defining a National Instrument 43-101-compliant resource estimate in mid-2015. Once an initial resource has been developed, AMVI will evaluate the feasibility of commencing a limestone DSO operation using the same infrastructure developed for current nickel laterite DSO operations. 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.

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 includes an MPSA originally in the name of Zamboanga Minerals Corporation ("**ZMC**") registered as Title No. 086-97-IX. The MPSA is located within the Municipalities of Bayog, Zamboanga Del Sur and Zamboanga Sibugay Province, Island of Mindanao, Philippines.

In 2008, TVI filed a NI 43-101 compliant scoping study titled *Scoping Study of the Balabag Project*. This study was based on a previous resource report filed in 2007 titled *NI 43-101 Technical Report for the Mineral Resources at the Balabag Project of TVI Pacific Inc*. In June 2012, TVIRD filed an updated independent technical report which is NI 43-101 compliant and was produced by Georeference Online Ltd. All studies are available on SEDAR at www.sedar.com.

With the exercise of the option to acquire, TVIRD has the right to complete a full feasibility study and put the property into full production within five years of what was to be January 25, 2008, for which TVIRD is pursuing an extension as a result of delays caused by Executive Order 79 as well as previous surface access and security problems arising from the earlier presence of illegal miners.
In 2011, TVIRD drilled 105 exploration holes and 13 sterilization/geotechnical holes for a total of 118 drill holes and total depth of 13,182 meters. In 2012, TVIRD drilled 5 additional exploration holes for a total depth of 1,180 meters (3,871 feet) until drilling was suspended due to security concerns. Drilling resumed in January 2013 following the relocation of illegal miners through the issuance of a Cease and Desist Order issued by the government, and an additional 18 infill holes equivalent to 1,220.55 meters (4,005 feet) were drilled. Since project inception in 2005, a total of 296 holes have been drilled for a total depth of 34,155.60 meters.

Through 2013, a one metric ton per day pilot plant was established at TVIRD's Canatuan mine site to carry out metallurgical test work on samples of the different types of mineralization at Balabag. The principal objectives of the pilot plant test work were to confirm the results obtained in previous laboratory cyanide leaching tests, optimize the metallurgical processing under an environment that more closely resembles actual operations, provide design parameters for engineering, and to start training personnel in operations and metallurgical process control. The sample material analyzed represented different types of vein mineralization distributed throughout the deposit and the results validated Balabag test material's amenability to leaching as determined from prior laboratory scale tests. The results also demonstrated the effectiveness of carbon-in-leach ("**CIL**") over carbon-in-pulp ("**CIP**") in processing the test material.

On May 2013, TVIRD submitted an updated Declaration of Mining Project Feasibility ("**DMPF**") with the Mines and Geosciences Bureau ("**MGB**"). Through December 2013, MGB returned TVIRD's DMPF Application and requested TVIRD to submit additional requirements and revise the Feasibility Study Report to comply with the 10-year mine life requirement currently required through legislation for all mining projects.

On October 1, 2013, the Environmental Management Bureau issued the Environmental Compliance Certificate ("**ECC**") CO-1301-0004 for the Balabag Gold-Silver Project.

Since mid-2013, exploration and development work was put on hold at the Balabag project pending the receipt of all permits. From that period until December 2014, TVIRD has continued to work on the engineering design for a gold-silver processing plant to process ore on-site. Basic engineering design has now been completed and detailed design work is under way. TVIRD has also constructed and maintained 16 kilometers of access roads to the project in anticipation of the commencement of construction.

In May 2014, TVIRD received the approval of its social development management program for the project.

In December 2014, TVIRD entered the final phase of its permitting process by fulfilling the final requirements necessary for the approval of its DMPF from the Philippines' Department of Environment and Natural Resources ("**DENR**"). TVIRD expects to submit the DMPF in the first half of 2015 and, depending on the DENR's response time, TVIRD anticipates that the permitting process could be completed in the third quarter of 2015, after which on-site construction work will commence.

<u>Canatuan Mine</u>

The Canatuan Mine is owned 100% by TVIRD. The mine was a volcanogenic massive sulphide ("**VMS**") deposit located in the Province of Zamboanga del Norte on the island of Mindanao in the Philippines. It was the first foreign-invested mine to reach production after the passage of the Philippine Mining Act of 1995.

From 2004 to mid-2008, TVIRD produced over 105,200 ounces of gold and 1.8 million ounces of silver from an overlying gossan (oxidized) portion of the deposit, generating gross revenues of US$86 million.

As the upper portion of the ore body was mined out, the underlying primary sulphide portion of the deposit containing copper and zinc was exposed and TVIRD completed the construction of a sulphide production plant in March 2009. From March 2009 to February 2014, TVIRD completed 39 shipments of copper concentrate for a total volume of 199,778 dry metric tonnes and seven shipments of zinc concentrate for a total volume of 30,548 dmt. Gross revenues generated during this phase were US$393 million.

Canatuan Rehabilitation and Decommissioning: Following the end of mining and processing operations in January 2014, decommissioning and rehabilitation activities within the disturbed areas commenced. Approximately 165 hectares will be subject to the closure programs as identified in the approved Final Mine Rehabilitation and Decommissioning Plan ("**FMRDP**"). Fourth quarter activities have continued to focus on the decommissioning of plant and equipment within the mill and processing plant area as well as continuation of the progressive rehabilitation activities within the overburden waste areas and the surface mine area. Rehabilitation tasks include earthwork stabilization, drainage controls and re-vegetation. Water quality monitoring as well as meteorological data collection, hydrologic data collection and instrumentation data collection for the Sulphide Tailings Storage Facility Dam continued through the fourth quarter. These activities will continue through the remainder of 2015.

*Mine Expansion Opportunities - Greater Canatuan Tenement Areas ("**GCTA**"):* TVIRD has an extensive 352 square kilometer (136 square mile) package of tenement applications surrounding the Canatuan mine that make up the GCTA. VMS deposits, like Canatuan, rarely occur in isolation. Surface exploration carried out on the properties has defined a 40+ kilometer (25+ miles) belt of the same rock suite that hosts the Canatuan orebody. TVIRD believes that similar Canatuan-style deposits exist within the GCTA.

An airborne geophysical survey done in 2011 utilizing modern VTEM (Versatile Time Domain Electro-Magnetics) has identified potential exploration targets within the GCTA. Ground survey verification is ongoing to define potential drilling targets in the tenement adjacent to the Canatuan mine area.

In previous years, concurrent with the work on the Canatuan deposit, reconnaissance exploration programs were carried out within the immediate Canatuan project area. These programs resulted in the discovery of three additional areas of interest. Drilling at two of these showings, the Malusok and Malusok SE prospects, confirmed the presence of sulphide horizons down dip from surface gossan mineralization.

In late 2011, a gravity survey was conducted over the Canatuan Mine to pursue the probability of another VMS lens below the Canatuan orebody. In 2012, initial ground verification of VTEM anomalies confirmed the presence of a kilometer wide quartz-sericite-pyrite alteration zone in Cuyan. This mineral assemblage resembles the alteration halo enveloping the Canatuan orebody.

In January 2012, TVIRD completed the Free Prior Informed Consent ("**FPIC**") process for a new MPSA covering the Malusok and SE Malusok prospects. Approval was granted by the National Commission on Indigenous Peoples ("**NCIP**") and all documents were forwarded to the MGB for review and granting of the MPSA permit. However, the approval process was halted by the moratorium on new permit applications imposed by the Secretary of the DENR in 2011; and may be further slowed by the Department's backlog of applications once the President of the Philippines provides the authority to the Secretary to renew the permit granting process. Timing as to the issuance of the permit is therefore uncertain at this time.

On November 19, 2013, TVIRD filed for an application with the DENR for expansion of the contract area of the Canatuan MPSA to include 500 hectares of the Malusok MPSA Application.

In November 2014, TVIRD received regulatory approval to expand its current Canatuan MPSA to include the nearby GCTA of Malusok and SE Malusok. This enables TVIRD to further assess possible economic deposits and thereby give opportunity to expand the Canatuan mining operations. Exploration activities will commence at the Malusok and SE Malusok prospects once TVIRD is given the proper Implementation Rules and Regulations by regulators.

Valuation of investment in TVIRD

The carrying value of the investment in joint venture is $11,872,388 as at December 31, 2014, adjusted from the balance reported at December 31, 2013 to account for TVI's proportionate share of net income realized by the Philippine entities during the year ended December 31, 2014.

		December 31, 2014
Investment in joint venture at January 1, 2014	$	10,675,596
Share of net loss		(88,294)
Share of other comprehensive income		1,285,086
Investment in joint venture at December 31, 2014	$	11,872,388

The Company's share of the joint venture's result of operations, assets and liabilities for the year ended December 31, 2014 are as follows:

	December 31, 2014
Share of revenue	$ 5,888,238
Share of comprehensive income	1,196,792
Share of total current assets	8,138,973
Share of total assets	20,650,825
Share of total current liabilities	4,239,965
Share of total liabilities	6,125,186

HEADS OF AGREEMENTS WITH MINDORO AND FOYSON

During Q3 2012, TVI entered into two heads of agreements ("**HOA**") with Mindoro, a Canadian company engaged in mining exploration in the Philippines; and Foyson, an Australian company engaged in mining exploration in Papua New Guinea. The HOAs, dated July 6, 2012 and August 17, 2012, respectively, set out the terms of various proposed transactions consisting of a loan to, an acquisition of equity interests by way of private placement to be undertaken in two tranches for each company, and joint ventures with Mindoro and Foyson (or "**associates**").

MINDORO

Mindoro is a publicly listed company incorporated in Canada with shares listed on the TSX Venture Exchange and Frankfurt Stock Exchange.

Pursuant to the HOA with Mindoro, TVI issued a loan to Mindoro in the amount of $938,968, which had 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. Interest was agreed to apply only if the full principal amount would not be repaid from the proceeds of the first tranche ("**Tranche 1"**) of the private placement.

On September 28, 2012, the secured loan receivable was discharged in full through the acquisition of an initial equity interest in Mindoro that consisted of 18,779,353 units of Mindoro at a price of $0.05 per unit, for a total of $938,968. Each unit consisted of one common share and one common share purchase warrant that entitled 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.

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 consisted 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 million common shares acquired by TVI represented an approximate additional 8.1% interest in Mindoro and increased TVI's investment in Mindoro to 42,779,353 units, representing an approximate 14.4% holding in the capital of Mindoro. If TVI were to exercise all warrants acquired, TVI would hold 85,558,706 shares, representing an approximate 25.2% holding in the capital of Mindoro.

In June 2013, TVI 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 12 months and to finance an initial acquisition payment to Minimax Mineral Exploration Corporation ("**Minimax**") for Mindoro to acquire the remaining 25% interest in the Agata project. The loan was repayable within 12 months of the first draw down with interest calculated at a minimum of 15% per annum. The promissory note was secured by shares in Mindoro's wholly owned subsidiary, MRL Nickel Philippines Inc. The total outstanding principal and interest as at December 31, 2013 was $381,802 which was fully paid in April 2014. Mindoro has since announced the signing of an option agreement to acquire 100% of the Agata project from Minimax, from which TVIRD has thus far earned its 60% in AMVI.

On December 12, 2014, TVIRD provided a bridge loan to Mindoro in the amount of $500,000 on which an annual interest rate of 8% shall fully apply on any unpaid portion until the earlier of the maturity date of January 31, 2015 or upon receipt of the proceeds from a proposed convertible debenture offering by Mindoro *(see Subsequent Events).*

Mindoro Joint Venture Projects

Ownership

TVI has maintained its direct interest in Mindoro and has a 30.66% indirect ownership interest through TVIRD in the interest earned in the Agata Mining Option and Joint Venture, and the interests to be earned in the Agata Processing Option and Joint Venture, the Pan De Azucar Mining Option and Joint Venture, and the Pan de Azucar Processing Option and Joint Venture.

Structure of Mindoro Joint Ventures

i) Agata Mining Option and Joint Venture

TVIRD has earned its 60% interest in AMVI upon meeting the conditions that include (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. AMVI is a joint venture company whose shares are owned currently by TVIRD, Mindoro and Minimax. Mindoro announced in August 2014 that it had signed an option agreement to acquire an additional 25% interest in the Agata Project from its Philippine partner, Minimax (see *Investment in TVI Resource Development (Phils.), Inc.*).

ii) Agata Processing Option and Joint Venture

TVIRD has the right to earn a 60% interest in the Agata Processing Joint Venture upon the delivery of a DFS with respect to a nickel processing facility at the Agata project, subject to TVIRD having expended a minimum of $2 million within 12 months of the date of the Agata Processing Option and Joint Venture Agreement ("**API Agreement**") and completing the DFS within 4 years of the date of the API Agreement. Under the API Agreement, TVIRD is required to fund all required expenditures associated with preparation of the DFS. TVIRD would not retain any interest in the Agata Processing Joint Venture if it withdraws prior to completing a DFS.

As of December 31, 2014, TVIRD has completed its requirement to spend a minimum of $2 million and has earned 45% of shares in API, which remain in escrow until it completes a DFS (see *Investment in TVI Resource Development (Phils.), Inc.*).

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 DMPF 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 ("**PDAMVI 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 the PDAMVI Agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the $2 million of aggregate expenditures noted above (*see note below with respect to extension of dates).*

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 DMPF 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.

The PDA Processing Option and Joint Venture Agreement ("**PDAPI Agreement**") contemplates that 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 the PDAPI 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, TVIRD's minimum spending commitments pursuant to the PDA Joint Venture agreements were extended by one year, from December 31, 2013, to December 31, 2014. As at December 31, 2014, however, the minimum spending commitments had not been met and TVIRD has requested to file an extension of the exploration period with the MGB. As at the current reporting date, both the request to extend the exploration period and the assignment of the MPSA from Minimax to the PDA joint ventures continues to be pending.

Value of Mindoro Joint Ventures

As at December 31, 2014, the joint venture entities have incurred expenses totaling $6.9 million. The amount is recognized as part of TVIRD's mining claims and option to purchase contracts.

		December 31, 2014
Agata Mining	$	2,175,715
Agata Processing		4,371,659
PDA Mining		268,988
PDA Processing		71,364
	$	6,887,726

With the above, TVIRD has earned its 60% in AMVI and has completed its requirement to spend a minimum of $2 million in API, resulting in its earning 45% of shares which remain in escrow until TVIRD completes a DFS.

FOYSON

Foyson is a publicly listed company incorporated in Australia, with shares listed on the Australian Securities Exchange ("**ASX"**).

Ownership

TVI's direct equity investment in Foyson continues to be 20.06%. TVI has a 10% interest in the Amazon Bay Iron Sands project, of which Foyson maintains the other 90% interest.

Structure of Investment in Foyson

Pursuant to the HOA with Foyson, TVI issued a loan to Foyson in the amount of A$400,000 on August 17, 2012. TVI and Foyson agreed to change the terms of the loan in an Amendment Letter dated February 13, 2013, and included: (i) a reduction in interest rate to nil, and (ii) a restructuring of the loan to a convertible loan in the amount of A$600,000, either repayable on September 30, 2014 or convertible between December 31, 2013 to September 30, 2014 to 75 million shares and a further 75 million options.
On August 28, 2012, TVI completed the first tranche of a private placement ("**Tranche 1"**) with Foyson, wherein TVI acquired 68 million shares representing 8.93% of Foyson's issued capital, at a purchase price of A$0.013 per share, for a total consideration of A$884,000 ($907,249).

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 A$2.4 million) and options to purchase up to an additional 140 million shares (at an exercise price of A$0.03 per Share), exercisable until June 30, 2015.

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

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

On May 3, 2013, TVI invested an initial part payment of A$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.

Effective July 9, 2013, TVI ceased to have representation on the Board of Directors of Foyson but continued to retain the right to nominate one individual and two out of five Foyson directors following full subscription of Tranche 2.

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

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

- As part of the amended terms of agreement, Foyson agreed to make an early repayment of 50% of the restructured A$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; and
- Foyson would assume project management responsibility for the Amazon Bay Project for the remainder of Stage 1.

On December 19, 2013, TVI invested the further agreed A$315,000 of the A$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 A$585,000 of the A$1.0 million Tranche 2, increasing the shareholding to 210,857,143 shares, representing 23.01% of Foyson's issued capital. As agreed, A$300,000 of the loan to Foyson was offset upon payment of the balance of Tranche 2. An additional loan of A$100,000 was issued at an interest rate of 5% per annum, based on another loan amendment on May 15, 2014.

In October 2014, TVI and Foyson agreed to further amend the terms of the loan that was to be due 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 15, 2014, the total principal of the loan outstanding was agreed to be subject to 8% per annum interest, until converted or repaid. The loan balance of A$400,000 and accrued interest can be converted to equity at A$0.0025 per share. The change in terms of the loan is subject to shareholder approval *(see Subsequent Events).*

The option to convert the loan into shares is accounted for as a derivative instrument and was separately accounted for at fair value in the consolidated financial statements. At December 31, 2014, the fair value of the conversion option was $372,087 presented as a derivative financial instrument. The Company recognized a gain on the increase in the fair value of the derivative financial instrument amounting to $226,088 presented as part of other gains in the consolidated financial statements.

The carrying amount of the receivable accreted using the effective interest method, plus accrued interest was $299,787 as at December 31, 2014 (December 31, 2013 - $558,560). The previous options provided to TVI have expired.

On December 22, 2014, TVI again assumed one director position and retained the right to nominate another as a result of completing the full subscription of Tranche 2. Effective January 21, 2015, Foyson now has six directors.

All other options previously provided to TVI have expired as at December 31, 2014.

Foyson Joint Venture Projects

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

i) Amazon Bay Iron Sands Project ("**AB**") - (i) TVI committed to a minimum expenditure of A$2 million in the 12 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 A$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 A$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 were 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 (see *Subsequent Events*).

Foyson announced on July 3, 2014, that the Papua New Guinea Mineral Resources Authority ("**PNG MRA**") has renewed exploration license EL1396, the key tenement covering the Amazon Bay iron sands project on the southeast cost of PNG. Together with the other approved Amazon Bay tenements, Foyson now has a land holding of approximately 1,627 sq. km. During Q2 2014, a sampling program at Amazon Bay was completed, resulting in 600kg of samples being provided to a major Chinese group in Beijing for metallurgical testing.

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

ii) <u>New Britain Gold/Copper ("**NB**")</u> - (i) TVI committed to a minimum expenditure of A$1.25 million in the 12 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 A$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 A$5.25 million within 12 months following the expiration of the initial earning year.

TVI 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) <u>New Ireland Gold/Copper ("**NI**") and Massau and Tanga Islands ("**MTI**")</u> - (i) TVI committed to spend a minimum of A$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, TVI has incurred a total of $2,798,979.

		December 31, 2014
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

TVI was advised that on July 25, 2014, its 10% earned interest in the Amazon Bay tenement was formally registered with the PNG MRA 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 consolidated financial statements as at December 31, 2014.

Foyson announced July 4, 2014, that it has commenced exclusive negotiations for a strategic relationship with Integrated Green Energy Pty Ltd ("**IGE**") to acquire and fund the commercialization of its plastics-to-diesel technology, where the agreed strategy is to build four commercial-scale waste plastic-to-diesel plants in eastern Australia over the next two years. IGE is an Australian company located near Newcastle, New South Wales, with a focus on the development of its waste conversion technology to produce sustainable energy resources. The technology is applicable to both processing non-recyclable and waste plastics-to-fuels and for power generation in remote locations by processing a hybrid biomass, and IGE is currently operating a successful pilot plant, producing industry standard diesel suitable for use in conventional diesel engines. IGE is seeking the necessary funding to complete the first commercial facility at its Berkeley Vale pilot plant site, which has full environmental approvals and can be operational within six months of funding.

On October 23, 2014, Foyson announced completion of a private placement by IGE in the amount of A$337,500, through which IGE was granted 135 million ordinary shares, representing 14.73% of Foyson's share capital. This has resulted in the dilution of TVI's interest in Foyson to 20.06%. Foyson further announced on December 31, 2014, 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.

Valuation of Mindoro and Foyson investments

The carrying amount of the investments as of December 31, 2014 was $464,342. The carrying value reflects the requirement to record TVI's proportionate share of net losses recognized directly within the accounting records of Foyson and Mindoro. In addition, TVI is required to assess its investments for impairment, which is measured as the current fair value of each investment.

	Foyson		Mindoro		Total	
December 31, 2013	$	808,639	$	439,811	$	1,248,450
Additional investment		592,371		-		592,371
Share of net loss		(1,077,620)		(449,216)		(1,526,836)
Share of other comprehensive income		140,952		9,405		150,357
December 31, 2014	$	464,342	$	-	$	464,342

The book value of TVI's investment in Mindoro has been reduced to nil as a result of recording its proportionate share of net losses since having acquired the investment. Any further proportionate share of losses realized by Mindoro will now be carried forward to future periods and offset against any proportionate share of net income that may be realized.

As at December 31, 2014, the fair values of the investments in Foyson and Mindoro, which have been calculated based on the number of shares held by TVI multiplied by share price of each associate at December 31, 2014 were $599,614 and $1,283,381, respectively.

	Foyson	Mindoro
Number of shares	210,857,143	42,779,353
Share price at December 31, 2014	A$0.003	$0.030
Fair value in foreign currency	A$632,571	$1,283,381
Exchange rate	0.948	1.000
Fair value in CAD	$599,614	$1,283,381

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

Fiji – Cirianiu Gold Project

In November 2014, TVI entered into a Heads of Terms Agreement ("**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 Agreement, TVI has been 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 possible confirmatory drilling.

Upon completion of the initial stage of work, TVI will have the option to proceed to the second stage ("**Stage 2**") of the Agreement whereby it will use best efforts to conclude the material terms of a Joint Venture Agreement ("**JVA**") or Shareholder Holders Agreement ("**SHA**") with Kalo. Upon the completion of a JVA or SHA, TVI will initiate a major exploration program with the primary objective of establishing an NI43-101 compliant resource and delivery of a Scoping Study. Upon completion of Stage 2, TVI would earn a 20% economic interest in the properties. Following the completion of Stage 2, TVI will have the exclusive option to proceed to a third stage ("**Stage 3**") whereby it will deliver a definitive NI 43-101 feasibility study. Upon completion of Stage 3, TVI would earn a 40% economic interest in the properties. Upon completion of Stage 3, TVI will have the exclusive option to proceed to the fourth stage of the Agreement ("**Stage 4**") whereby it will initiate the development of the project and ultimately earn a 70% economic interest in the properties upon completion.

DRILLING COMPANY

TVIRD's drilling operations are owned and operated by EDCO. As of December 31, 2014, EDCO had 18 rigs in total, 8 rigs were deployed to Agata, 5 rigs were under repair or for repair and 5 rigs were awaiting deployment. For the year ended December 31, 2014, EDCO drilled 5,157 meters, 100% of which were drilled for related parties, as compared to 11,384 meters through the same period in 2013. EDCO drilled 4,098 meters at Agata in the 4th Quarter of 2014. As part of the Transactions with PRHI, corporate restructuring has resulted in EDCO becoming a wholly owned subsidiary of TVIRD.

PETROLEUM AND NATURAL GAS PROPERTIES

On March 10, 2011, TVI acquired control of an international petroleum exploration and development company, TG World. At the time of acquisition, its major areas of focus were offshore Philippines, Alaska and Niger.

Philippines Offshore

Through TG World, TVI continues to hold 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.

In 2011, the partnership suspended development of its Tindalo field as a result of water incursion that the Operator was unable to resolve despite well workovers and a horizontal sidetrack well. An earlier plan to move the rig and production facilities to the nearby Yakal field was postponed to allow the joint venture to evaluate the results of the Tindalo operation.

On August 18, 2014, the Philippine Department of Energy ("**DOE**") confirmed its approval of a 3 year moratorium period that includes SC54A. The moratorium period extends from August 5, 2014 to August 5, 2017 and provides the joint venture sufficient time to study the development of the discovered marginal resources in the block. At the end of this period, the joint venture has the option to enter sub-phase 7 with a commitment to drill one well.

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

In 2013, Nido announced the planned divestiture of its 42.4% interest, in light of a strategic review that refocused its intentions in other blocks and other countries, resulting in SC 54A becoming a non-core asset within its portfolio. At the time of writing, Nido has advised the partnership it intends to continue to seek divestment of its interest in SC54A and is in discussions with an undisclosed potential buyer; but in the interim has continued to act as Operator and will do so until such time a sale has closed and a new Operator has been appointed.

Trafigura has concluded the sale of its 15% interest to Hague and London Oil B.V., which is now a partner in the Joint Venture, and which in turn has been acquired by Wessex Exploration PLC of the UK. Another partner, Kairiki Energy (through which its interest in the partnership is held by Yilgarn Petroleum Philippines Pty Ltd.), announced on October 20, 2014, that it has entered into a binding term sheet to sell its 30.1% interest in SC54A to Focus Oil and Gas of Aberdeen, but at the time of writing, the transaction has not yet closed.

During the year ended December 31, 2014, the Company has recorded a provision for impairment of the exploration and evaluation assets amounting to $1,317,453. The recoverable amount was calculated on the basis of fair value using bids received by the joint venture partners for the disposal of their interest in SC 54A from an independent third party, that were used in estimating the value of the project as at year-end. The estimated fair value of the Company's working interest in SC54A was $735,385 as at December 31, 2014

TVI management nonetheless continues to believe in the development potential of the three discovered fields, including Tindalo, on a long-term basis, and that the Block has important remaining exploration upside. Accordingly TVI intends to pursue development options with its partners and/or entertain offers for the divestment of its interest in the event of an approach by a potential buyer.

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, TG World completed the sale of all of its leasehold interests in Alaska, for US$16 million.

The areas explored by TG World for hydrocarbons in Alaska qualified TG World to apply for production petroleum tax credits ("**PPTC**") from the State of Alaska (the "**State**"). PPTC are cash credits funded by the State for previous exploration and seismic expenditures. TG World received no further cash credits for past applications during the year ended December 31, 2014. As at December 31, 2014, TG World has collected its remaining PPTC receivable relating to further tax credits bringing total cash credits received during the year ended December 31, 2014 for past applications to US$573,268 ($609,479).

QUARTERLY FINANCIAL INFORMATION

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

	Net Revenue	Net Income (Loss)	Net Income (Loss) per Share[1] Basic	Diluted
December 31, 2014	$ -	$ (1,140)	$ (0.002)	$ (0.002)
September 30, 2014	-	(1,469)	(0.002)	(0.002)
June 30, 2014	-	(1,860)	(0.003)	(0.003)
March 31, 2014	-	(1,561)	(0.002)	(0.002)
December 31, 2013	8,832	(9,839)	(0.016)	(0.016)
September 30, 2013	12,074	342	0.000	0.000
June 30, 2013	17,015	(4,315)	(0.007)	(0.007)
March 31, 2013	10,245	(579)	(0.001)	(0.001)

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

Revenue

Results during the year ended December 31, 2014, are not directly comparable to those at December 31, 2013, due to the deconsolidation of the Philippine subsidiaries as a result of the investment and financing transactions with PRHI.

In Q1 2013, TVIRD had one shipment of copper concentrate for a total of 5,089 dry metric tonnes at an average invoice price of US$3.62/lb for gross revenue of US$11.2 million, based on the final concentrate testing relating to the final weight, assays and market prices.

In Q2 2013 revenue increased over that of the previous quarter as TVIRD completed two copper concentrate shipments totalling 10,418 dry metric tonnes at an average invoice price of US$3.25/lb, generating gross revenue of $19.8 million, based on the final concentrate testing relating to the final weight, assays and market prices.
During Q3 2013, there was one shipment of copper concentrate and one shipment of zinc concentrate for a total of 5,498 dry metric tonnes and 5,169 dry metric tonnes, respectively. TVIRD earned total gross revenue of US$13.8 million at average invoice prices of US$3.23/lb for copper and US$0.84/lb for zinc.

In Q4 2013, there was only one shipment of copper concentrate for a total of 5,567 dry metric tonnes equivalent to a gross revenue of US$9.9 million at an average invoice price of US$3.25/lb.

During Q1 2014, TVIRD completed its last shipments of copper concentrate and zinc concentrate from the current mining operations as ore reserves from the open pit have been exhausted. The copper concentrate shipment was for a volume of 4,118 dry metric tonnes and generated gross revenue of US$7.6 million, while the zinc concentrate shipment generated a gross revenue of US$3.3 million with 5,167 dry metric tonnes (based on the final concentrate testing relating to the final weight)

Net Income (Loss)

During Q1 2013, TVI incurred a consolidated net loss of $0.6 million as a result of there being only one shipment of copper concentrate. The lower volume of concentrates sold resulted in lower mining, milling and other expenses. A further decrease also in general and administrative expenses and collection of US$0.5 million in royalty income from Korea Malaysia Philippines Resources Inc., Rapu-Rapu Processing Inc. and Rapu-Rapu Minerals Inc., collectively referred to as "**Rapu Rapu**", for Q1 2013 Net Smelter Return ("**NSR**") payments, helped to contribute positively to the period. The NSR is the result of TVIRD having assigned in December 1999 to the Lafayette Group its mining rights and participating interest in the Rapu Rapu joint venture agreement dated November 1998.

TVI incurred a consolidated net loss of $4.3 million during Q2 2013, as a result of a decrease in metal prices (from average invoice price for copper of US$3.62/lb in Q1 2013 to US$3.25/lb in Q2 2013, and more significant decreases in gold and silver prices); an increase in production cash cost as a result of processing lower feed grades (0.73% copper) through the blending of ore to reduce penalty elements in the concentrate (though the increase was offset in part by reduced mining cost and the continuing non-use of cyanide); and the requirement to record TVI's proportionate share of loss on investments in Foyson and Mindoro, arising primarily from the impairment of assets held directly by Mindoro.

TVI realized a consolidated net income of $0.3 million during Q3 2013, generated by one copper concentrate shipment and one zinc concentrate shipment as well as a decrease in mining, milling and other expenses as metal production increased through a combination of higher throughput and improved metal recoveries. The net income for the quarter also included a further $0.6 million in NSR earned through Rapu Rapu.

TVI incurred a consolidated net loss of $8.6 million during Q4 2013, resulting from only one shipment of copper concentrate by TVIRD through the period and an increase in production cash cost caused by a further decrease in the feed grades of ore processed. There were also no NSR revenues received during the quarter. TVI also incurred consulting and success fees related to the investment and financing transactions with PRHI, which was offset by a $3 million curtailment gain arising from a reduction in the number of employees at the Canatuan sulphide plant and their related pensions as processing activities came to a close. Additionally through the period, TVI wrote down a total of $2.7 million of its investments in the SC54A and New Britain joint venture projects and recorded a $2.0 million share of loss of associates. Adjustments were made to the net assets of the consolidated statements to deconsolidate the Philippine subsidiaries on the transition to joint control, resulting in a loss on deconsolidation of $2.3 million and an impairment of $2.2 million on the remaining interest of Philippine entities held by TVI.

In Q1 2014, TVI had a consolidated net loss of $1.6 million which included TVI's proportionate share of loss in its Philippine affiliates following their deconsolidation as a result of the PRHI transaction. The proportionate share of loss in Philippine entities is recorded through its *investment in joint venture*. TVIRD had only one shipment each of copper concentrate and zinc concentrate as Canatuan reached its end of mine life early in 2014 and ore reserves from the open pit were exhausted.

During Q2 2014 the net loss amounted to $1.9 million and in Q3 2014 was $1.5 million, each of which is made up of continuing general and administrative expenses, foreign exchange loss due to revaluation of accounts receivable, as well as TVI's proportionate share of loss in its associates and joint venture entities, and impairment write-downs.

During Q4 2014 the net loss was reduced to $1.1 million, which includes the continuing general and administrative expenses, impairment loss on exploration and evaluation assets, share of losses of associates and joint venture as well as income tax expense.

Adjusting for taxes, depreciation, share of net loss of associates and joint venture, impairment loss and other non-recurring items, the net loss for the year ended December 31, 2014, would be:

	Year Ended December 31, 2014 ($ million)
Reported net loss	(6.03)
Income tax expense	0.90
Depreciation expense	0.01
Impairment loss	1.32
Share of net loss of associates and joint venture	1.62
Net loss before taxes, depreciation, impairment loss, share of loss of associates and joint venture	(2.18)

Non-controlling interests

The consolidated financial statements include the accounts of TVI and its wholly-owned subsidiaries TVI Limited and TG World; as well as indirectly owned subsidiaries TVI Marketing and TVI Minerals. The consolidated financial statements also include TVI's proportionate share in the net income or losses of TVIRD. TVIRD shares are owned 30.66% by TVI Marketing with the 68.42% owned by PRHI as a result of corporate restructuring at the end of 2013 arising from the financing transaction concluded with PRHI.

In the consolidated financial statements for the year ended December 31, 2014, there were no more non-controlling interests related to the Philippine subsidiaries as a result of the deconsolidation of some Philippine subsidiaries at the end of 2013.

SELECTED ANNUAL INFORMATION

	2014	2013	2012
Net Revenues			
Mining	$ -	$ 46,937,501	$ 77,077,753
Other revenues	-	1,228,532	376,408
	$ -	$ 48,166,033	$ 77,454,161
Net income (loss) attributable to The following segments of the Company:			
Mining	$ (1,432,696)	$ (2,021,482)	$ 11,083,613
Petroleum exploration	(1,778,480)	(1,892,994)	(407,698)
Corporate	(2,818,965)	(10,476,928)	(5,329,349)
	$ (6,030,141)	$ (14,391,404)	$ 5,346,566

	2014	2013	2012
Net income (loss) per share attributable to shareholders of the Company:			
Basic	$ (0.009)	$ (0.023)	$ 0.009
Diluted	(0.009)	(0.023)	0.009
Total Assets	$ 21,819,243	$ 28,226,523	$ 68,985,841

CONSOLIDATED RESULTS OF OPERATIONS

During the year ended December 31, 2014, TVI had a consolidated net loss of $6.0 million compared to a $14.4 million net loss during the same period in 2013. During the current year, TVI has recorded its proportionate share in the net loss of the mining segment as discussed under *Segmented Information* below, and the year-over-year results are not directly comparable due to the deconsolidation of the Philippine subsidiaries as at December 27, 2013.

Total general and administrative expense decreased to $3.3 million during the period ended December 31, 2014 compared to $7.8 million in 2013 as a result of the deconsolidation of the Philippine entities at the end of 2013. The expenses during the year mostly consist of professional and consultancy fees, personnel expenses, directors' fees, investor relations expenses and other corporate expenses.

TVI also had a foreign exchange gain of $0.9 million during the period ended December 31, 2014, as compared to a loss of $0.5 million during the same period in 2013, which is primarily attributable to the realized foreign exchange gain on the collection of intercompany payables resulting from the Transactions, as well as a gain on the translation of US Dollar denominated bank accounts of TVI Pacific.

During the period ended December 31, 2014, the consolidated net loss included TVI's proportionate share of net losses of Foyson and Mindoro totaling $1.5 million.

TVI also realized its proportionate share of loss in TVIRD through the period ended December 31, 2014, in an amount equal to $0.1 million. This loss relates to the results of the last copper concentrates production at the Canatuan mine as well as the nickel laterite ore production at its 60% owned Agata joint venture mining project. As a result of the PRHI Transactions, TVI now accounts for its investment in its Philippine assets as investment in joint venture.

TVI also had impairment loss of $1.3 million during the period ended December 31, 2014 attributable to the write-down of its exploration and evaluation assets, as reduced by the other gain of $0.2 million due to the increase in the fair value of the derivative financial instrument related to the note receivable from Foyson. During the year ended December 31, 2013, the Company had other loss of $4.3 million that resulted from the PRHI Transactions net of the royalty income received from Rapu Rapu.

SEGMENTED INFORMATION

Prior to the deconsolidation of its Philippine subsidiaries in December 2013, TVI consolidated its interest in its Philippine subsidiaries and recognized its share of assets, liabilities, revenues and expenses. 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 three reporting segments: (1) mining exploration in Fiji, and investments in associates and joint venture with mining activities in the Philippines and Papua New Guinea; (2) petroleum exploration in the Philippines; and, (3) corporate offices in Canada.

Year ended December 31, 2014	Mining [1]	Petroleum Exploration	Corporate	Total
Operating expenses	$ -	$ (286,666)	$ (3,058,646)	$ (3,345,312)
Exploration expenses	(100,700)	-	-	(100,700)
	(100,700)	(286,666)	(3,058,646)	(3,446,012)
Depreciation expense	-	(1,912)	(22,297)	(24,209)
	(100,700)	(288,578)	(3,080,943)	(3,470,221)
Interest income	57,046	62	49,039	106,147
Foreign exchange gain	-	4,210	894,147	898,357
Impairment loss	-	(1,317,453)	-	(1,317,453)
Other gains	226,088	4,099	35,575	265,762
Share of loss of associates and joint venture	(1,615,130)	-	-	(1,615,130)
Net loss before tax	(1,432,696)	(1,597,660)	(2,102,182)	(5,132,538)
Income tax expense	-	(180,820)	(716,783)	(897,603)
Net loss	(1,432,696)	(1,778,480)	(2,818,965)	(6,030,141)
Assets	14,605,698	971,395	6,242,150	21,819,243
Liabilities	-	187,072	890,005	1,077,077
Capital expenditures	-	-	3,636	3,636

Year ended December 31, 2013	Mining [(1)]	Petroleum Exploration	Corporate	Total
Revenues from concentrate sales	$ 46,937,501	$ -	$ -	$ 46,937,501
Other revenues	1,228,532	-	-	1,228,532
	48,166,033	-	-	48,166,033
Operating expenses	(40,414,183)	(310,875)	(5,274,764)	(45,999,822)
Exploration costs	(245,212)	-	-	(245,212)
	7,506,638	(310,875)	(5,274,764)	1,920,999
Depreciation, depletion and accretion	(8,506,941)	(2,731)	(28,233)	(8,537,905)
	(1,000,303)	(313,606)	(5,302,997)	(6,616,906)
Interest income	58,771	233	13,726	72,730
Interest expense	(145,315)	-	-	(145,315)
Foreign exchange loss	(461,672)	(5,816)	(34,641)	(502,129)
Impairment loss	-	(2,048,610)	(2,234,513)	(4,283,123)
Other gains (loss)	1,569,441	12,648	(2,918,503)	(1,336,414)
Share of loss of associates and joint venture	(1,987,439)	-	-	(1,987,439)
Net loss before tax	(1,966,517)	(2,355,151)	(10,476,928)	(14,798,596)
Income tax recovery (expense)	(54,965)	462,157	-	407,192
Net loss	(2,021,482)	(1,892,994)	(10,476,928)	(14,391,404)
Assets	19,535,968	2,855,780	5,834,775	28,226,523
Liabilities	8,419	17,570	2,715,042	2,741,031
Capital expenditures	5,236,523	-	2,774	5,239,297

(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.*

Mining Segment

The mining segment of TVI produced a net loss of $1.4 million during the year ended December 31, 2014 compared to $2.0 million net loss in 2013. It consists of the $1.5 million share of losses of Foyson and Mindoro, $0.1 million share of loss in TVIRD, as well as $0.1 million in exploration costs incurred in Fiji, as offset by the $0.2 million gain on increase in fair value of the derivative instrument on the note receivable from Foyson.

For the share of losses of Foyson and Mindoro, see *Heads of Agreements with Mindoro and Foyson*.

Milling operations stopped at Canatuan on January 20, 2014 as ore reserves from the open pit were exhausted. The last copper and zinc concentrate shipments were also completed at that time, generating $9.5 million net revenue that consisted of one copper concentrate shipment and one zinc concentrate shipment, as compared to $48.2 million net revenue realized during the period ended December 31, 2013, which included three shipments of copper concentrate.

Starting October 1, 2014, TVIRD earned its 60% interest in the Agata Nickel Laterite DSO project upon commencement of its commercial operations. During the year ended December 31, 2014 Agata has completed five shipments of limonite high-iron/low nickel ore for a gross amount of US$3.8 million and has recorded also the sale of 110,000 wmt of saprolite ore in December 2014 for a gross amount of US$4.9 million.

CONSOLIDATED CASH POSITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Position

		2014		2013
Operating cash flow from (used in) operations	$	(4,367,953)	$	3,885,879
Change in working capital		1,783,343		(5,039,246)
Funds used in operations		(2,584,610)		(1,153,367)
Net expenditures on property and equipment and other assets		(235,656)		(5,239,297)
Free cash outflow	$	(2,820,266)	$	(6,392,664)
Common shares outstanding		655,470,372		655,470,372
Free cash flow per share	$	(0.004)	$	(0.010)

(1) Free cash flow is a non-IFRS measure. Please see definitions in the "Non-IFRS Measures" section.

The free cash flow for the year ended December 31, 2013 was lower as a result of changes in working capital related to the deconsolidation of Philippine subsidiaries. At December 31, 2014, the TVI consolidated financial statements reflect a total cash and short-term deposits balance of $5.3 million held by TVI, which includes TVI Pacific, TVI Marketing, TVI Minerals and TG World, as compared to a consolidated cash balance of $2.4 million at the end of December 31, 2013, which, as it was prior to the PRHI Transactions and the resulting deconsolidation of Philippine affiliates, included cash held also by TVIRD, EDCO and the Philippine subsidiaries.

Cash and short-term deposits held specifically by TVI at December 31, 2014, included all final proceeds from the PRHI Transactions. Of note is that total cash held by all Philippine entities at December 31, 2014 is $13.1 million, of which $11.3 million is held in joint venture accounts and $1.8 million is held directly by TVIRD, all of which is available to the Philippine entities to fund activities and investments at that level that would contribute to the value of the *investments in joint ventures* within the accounts of TVI Pacific.

Capital Requirements

TVI's capital expenditures through 2014 were negligible as the primary focus is at the level of the Philippine entities and joint ventures, where capital expenditure programs will be funded by cash generated also by the PRHI Transactions as well as available project financing.

Equity

Total capital was $32,972,145 at December 31, 2014 and December 31, 2013. The Company's outstanding common shares as at March 24, 2015 and at December 31, 2014, were 655,470,372. The basic weighted average number of common shares issued and outstanding for the year ended December 31, 2014, was 655,470,372 (December 31, 2013 - 623,703,619). No adjustments were required to the weighted average number of common shares in computing diluted per share amounts for these periods because the Company was in a loss position.

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. The options generally vest over years of up to three years and expire no more than 5 years from the date of grant. At December 31, 2014, TVI had 45,850,000 options outstanding, of which 9,166,666 were vested and exercisable. During the period, 37,370,275 stock options at a weighted average exercise price of $0.049 per share expired and 500,000 stock options with a weighted average exercise price of $0.018 per share were forfeited. In June 2014, the Company granted 32,500,000 stock options to directors and employees of the Company, with an exercise price of $0.015 per share, and in October 2014 a further 1,000,000 stock options to employees of the Company with an exercise price of $0.025. During the year ended December 31, 2014, a net of $213,457 (December 31, 2013 - $141,451) of stock-based compensation were charged to the comprehensive income 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 fair value 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 operations. TVI 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 Dollar). There are no forward sales, and the Company does not engage in currency hedging activities. 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 TVI has no significant interest-bearing assets, TVI's income and operating cash flows are largely independent of changes in market interest rates. TVI 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. TVI reviews its exposure to interest rate risk through comparison of actual interests 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 with major vendors. TVI expects to be able to meet its current financial obligations with its current source of funds.

As at December 31, 2014 TVI has a $6.0 million working capital surplus, as compared to a working capital surplus of $9.5 million as at December 31, 2013.

(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 notes receivable. TVI 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 carrying amounts of cash and cash equivalents, short-term deposits, derivative financial instrument, accounts receivable, due from related parties and notes receivable at December 31, 2014 and December 31, 2013 represent TVI's maximum credit exposure.

Risk on Investments

In its minority investments in TVIRD, Foyson and Mindoro, TVI is exposed to the risk that it may not realize the expected returns from these investments. TVI and its management do not control the actions of these companies and projected cash flows from these investments may change depending on the outcome of the projects. Market value of the shares may decline, affecting the valuation of the investments and further losses may be incurred by TVIRD, Foyson or Mindoro that would require a write-down in the value of these investments. As at December 31, 2014, the value of investment in Foyson has been written down to its fair value as at December 31, 2014 while the value of investment in Mindoro has already been fully written-down as a result of an earlier share in the loss of this associate. Similarly, the value of investment in TVIRD is adjusted at each reporting period by TVI's share in the income or loss of this joint venture.

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 for the Balabag project, and, more recently, the DMPF for the Agata project (see TVI Pacific's news release dated April 28, 2014). The MGB is also working diligently with TVIRD to progress TVIRD's applications for the DMPF for the Balabag project. But of note is that with the speed by which the permitting process is proceeding, 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.

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 to increase the level of taxation for all new mining projects in the Philippines in its new fiscal regime. However, the new regime will only be applied prospectively; i.e. to 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. However, there is a risk that the new fiscal regime may be applied to the Balabag Project. Currently, three bills proposing a variety of taxation levels on mining projects are pending in the Congressional Ways and Means Committee for deliberation in mid-2015. It remains to be seen whether any of the bills will be passed during the Congressional hearings at this time. However, 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 tremendously negative impact on the mining industry and the economics of most new mining projects.

- While the government has stated that Motions for Reconsideration will be processed for APSAs 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 FPIC process required for these tenements may drag out and/or not be secured.

- Government has raised 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).

- 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.

- A petition for Writ of Kalikasan ("Writ of Nature") has been filed with the Supreme Court of the Philippines by third parties seeking cancellation of all mining tenement applications in Region IX (Zamboanga Peninsula) and amendment of the Implementing Rules and Regulations to the Philippine Mining Act of 1995. TVIRD is not named as a respondent to the aforesaid petition, but a risk exists that it may be impleaded into the case, and/or it may be impacted should an adverse ruling issue from the court. The Supreme Court has remanded the case to the Court of Appeals in Cagayan de Oro. TVIRD legal counsel is monitoring the case. On April 08, 2014, TVIRD received an Order coming from the Court directing it to file within ten (10) days a return of the writ. On April 15, 2014, TVIRD filed a manifestation adopting the return of the writ filed by the public respondents.

- 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.

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 or impugned.

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 to this time. Accordingly management believes the risk of the withdrawal of community support is low.

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 Exploration and Development Activities may not be Successful

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 cannot ensure that its current exploration and development programs will result in profitable commercial mining operations or replacement of current production at existing mining operations with new reserves. Also, substantial expenses may be incurred on exploration projects 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 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 December 31, 2014, TVI and its subsidiaries do not have outstanding debts.

Current financial markets remain volatile due to uncertainties in the global economy. Commodity markets have seen substantial volatility and there were delays in obtaining required permits for certain projects. The 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.

Subsidiaries and Joint Ventures

The consolidated financial statements include the accounts of TVI and its subsidiaries TG World, TVI Limited, TVI Marketing and TVI Minerals, and its interest in TVIRD.

TVIRD shares are owned 30.66% by TVI Marketing and 68.42% by PRHI as a result of corporate restructuring at the end of 2013 arising from the financing transaction concluded with PRHI.

The restructuring of the ownership of TVIRD as noted above resulted in the inability on the part of TVI to account for TVIRD on a consolidated basis and an inability to fully direct the financial and operating policies of these companies.

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 is not in accordance with IFRS. It represents cash generated from 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 operations is a measure that is not in accordance with IFRS. It represents cash generated from 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 operating activities. Management believes that free cash flow is a useful measure that represents cash available for reinvestment or growth after considering all the expenditures necessary to maintain TVI's asset base.

Net loss before taxes, depreciation, share of net loss of associates and joint venture, and impairment loss is a measure that is not in accordance with IFRS. It represents income before non-cash expenses in depreciation expense, share of loss of associates and joint venture and impairment loss. This measure should not be considered an alternative to, or more meaningful than, net income. Management believes that net income before interest, taxes, depreciation and one-time charges is a useful supplemental measure to analyze TVI's ability to generate cash income. This measure may not be comparable to similar measures used by other companies.

COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the presentation in the current year.
Of note is that year-over-year results are not directly comparable due to the deconsolidation of the Philippine subsidiaries as at December 27, 2013. The investments in Foyson and Mindoro have also been reclassified from the corporate segment to the mining segment in the *Segmented Information* section.

CHANGES IN ACCOUNTING POLICIES

Adoption of new and revised IFRS

The 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 following amendment to the International Accounting Standard (IAS) and International Financial Reporting Interpretations Committee ("IFRIC") interpretation 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 amendments were applied in presenting disclosures related to the impairment of the Company's exploration and evaluation assets.

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 applied retrospectively. The standard is deemed to have no significant impact on the consolidated financial statements.

New standards not yet effective at January 1, 2014

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

IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

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:

- TVI applies the fair value method, using the Black-Scholes option pricing model, for stock options granted to employees and directors under the share option plan, as well as the derivative embedded in the note receivable from Foyson. 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 and derivative financial instrument.

- The Company reviews and tests the carrying amounts of investments in associates and joint ventures, option to purchase contracts, property and equipment, and exploration and evaluation assets whenever events or changes in circumstances indicate, in management's judgment, 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 statements of comprehensive income. Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether it is likely that future economic benefit from future exploitation, sale or otherwise are likely.

- 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 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 determined that it has significant influence though the shareholding is below 20% because of the board representation and contractual terms. Consequently, this investment has been classified as an associate.

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.

- During the year ended December 31, 2014, notes receivable of $381,802 from Mindoro was settled. Half of the notes receivable from Foyson (A$300,000) was also settled and an additional loan of A$100,000 was issued by the Company based on the loan amendment in May 2014. The carrying amount of outstanding notes receivable was $388,740 as at December 31, 2014 and relates fully to a loan to Foyson (December 31, 2013 - $940,362 notes receivable from Foyson and Mindoro).

- During the year ended December 31, 2014, TVI had incurred management fees of $789,563 (December 31, 2013- $775,984). Management fees are paid to a corporation owned by the President of TVI for the services of the President and support staff. During the year, the Company made advance payments and at December 31, 2014, the amount receivable from the corporation was $147,305 which formed part of the due from related parties in the consolidated financial statements (December 31, 2013 – $72,635 due to related parties).

- TVI's interest in joint venture, TVIRD, has also entered into a management contract with the corporation owned by the President of TVI for the services of the President starting January 1, 2014.

As a result, a portion of the fees previously paid by TVI to the President were reimbursed by the corporation back to TVI for the period since January 1, 2014. At December 31, 2014, the amount due had been collected in full from the corporation, equal to $148,216.

- During the year ended December 31, 2014, TVI incurred directors' fees of $222,750 (December 31, 2013 - $344,250) and paid $351,625 (December 31, 2013- $216,375). At December 31, 2014, the fees payable to directors were $47,938, which formed part of the due to related parties in the consolidated financial statements (December 31, 2013 - $176,813).

- During the year ended December 31, 2014, TVI incurred or paid $152,269 (December 31, 2013- $446,217) to a corporation controlled by a director and officer of TVIRD for administrative expenses. TVI owed the corporation $12,786 at December 31, 2014, which formed part of the due to related parties in the consolidated financial statements (December 31, 2013 - $10,465).

- In 2013, TVI 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 this 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 at December 31, 2013, which was fully paid during the year ended December 31, 2014.

- At December 31, 2014, TVI's remaining receivable from and payable to the joint ventures in the Philippines were $21,555 and $9,311, respectively (December 31, 2013 - $384,726 receivable), presented as part of due from or to related parties in the consolidated financial statements.

- On December 12, 2014, TVIRD provided a bridge loan to Mindoro in the amount of $500,000 on which an annual interest rate of 8% shall fully apply on any unpaid portion until the earlier of the maturity date of January 31, 2015 or upon receipt of the proceeds from a proposed convertible debenture offering by Mindoro. *(see Subsequent Events)*

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The current lease contract for TVI's office premises will expire March 31, 2015, but has been replaced with a three-year term lease at a new location. The total rental paid during the year ended December 31, 2014 was $108,644 (2013 - $119,883). The future rent payments up to the end of the lease contract in March 2015 amounts to $30,863, inclusive of base rent, estimated operating expense and taxes.

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 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 effectiveness of the design and operation of TVI's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that 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 December 31, 2014.

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

On January 29, 2015, TVIRD agreed to an extension of the repayment date for the $500,000 bridge loan provided to Mindoro on December 12, 2014. The repayment date was extended to February 28, 2015, from January 31, 2015, while interest shall continue to accrue at 8% per annum on the total loan balance and the loan continues to be payable at the earlier of the revised repayment date or upon receipt of the proceeds from the proposed convertible debenture offering by Mindoro. On February 27, 2015, the repayment date was further extended to April 15, 2015. The bridge loan is secured by the shares of Mindoro's Philippine subsidiary, MRL Nickel Phils., Inc.

TVI entered into a Capital Promissory Note Agreement on February 19, 2015, with Foyson through which it provided A$100,000 that shall accrue interest at 12% per annum until the earlier of conversion date or maturity date. This is part of a larger financing by Foyson through which it announced on February 26, 2015, that it already had commitments for A$650,000 worth of Capital Promissory Notes from various sophisticated investors and expected to possibly raise a further A$350,000 in the coming weeks. The maturity date is May 15, 2015, but the Note may be converted at any time prior at a conversion price of A$0.0029 to Foyson shares, at which time one option per share would also be received that may be exercised at a conversion price of A$0.008 at any time through to their expiry on December 31, 2019. The conversion feature of the Note is subject to shareholder approval that is expected to be received at a Foyson Extraordinary General Meeting on March 31, 2015. If shareholder approval is not obtained the Notes remain a basic promissory note and TVI will be repaid all principal and interest (at the default rate of 18% per annum) on the maturity date. The purpose of the issue of the Notes is to fund Foyson's immediate needs for its Amazon Bay Project in Papua New Guinea, general working capital requirements and to fund expenses associated with advancing the proposed transaction with Integrated Green Energy Limited to the stage of receiving Shareholder approval and re-complying with ASX Listing Rules

On February 23, 2015, TVI formalized a Conversion Agreement with Foyson in relation to the A$400,000 loan principal that continues to be outstanding. The Conversion Agreement continues to be subject to shareholder approval but confirms the conversion price to be A$0.0025 and that one option per share shall also be received at time of conversion that may be exercised at a conversion price of A$0.008 at any time through to their expiry on December 31, 2019. Interest on the loan shall continue to accrue at 8% through to conversion, and shall be paid in cash at time of conversion while only the principal shall be subject to conversion. ASX rules dictate that the conversion shall be completed in two-steps, both of which are expected to occur through 2015.

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

On March 18, 2015, Foyson announced it had signed a binding Business Sale Agreement with IGE to acquire licenses to commercialize technologies related to plastics and biomass to fuel and energy conversion, a waste plastics-to-diesel conversion plant and the Management team required to operate the facility, and all other assets used exclusively in IGE's business, including feedstock contracts. This acquisition is expected to generate short-term cash flow that may be used for expansion activities, thereby creating potential to create significant shareholder value. TVI continues to hold a 20.06% direct interest in Foyson as at the current date.

TVI has entered into a lease contract with respect to its corporate office premises that is to commence April 1, 2015. The lease is for a three-year term through to March 31, 2018, and the total rent payments up to the end of the lease contract in March 2018 amounts to $179,177, inclusive of base rent, estimated operating expense and taxes.

The Company entered into a Royalty Agreement on March 11, 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. Currently, the Company holds a 10% interest in Amazon Bay.

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, Papua New Guinea 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 the Greater Canatuan Tenement Area (including EXPA 61, Malusok and SE Malusok), Tamarok and TVI's other 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 TVI's overall plans, budget and strategy (which are all subject to change). In certain cases, the timing of exploration activities in the Philippines 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 and Papua New Guinea. Forward-looking statements regarding expectations that TVI will be able to find additional ore in the Greater Canatuan Tenement Area (including EXPA 61, Malusok and SE Malusok) and that this ore can be economically transported to the existing Canatuan mill are based upon current and previous exploration activities, management's experience with other exploration programs undertaken in the Philippines and elsewhere, management's current and previous experience with mining and processing activities at Canatuan, and TVI's overall plans, budget and strategy (which are all subject to change).

The forward-looking statements set out in this MD&A include information relating to interests that may be earned by TVIRD in the Agata and Pan de Azucar joint ventures; opportunities for exploration, development and commercialization of the Agata Mining Project (Limestone DSO/Lime Production Facility and the Agata Nickel Processing Plant). Related risks and uncertainties include, but are not limited to: (A) results of further work in pursuing the conceptual planning described in this MD&A not supporting current expectations as to the opportunities outlined; (B) TVIRD not funding the necessary expenditures at Agata or Pan de Azucar to advance the projects or earn an interest under the joint venture agreements due to, among other things (i) changes in TVIRD's strategic priorities, due diligence findings, changes in laws or regulations affecting mining operations in the Philippines (including the profitability of such operations), and other factors, (ii) changes in TVIRD budgets and (iii) limited availability of funds; (C) a determination on the part of TVIRD not to pursue projects contemplated by one or more of the joint venture agreements noted above for technical, economic, legal or other reasons (including, without limitation, a failure to obtain required permits or other governmental or regulatory approvals); and (D) certain other risks identified elsewhere in TVI's public filings, including, without limitation, those risk factors set forth at pp. 66-74 of TVI's Annual Information Form dated March 19, 2014.

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, 2013, which was filed on SEDAR on March 19, 2014, 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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