



Interim Consolidated Financial Statements

**For the Six Months Ended
June 30, 2025 and 2024
(Unaudited)**

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

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

The accompanying unaudited consolidated interim financial statements of TVI Pacific Inc. for the interim reporting period ended June 30, 2025, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Company's management.

The Company's independent auditors, Davidson & Company LLP, have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada ("**CPA Canada**") for a review of interim financial statements by an entity's auditor.

TVI Pacific Inc.
Consolidated Statements of Financial Position
June 30, 2025
(in Canadian dollars)



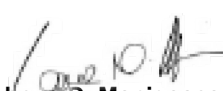
	Notes	June 30, 2025	December 31, 2024
Assets			
Current assets:			
Cash and cash equivalents	6	\$ 166,360	\$ 184,310
Accounts receivable	7	21,484	8,280
Prepaid expenses		62,264	4,850
Total current assets		250,108	197,440
Non-current assets:			
Investment in joint venture	10	38,237,640	28,914,666
Property and equipment		8,406	9,785
Other assets		6	6
Total non-current assets		38,246,052	28,924,457
Total assets		\$ 38,496,160	\$ 29,121,897
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	11	\$ 127,608	\$ 278,378
Due to related parties	8(a)	3,572,060	3,760,044
Loans and accrued interest payable	13	1,289,465	1,042,082
Total current liabilities		4,989,133	5,080,504
Non-current liabilities:			
Loans	13	-	196,416
Deferred tax liability	14	456,691	468,600
Total non-current liabilities		456,691	665,016
Total liabilities		5,445,824	5,745,520
Shareholders' Equity:			
Share capital	15(b)	34,374,277	34,374,277
Contributed surplus	15(d)	7,326,748	7,326,748
Deficit		(3,121,651)	(13,887,097)
Translation reserves		(5,529,038)	(4,437,551)
Total equity		33,050,336	23,376,377
Total liabilities and shareholders' equity		\$ 38,496,160	\$ 29,121,897

Going concern (note 1)
Commitment (note 21)

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

On behalf of the Board:


Michael G. Regino
President, CEO and Director


Love D. Manigsaca
Chief Financial Officer

TVI Pacific Inc.
**Unaudited Interim Consolidated Statements of Income (Loss)
and Comprehensive Income (Loss)**
June 30, 2025 and 2024
(in Canadian dollars)



	Notes	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Expenses:					
Depreciation expense		\$ 663	\$ 679	\$ 1,379	\$ 1,359
Administrative and general costs	17	309,450	725,366	566,191	1,108,123
Total expenses		310,113	726,046	567,570	1,109,482
Operating loss		(310,113)	(726,046)	(567,570)	(1,109,482)
Other income (expenses):					
Interest income (expense), net	19	(25,812)	(62,174)	(51,987)	(116,451)
Foreign exchange gain (loss)	20	(8,525)	(70)	(8,571)	2,498
Share of income of joint venture	10	11,379,385	391,346	11,393,574	(742,386)
Other income (expenses), net		11,345,048	329,103	11,333,016	(856,338)
Net income (loss) before income tax		11,034,935	(396,943)	10,765,446	(1,965,820)
Deferred income tax (expense) recovery	14	-	-	-	-
Net income (loss)		\$ 11,034,935	\$ (396,943)	\$ 10,765,446	\$ (1,965,820)
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustment – foreign operations		18,424	8,042	12,446	(237)
Foreign currency translation adjustment – joint venture		(1,515,485)	(841,841)	(1,103,933)	(595,081)
Comprehensive Income (loss)		\$ 9,537,874	\$ (1,230,742)	\$ 9,673,959	\$ (2,561,138)
Basic income (loss) per share	16	\$ 0.02	\$ (0.00)	\$ 0.01	\$ (0.00)
Diluted income (loss) per share	16	0.02	(0.00)	0.01	(0.00)
Weighted average number of common shares, basic	16	728,587,039	728,587,039	728,587,039	728,587,039
Weighted average number of common shares, diluted	16	728,587,039	728,587,039	728,587,039	728,587,039

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Changes in Equity
June 30, 2025 and 2024
(in Canadian dollars)

	Share capital (Note 15b)	Contributed surplus (Note 15d)	Deficit	Translation reserves	Total equity
January 1, 2025	\$ 34,374,277	\$ 7,326,748	\$ (13,887,097)	\$ (4,437,551)	\$ 23,376,377
Comprehensive income/(loss)					
Net income	-	-	10,765,446	-	10,765,446
Other comprehensive gain:					
Foreign currency translation adjustment	-	-	-	(1,091,487)	(1,091,487)
Total comprehensive loss	-	-	10,765,446	(1,091,487)	9,673,959
June 30, 2025	\$ 34,374,277	\$ 7,326,748	\$ (3,121,651)	\$ (5,529,038)	\$ 33,050,336
January 1, 2024	\$ 34,374,277	\$ 7,326,748	\$ (17,050,786)	\$ (5,766,447)	\$ 18,883,792
Comprehensive loss					
Net loss	-	-	(1,965,820)	-	(1,965,820)
Other comprehensive gain:					
Foreign currency translation adjustment	-	-	-	(595,318)	(595,318)
Total comprehensive loss	-	-	(1,965,820)	(595,318)	(2,561,138)
June 30, 2024	\$ 34,374,277	\$ 7,326,748	\$ (19,016,606)	\$ (6,361,765)	\$ 16,322,654

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

TVI Pacific Inc.
Unaudited Interim Consolidated Statements of Cash Flows
June 30, 2025 and 2024
(in Canadian dollars)

	Notes	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)		\$ 11,034,935	\$ (396,484)	\$ 10,765,446	\$ (1,965,820)
Adjustments for:					
Depreciation expense		663	679	1,379	1,359
Unrealized foreign exchange (gain) loss	20	(8,498)	2,308	(8,440)	225
Interest Expense		25,624	-	50,966	-
Share of loss (gains) of joint venture	10	(11,379,385)	(391,346)	(11,393,574)	742,386
Changes in non-cash working capital	18	(613,329)	(19,292)	(399,967)	212,756
Changes in retirement benefit payable	12	-	(169)	-	11,991
Distribution from investment in joint venture, net of tax	10	966,667	-	966,667	-
Net cash used in operating activities		26,677	(804,305)	(17,523)	(997,103)
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares issued – Options exercised		-	-	-	-
Proceeds from Promissory Notes		-	984,932	-	984,932
Net cash used from financing activities		-	270,000	-	984,932
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Expenditures on property and equipment and other assets		-	(1,937)	-	(1,937)
Net cash used in investing activities		-	(1,937)	-	(1,937)
Effect of foreign exchange rates on cash		(534)	2,525	(426)	2,723
Net increase (decrease) in cash and cash equivalents		26,143	181,215	(17,949)	(11,385)
Cash and cash equivalents at beginning of the period		140,217	73,553	184,310	266,155
Cash and cash equivalents at end of the period		\$ 166,360	\$ 254,768	\$ 166,360	\$ 254,768

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

1. Corporate information, nature of operations and going concern:

TVI Pacific Inc. ("TVI" or the "Company") is a publicly listed resource company incorporated on January 12, 1987, under the Alberta Business Corporations Act. The Company's shares trade on the TSX Venture Exchange.

TVI focuses on acquiring and advancing resource projects in the Asia Pacific region, targeting assets that can be rapidly developed to generate revenue and cash flow. While it currently does not operate an active resource property, TVI holds significant equity and joint venture interests in companies engaged in production, development, and exploration in the Philippines.

As of June 30, 2025, TVI holds 30.66% interest in TVI Resource Development Phils., Inc. ("TVIRD"), whose assets include: the Balabag gold-silver mine, the Siana gold mine, a 60% interest in the Agata nickel laterite and DSO projects, interests in the Agata processing project, a 14.4% equity interest in Mindoro Resources Ltd., a Canadian-incorporated company engaged in mining and exploration in the Philippines, a 60% indirect interest in Mt. Labo Exploration and Development Corporation ("MLEDC") and its 100%-owned Mabilo copper-gold project where TVIRD's indirect interest in MLEDC is held through its wholly owned subsidiary, SageCapital Partners, Inc., and various mineral properties in the Philippines in exploration.

TVI's head office is located at 2100, 144-4th Ave. SW, The Ampersand, W. Tower, Calgary, AB T2P 3N4.

These consolidated interim financial statements were authorized for issue by the Board of Directors on August 19, 2025.

Going concern

These consolidated interim financial statements ("**consolidated interim financial statements**") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

For the six months ended June 30, 2025, the Company had a working capital deficit of \$4.7 million (June 30, 2024 – \$3.4 million deficit), including total cash and cash equivalents of \$0.2 million (June 30, 2024 – \$0.3 million). During the six months ended June 30, 2025, the Company realized a net income of \$11.0 million (June 30, 2024 – \$2.0 million net loss). At June 30, 2025, the Company had an accumulated deficit of \$3.1 million (June 30, 2024 – \$19.0 million). In addition, the Company recorded cash inflows from operations of \$0.0 million for the six months ended June 30, 2025 (June 30, 2024 - \$1.0 million cash outflow). As at June 30, 2025, the Company had accounts payable and accrued liabilities of \$0.1 million (June 30, 2024 - \$0.4 million) and payables to related parties of \$3.6 million (June 30, 2024 - \$3.3 million), and has outstanding loans payable to Prime Resource Holdings, Inc. of \$1.3 million (June 30, 2024 - \$1.0 million), but has no other outstanding loans payable or any annual expenditure obligations.

During the six months ended June 30, 2025, TVI received a dividend of \$966,667 from TVIRD (net of Philippine dividend withholding tax (June 30, 2024 - \$nil)). The Company's ability to continue as a going concern is dependent upon possible distributions from its joint venture investment in TVIRD, which the Company does not control. This undertaking, while significant, is not sufficient in and of itself to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations and to pursue interests in resource projects in the Asia Pacific region that can be rapidly developed and put into production to generate revenue and cash flows so it can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

1. Corporate information, nature of operations and going concern (continued):

The Company's ability to continue as a going concern is dependent upon its ability to fund its operations, distributions from its joint venture investment in TVIRD and the ability of TVI to develop its resource projects and generate positive cash flows from operations. These consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation:

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards.

(b) Basis of measurement

These consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (note 5b). In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

The preparation of timely financial statements necessitates the use of judgments, estimates and assumptions that will affect assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are disclosed in note 4.

3. Material accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated interim financial statements, unless otherwise indicated.

(a) Principles of consolidation

(i) Subsidiaries

The consolidated interim financial statements include the accounts of TVI and its subsidiaries that it controls as of the reporting date. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases. The consolidated interim financial statements include the accounts of TVI and its wholly-owned subsidiaries TVI Limited, TVI Asia Pacific Resources Corporation, TG World Energy Corp ("**TG World**"); TVI International Marketing Limited ("**TVI Marketing**"), TVI Minerals Processing Inc. ("**TVI Minerals**"), TG World (BVI) Corporation and TG World Energy Inc. ("**TG Inc.**").

All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, have been eliminated in preparing the consolidated interim financial statements.

Consolidated interim financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. Material accounting policies (continued):

(ii) Associates

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. For shareholdings below 20%, the significant influence is determined based upon board representation and contractual terms. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Company's share of its associates' post-acquisition profits or losses is recognized in the statement of profit or loss and its share of post-acquisition movements in other comprehensive income (loss) is recognized in other comprehensive income (loss).

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate becomes equal to or exceeds its interest in the associate, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits becomes equal to the cumulative share of losses not recognized.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value and recognizes the amount in the share of income of associates in the income statement. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The fair value of financial instruments traded in active markets is based on quoted market prices and shares held at the balance sheet date.

(iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The share of the assets, liabilities, revenues, and expenses are accounted for under joint operations, while joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or loss and movements in other comprehensive income (loss) as well as distributions. TVI continues to hold a 30.66% interest in TVIRD, and the retained investment in TVIRD is classified as investment in joint venture, accounted for under the equity method, as the Company is party to an agreement with the majority shareholder of TVIRD whereby unanimous consent from both parties is required on decisions concerning relevant activities and joint control is thereby practiced.

The Company assesses at each reporting period whether there is any objective evidence that the investment in the joint venture is impaired, which would necessitate an impairment test. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The fair value of financial instruments traded in active markets is based on quoted market prices and shares held at the balance sheet date.

(b) Cash and cash equivalents

Cash and cash equivalents are carried at face amount or at nominal amount in the consolidated statement of financial position and include cash on hand and deposits held at call with banks.

(c) Mining claims and exploration costs

The Company expenses exploration costs incurred until it determines that the exploration property is capable of achieving commercial production, at which time all further pre-production costs are capitalized at cost. Such costs include acquisition, exploration, operating, other related costs and administration expenditures.

3. Material accounting policies (continued):

When a property is brought into production, the costs will be amortized using the unit-of-production method based on that property's estimated proven ore reserves. If a property is abandoned, capitalized costs are charged to operations in the year of abandonment. The Company capitalizes mining claims and deferred exploration costs and classifies them as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g. license and legal fees), whereas others are tangible (e.g. vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset.

Mining claims and deferred exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal and value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

(d) *Foreign currency*

Items included in the financial statements of each of the Company's subsidiaries and investments are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated interim financial statements are presented in Canadian Dollars, which is TVI's functional and reporting currency, while the Philippine and Hongkong subsidiaries are in Philippine Peso and Hongkong Dollars, respectively.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of each respective transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of TVI's investments and other foreign subsidiaries are translated into Canadian Dollars from their functional currencies using period-end exchange rates, with revenues and expenses translated using average rates for the period. Unrealized gains and losses arising on the translation of these operations are included in the foreign currency translation adjustment within other comprehensive income (loss).

When a foreign operation is disposed of, the relevant amount of cumulative translation adjustment within other comprehensive income (loss) is transferred to net income (loss) as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to net income (loss).

(e) *Other income (expense)*

(i) Interest income (expense)

Interest income (expense) is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues accreting the discount/premium as interest income (expense).

(ii) Other income

Other incomes are recognized when earned or realized.

3. Material accounting policies (continued):

(f) Share option plan

The Company applies the fair value method, using the Black-Scholes option pricing model, when stock options are granted to employees and directors under the share option plan. Under this method, compensation expense of stock options, measured at the grant date, is recognized as a charge to earnings over the vesting period with a corresponding credit to contributed surplus. Upon exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The effects of forfeitures are estimated on initial measurement with subsequent adjustments so that the expense reflects what has actually vested in the period.

(g) Leases

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. During the six months ended June 30, 2025, \$5,177 was incurred in the statement of comprehensive loss relating to short term leases (June 30, 2024 - \$23,153).

(h) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case the tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries and investments operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

The Company uses the liability method of accounting for deferred income taxes. Under the liability method, deferred income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or substantively enacted, tax rates and laws expected to apply when these differences reverse.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, or interests in joint ventures, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(i) Per share amounts

Net income (loss) per common share is computed by dividing net income attributable to shareholders of the Company by the weighted average number of common shares outstanding for the year.

Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments.

3. Material accounting policies (continued):

(j) *Financial instruments*

Classification and measurement of financial assets

The initial classification of a financial asset depends upon the Company's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Company classified its financial assets:

- Amortized cost: Includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest;
- Fair value through other comprehensive income (loss) ("FVOCI"): Includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or
- Fair value through profit and loss ("FVTPL"): Includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through profit or loss. This includes all derivative financial instruments.

On initial recognition, the Company may irrevocably designate a financial asset that meets the amortized cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss) ("**OCI**").

At initial recognition, the Company measures a financial asset at its fair value and, in the case of a financial asset not at FVTPL, including transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are recorded as an expense in net income (loss).

Financial assets are reclassified after their initial recognition only if the business model for managing those financial assets changes. The affected financial assets will be reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Investments in equity securities

Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at FVTPL. For new investments in equity securities, the Company can elect the same classification as subsequently measured at FVTPL, or the Company can elect to classify the investment at FVOCI. This election can be made on an investment-by-investment basis and is irrevocable. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date, where available. Dividends are recognized in profit and these investments are not assessed for impairment.

Expected credit losses

The Company recognizes loss allowances for expected credit losses ("**ECLs**") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

3. Material accounting policies (continued):

Classification and measurement of financial liabilities

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Financial liabilities at FVTPL (other than financial liabilities designated at FVTPL) are measured at fair value with changes in fair value, along with any interest expense, recognized in net income. Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in net income (loss). Any gain or loss on derecognition is also recognized in net income.

A financial liability is derecognized when the obligation is discharged, canceled or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are considered non-substantial, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified it is considered to be extinguished and a gain or loss is recognized in net income based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in net income.

(k) Events after the reporting date

Events after the reporting date are evaluated up to the date the consolidated interim financial statements are authorized for issue. Post-year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the consolidated interim financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated interim financial statements when material.

(l) Recent accounting pronouncements

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. This is effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2027.

The Company is in the process of assessing its impact on standards on the consolidated interim financial statements.

4. Critical accounting estimates and judgments:

Recoverability of investment in joint venture

The Company applies judgment when assessing whether the combined effect of several events has provided objective evidence of impairment indicators of the investment in the joint venture, including whether (i) there has been evidence of significant financial difficulty; or (ii) a breach of contract, such as a default or delinquency in payments.

4. Critical accounting estimates and judgments (continued):

Income taxes

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. The Company recognizes liabilities for any anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Additional information is disclosed in note 14.

Functional currency of TVIRD

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

Going concern

The Board of Directors of TVI has considered the Company's current activities, funding position and projected funding requirements for the period of at least twelve months from the date of approval of the consolidated interim financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the consolidated interim financial statements for the year ended June 30, 2025. The assessment of the Company's ability to execute its strategy to meet its future funding requirements involves judgment (note 1).

5. Financial risk management:

The Company's activities expose it to a variety of financial risks: market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors and key management personnel that include the President and Chief Executive Officer, and the Chief Financial Officer have the overall responsibility for the establishment and oversight of the Company's risk management framework.

a) Financial risk management

(i) Currency risk

The Company faces currency risks mainly due to the substantial cross-border element of its operations. The Company has its office in Canada (Canadian Dollar), while TVIRD is in the Republic of the Philippines (Peso). The Company has cash deposits denominated in US Dollars, which are revalued at the spot rate.

There are no forward sales, and the Company does not engage in currency hedging activities. The Company minimizes currency risk by carefully planning the timing of the settlement of foreign currency denominated balances and closely monitoring changes in foreign exchange rates.

For the three months ended June 30, 2025:

- a) the impact on net income if the US Dollar moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$2,951.
- b) the impact on net income if the Philippine Peso moved by 5% against the Canadian Dollar, with all other variables held constant, would be \$523.

5. Financial risk management (continued):

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

	Average rate		Spot rate	
	Six months ended Jun.30.2025	Year ended Dec.31.2024	Jun.30.2025	Dec.31.2024
Canadian Dollar/US Dollar	1.4094	1.4240	1.3643	1.4389
Canadian Dollar/ Philippine Peso	0.0247	0.0244	0.0242	0.0248

(ii) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As the Company has significant interest-bearing assets or liabilities for which the interest rate fluctuates, the Company's income (loss) and operating cash flows are significantly impacted by changes in market interest rates. The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 8 (b)) that is calculated on total unpaid fees until June 30, 2024.

This rate was set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%. Partial payment for the interest on unpaid Management and directors' fees has been made in the six months ended June 30, 2025 \$100,582 (June 30, 2024 – \$nil).

During the six months ended June 30, 2025, the Company accrued interest of \$50,966 on the interest-bearing notes payable to Prime Resources Holdings, Inc at Prime Rate plus 2% (June 30, 2024 - \$nil).

The Company has no other significant interest-bearing assets or liabilities for which the interest rate fluctuates and may thereby significantly impact on the Company's income (loss) and operating cash flow.

(iii) Liquidity risk

As at June 30, 2025, and June 30, 2024, the Company has a \$4.7 million and \$3.4 million working capital deficit, respectively.

The table below summarizes the Company's financial liabilities by relevant maturity groupings based on contractual maturity date. The amounts disclosed are contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not considered to be significant.

	June 30, 2025	December 31, 2024
Due within 12 months:		
Accounts payable and accrued liabilities (note 11)	\$ 127,608	\$ 278,378
Due to related parties (note 8)	3,572,060	3,760,044
Loans and accrued interest payable	1,289,465	1,042,082
	\$ 4,989,133	\$ 5,080,504

The Company remains focused upon conserving cash through reducing expenditure, but to continue operations and to fund expenses and settle liabilities, the Company is presently dependent on possible distributions from its joint venture investment in TVIRD, which the Company does not control.

5. Financial risk management (continued):

(iv) Credit risk

Credit risk arises from the potential that a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, accounts receivable, due from related parties and other assets.

The Company manages credit risk associated with cash by maintaining its cash deposits in accounts with creditworthy banks, which have been approved by the Board of Directors.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not considered to be significant.

	June 30, 2025	December 31, 2024
Due within 12 months:		
Accounts receivable	\$ 21,484	\$ 8,280
	\$ 21,484	\$ 8,280

The carrying amounts of cash and cash equivalents, accounts receivable, due from related parties and other assets at June 30, 2025, represent the Company's maximum credit risk exposure.

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

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

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

The carrying value of the Company's financial assets and liabilities consisting of cash and cash equivalents, accounts receivable, due from and to related parties, retirement benefit payable, and accounts payable and accrued liabilities approximate their fair values at June 30, 2025, and June 30, 2024 due to their short-term nature.

c) Capital risk management

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

	June 30, 2025	December 31, 2024
Debt	\$ 5,445,824	\$ 5,745,520
Equity	33,050,336	23,376,377
Assets	38,496,160	29,121,898
Debt-to-equity	16%	25%
Debt-to-assets	14%	20%

6. Cash and cash equivalents:

Cash and cash equivalents consist of:

	June 30, 2025	December 31, 2024
Cash on hand	\$ 362	\$ 372
Cash in banks	165,998	183,938
	\$ 166,360	\$ 184,310

Cash in banks earns interest at the prevailing bank deposit rates. The carrying amounts of cash and cash equivalents approximate their fair value.

7. Accounts receivable:

Accounts receivable consists of:

	June 30, 2025	December 31, 2024
Goods and services tax receivable	\$ 21,484	\$ 8,280
Others	-	-
	\$ 21,484	\$ 8,280

8. Related party transactions:

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

	Country of Incorporation	% Equity interest (Direct and Indirect)	
		June 30, 2025	December 31, 2024
Subsidiaries of TVI:			
TVI Limited	Anguilla	100%	100%
TG World Energy Corp	Canada	100%	100%
TVI Asia Pacific Resource Corporation	Philippines	100%	100%
TVI International Marketing Limited	Hong Kong	100%	100%
TVI Minerals Processing Inc.	Philippines	90%	90%
TG World Energy Inc.	United States	100%	100%
Associates/Joint Venture:			
TVIRD and affiliates	Philippines	30.66%	30.66%
Mindoro	Canada	14.40%	14.40%

(a) Due to related parties

	June 30, 2025	December 31, 2024
Seajay Management	\$ 983,661	\$ 1,452,617
Directors' fees	745,089	928,710
Due to Officers	302,029	269,462
TVI Resource Development Phil.	1,541,281	1,109,255
	\$ 3,572,060	\$ 3,760,044

The Company has not fully paid Seajay Management for management fees related to services of the former President dating back to 2017 as the Company has been actively working to conserve cash. Since that time, unpaid management fees have only been paid in part with \$509,911 paid during the six months ended June 30, 2025 (December 31, 2024 - \$429,661). No management fees related to the services of the former President were incurred during the three and six months ended June 30, 2025 (June 30, 2024 - \$40,125 and \$80,250, respectively), and no further retirement expense accrued during the three and six months ended June 30, 2025 and 2024.

During the three and six months ended June 30, 2025, the Company accrued interest expense of \$nil on the unpaid management fees (June 30, 2024 - \$24,278 and \$49,477, respectively).

The Company has not fully paid directors' fees dating back to 2017 as the Company has been actively working to conserve cash. Directors' fees of \$nil were incurred related to former directors during the three and six months ended June 30, 2025 (June 30, 2024 - \$27,000 and \$59,813, respectively) and during the three months and six months ended June 30, 2025, the Company accrued interest expense of \$nil on the unpaid former Directors' fees (June 30, 2024 - \$26,864 and \$63,255).

During the three and six months ended June 30, 2025, the Company accrued fees of \$38,250 and \$108,000, respectively for the new directors with no interest charges applied.

The Company has not fully paid the former Chief Financial Officer ("CFO") dating back to 2017. At June 30, 2025, unpaid fees of \$102,531 are outstanding (December 31, 2024 - \$151,012) and No interest expense was accrued during the three and six months ended June 30, 2025 (June 30, 2024 - \$4,537 and \$9,196, respectively) related to the former CFO's unpaid fees.

During the three and six months ended June 30, 2025, the Company incurred \$45,000 and \$90,000, respectively, for the new CEO and CFO fees with no interest applied.

During the six months ended June 30, 2025, the Company also incurred expenses of \$nil (June 30, 2024 - \$63,110) for administrative services provided by Regent Parkway, a corporation controlled by the chairman and director of TVI Resource Development (Phils.), Inc.

9. Investment in equity securities:

a) *Investment in Mindoro*

Mindoro is an entity incorporated in Canada that is engaged in mining and exploration in the Philippines. The trading of common shares of Mindoro has been suspended since the date Mindoro announced its move to the NEX for failure to maintain the requirements for a TSX Venture Exchange Tier 2 company (January 26, 2018). Effective then on May 25, 2021, the shares of Mindoro were delisted from NEX for failure to pay its NEX listing maintenance fees. The annual reporting period of Mindoro ends as at December 31.

As at June 30, 2025, TVI holds 42,779,353 common shares of Mindoro, representing a 14.4% holding in the capital of Mindoro.

The book value of the Company's investment in Mindoro was reduced to \$nil in March 2014 as a result of recording TVI's proportionate share of net losses since having acquired the investment.

As at June 30, 2025 a further proportionate share of net losses has been incurred by Mindoro and will offset any future proportionate share of net income that Mindoro may realize.

10. Investment in joint venture:

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing).

Investment in joint venture at December 31, 2023	\$	22,545,440
Share of net income		5,020,010
Share of other comprehensive loss		129,033
Foreign exchange revaluation		1,220,183
Investment in joint venture at December 31, 2024		28,914,666
Share of net income		11,393,574
Share of other comprehensive loss		-
Foreign exchange revaluation		(1,103,933)
Cash distribution from joint venture received, net of taxes \$170,588		(966,667)
Investment in joint venture at June 30, 2025	\$	38,237,640

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(in Canadian dollars)

TVI continues to hold 30.66% of the issued and outstanding shares of TVIRD (through TVI Marketing). TVIRD continues to be the 100% owner and operator of the Balabag gold/silver mine and the Siana gold mine and holds also 60% interest in both the Agata mining projects and Mabilo.

The joint venture had no material contingent liabilities as at June 30, 2025. The information above reflects the amounts presented in the financial statements of TVIRD adjusted for differences in accounting policies between TVI and TVIRD.

Dividends received from the joint venture reduce the book value of investment in joint venture. As of June 30, 2025, investment in joint venture has been reduced by a total of \$5.8 million in dividends received to date by TVI since TVIRD started to distribute dividends in 2017. \$1.0 million dividends were received in the six months ended June 30, 2025 (June 30, 2024 - \$nil).

11. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

	June 30, 2025	December 31, 2024
Trade payables	\$ 5,010	\$ 18,605
Other accrued liabilities	122,598	259,773
	\$ 127,608	\$ 278,378

Accrued liabilities include accruals of personnel expenses, consultancy and other professional fees.

12. Retirement benefit payable:

TVI Asia Pacific Resources Corporation (TVIAPC) provides a retirement benefit to its employees based on provisions of the RA.7641 "Philippine Retirement Law", and commenced recognizing non-current retirement benefit payable at December 31, 2021. As at June 30, 2025, the company recorded retirement benefit payable of \$nil (December 31, 2024 - \$nil).

TVIAPC recognized a non-current retirement benefit payable of \$197,265 at December 31, 2023, in compliance with RA 7641 (Philippine Retirement Law). All employees were separated and paid in July 2024, and no employees remained as of December 31, 2024. Accordingly, the outstanding payable of \$197,265 was written off through the statements of profit or loss.

13. Loans

Prime Resources Holdings, Inc. has provided the following bridge loan to TVI Pacific to pay the latter past due accounts.

	Date	Amount	Maturity Date	Interest Rate (p.a.)
PN 01	April 08, 2024	\$ 171,732	August 08, 2025	Canada Prime rate + 2%
PN 02	April 12, 2024	71,586	October 12, 2025	Canada Prime rate + 2%
PN 03	May 27, 2024	144,658	November 27, 2025	Canada Prime rate + 2%
PN 04	May 27, 2024	110,301	November 27, 2025	Canada Prime rate + 2%
PN 05	June 13, 2024	57,809	December 13, 2025	Canada Prime rate + 2%
PN 06	June 27, 2024	428,846	December 27, 2025	Canada Prime rate + 2%
PN 07	August 12, 2024	196,416	February 12, 2026	Canada Prime rate + 2%
Total		\$ 1,181,348		

In July 2024, the Company started to accrue interest in the PRHI Loans. The interest rate was set at Canada Prime Rate plus 2%. During the three and six months ended June 30, 2024, the Company accrued interest expense of \$25,624 and \$50,966, respectively (December 31, 2024 - \$57,150).

14. Deferred tax liability:

	June 30, 2025	December 31, 2024
TVI Minerals	\$ 456,593	\$ 468,499
TVI Asia-Pacific Corp	98	101
Deferred tax liability	456,691	468,600

Deferred tax liability is calculated as anticipated tax rate multiplied by the difference between taxable income and net loss (income) before taxes.

15. Share capital:

(a) Authorized

Unlimited common voting shares without nominal or par value.

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

(b) Issued and fully paid

	June 30, 2025		June 30, 2024	
	Shares (#)	Value (\$)	Shares (#)	Value (\$)
Common shares, January 1	728,587,039	\$ 34,374,277	728,587,039	\$ 34,374,277
Options exercised during the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Common shares, end of the year	728,587,039	\$ 34,374,277	728,587,039	\$ 34,374,277

During the year ended December 31, 2023, the Company has: (1) completed a non-brokered private placement to Prime Resources Holdings, Inc. ("PRHI") of 53,600,000 common shares in the capital of the Company, at a price of \$0.025 per share, for gross proceeds of \$1,340,000; and (2) received a further \$270,000 of proceeds through the exercise of 18,000,000 stock options by the Chairman and CEO of the Company in compliance with the Company's Stock Option Policy, \$17,832 of which has been allocated to the share value and the balance of \$252,168 has been charged to contributed surplus.

(c) Share options

The Company has a share option plan pursuant to which options may be granted to directors, officers, and employees of the Company. Each share option converts into one ordinary share of TVI on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options generally vest over a period of up to three years, may be exercised at any time from the date of vesting to the date of their expiry and expire no more than 10 years from the date of grant.

Under the share option plan, the maximum number of shares reserved for issue shall not exceed 10% of the outstanding shares of the Company, as at the date of grant.

There were no share options granted and exercised during the three months ended June 30, 2025, and twelve months ended December 31, 2024.

	June 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	-	\$ -	21,900,000	\$ 0.015
Exercised	-	-	-	-
Expired	-	\$ -	21,900,000	\$ 0.015
Options outstanding, end of period	-	-	-	-
Options exercisable, end of period	-	-	-	-

15. Share capital (continued):

All Directors with options have resigned as at June 27, 2024. Under section 11 of the Option Plan unexercised options will expire earlier of: (1) 60 days after the date of cessation (resignation, retirement, etc.); or (2) the original expiry date of the option.

(d) Stock-based compensation and contributed surplus

During the six months ended June 30, 2025, \$nil (June 30, 2024 - \$nil) of stock-based was charged to the consolidated statement of profit or loss.

	Six months ended June 30, 2025	Six months ended June 30, 2024
Contributed surplus, beginning of year	\$ 7,326,748	\$ 7,326,748
Exercised options	-	-
Contributed surplus, end of year	\$ 7,326,748	\$ 7,326,748

16. Per share data:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2025	2024
Net income (loss)	\$ 11,034,935	\$ (396,943)	\$ 10,765,446	\$ (1,965,820)
Weighted average number of shares, basic	728,587,039	728,587,039	728,587,039	728,587,039
Weighted average numbers of shares, diluted	728,587,039	728,587,039	728,587,039	728,587,039
Basic income (loss) per share	0.02	(0.00)	0.01	(0.00)
Diluted income (loss) per share	0.02	(0.00)	0.01	(0.00)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares consisting of share options.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) through the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

17. Expenses by nature:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Personnel costs	\$ 167,317	\$ 395,631
Contracted services	151,319	119,599
Professional fees	119,120	436,833
Travel and transportation	-	50,574
Insurance	29,401	29,506
Investor relations	79,868	39,553
Rent	5,177	23,153
Taxes and licenses	3,266	5,097
Utilities	666	3,592
Materials and supplies	7,606	1,268
Others	2,451	3,317
Total administrative and general costs	\$ 566,191	\$ 1,108,123

18. Changes in working capital:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Accounts receivable	\$ (13,453)	\$ (11,722)	\$ (12,780)	\$ (2,558)
Prepaid expenses	(57,078)	662	(57,850)	(5,162)
Due from related parties		131		118
Trade accounts payables and accrued liabilities	(164,151)	(59,564)	(150,687)	51,654
Due to related parties	(378,648)	50,913	(178,650)	168,704
Retirement obligation	-	-	-	-
Income tax payable	-	-	-	-
Total changes in working capital	\$ (613,329)	\$ (19,291)	\$ (399,967)	\$ 212,756

19. Interest income (expense):

	Six months ended June 30	
	2025	2024
Interest income	\$ 715	\$ 763
Interest (expense)	(52,701)	(117,213)
	\$ (51,987)	\$ (116,451)

The Company started to accrue interest in October 2020 on unpaid Management and directors' fees (note 8) that is calculated on total unpaid fees. This rate was set at four percent (4%) per annum, calculated daily and compounded annually and revised commencing July 2022 to Canada Prime Rate plus 2%. Partial payment for the interest on unpaid Management and directors' fees has been made in the six months ended June 30, 2025 - \$100,582 (June 30, 2024 - \$nil).

During the six months ended June 30, 2025, the Company accrued interest of \$50,966 on the interest-bearing notes payable to Prime Resources Holdings, Inc at Prime Rate plus 2% (June 30, 2024 - \$nil).

20. Foreign exchange gain (losses):

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Unrealized foreign exchange gain (loss)	\$ (8,498)	\$ 611	\$ (8,440)	\$ 2,694
Realized foreign exchange gain (loss)	(27)	(681)	(131)	(197)
	\$ (8,525)	\$ (70)	\$ (8,571)	\$ (2,498)

21. Commitment:

The Company's agreement with respect to corporate office premises is month-to-month and no commitments are in effect beyond 30 days.