

# DAVIDSON

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
TVI Pacific Inc.

### Opinion

We have audited the accompanying consolidated financial statements of TVI Pacific Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit or loss and comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at December 31, 2025, the Company had a working capital deficit of \$5.2 million, and that the Company's ability to continue as a going concern is dependent upon possible distributions from its joint venture investment, which the Company does not control. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### *Assessment of Indicators of Impairment of the Investment in Joint Venture*

As described in Note 10 to the consolidated financial statements, the carrying amount of the Company's investment in joint venture is \$52,105,334. The Company accounts for this investment in joint venture using the equity method of accounting and as at December 31, 2025, the Company holds a 30.66% interest in TVI Resource Development Phils., Inc ("TVIRD"). As more fully described in Notes 3 and 4 to the consolidated financial statements, the Company determines whether an impairment indicator is identified, and if so, management tests for impairment. The Company determined there were no indications of impairment during the year ended December 31, 2025.

The test for impairment of the investment in joint venture necessitates the assessment of potential indicators of impairment, specifically as a result of one or more loss events that occurred after the initial recognition of the net investment, evidence of financial difficulty, breach of contract, or internal indications of the performance of the underlying assets of TVIRD. For the year ended December 31, 2025, there was no objective evidence of impairment indicators identified by management, and therefore no impairment loss was recorded for the year then ended.

The principal considerations for our determination that the assessment of impairment of the investment in joint venture is a key audit matter is the significance of this asset and its operations to the consolidated financial statements of the Company. The assessment for indicators of impairment involves significant management judgment. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management of whether a recoverable test on the investment in joint venture was required. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's assessment of impairment indicators.
- Assessing TVIRD's financial viability and whether there was evidence of significant financial difficulty or breach of contract.
- Evaluating TVIRD management's assessment of impairment indicators of the underlying operating assets of TVIRD, insofar as they would impact the assessment of impairment indicators on the investment in joint venture.

### **Other Information**

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

*Davidson & Company LLP*

Chartered Professional Accountants

Vancouver, Canada

June 1, 2026



# **Consolidated Financial Statements**

**For the Years Ended  
December 31, 2025 and 2024**

**TVI Pacific Inc.**  
**Consolidated Statements of Financial Position**  
**December 31, 2025**  
**(in Canadian dollars)**




	Notes	December 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets:</b>			
Cash	6	\$ 209,189	\$ 184,310
Accounts receivable	7	8,724	8,280
Prepaid expenses		27,627	4,850
<b>Total current assets</b>		<b>245,540</b>	<b>197,440</b>
<b>Non-current assets:</b>			
Investment in joint venture	10	52,105,334	28,914,666
Property and equipment		7,222	9,785
Other assets		4	6
<b>Total non-current assets</b>		<b>52,112,560</b>	<b>28,924,457</b>
<b>Total assets</b>		<b>\$ 52,358,100</b>	<b>\$ 29,121,897</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	11	\$ 321,742	\$ 278,378
Due to related parties	8(a)	3,995,949	3,760,044
Loans and accrued interest payable	13	1,144,860	1,042,082
<b>Total current liabilities</b>		<b>5,462,551</b>	<b>5,080,504</b>
<b>Non-current liabilities:</b>			
Loans	13	196,416	196,416
Deferred tax liability	14	305,419	468,600
<b>Total non-current liabilities</b>		<b>501,835</b>	<b>665,016</b>
<b>Total liabilities</b>		<b>5,964,386</b>	<b>5,745,520</b>
<b>Shareholders' Equity:</b>			
Share capital	15(b)	34,374,277	34,374,277
Contributed surplus	15(d)	7,326,748	7,326,748
Retained earnings (deficit)		10,627,687	(13,887,097)
Translation reserves		(5,934,998)	(4,437,551)
<b>Total shareholders' equity</b>		<b>46,393,714</b>	<b>23,376,377</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 52,358,100</b>	<b>\$ 29,121,897</b>

Going concern (note 1)  
Commitment (note 21)

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

On behalf of the Board:

  
Michael G. Regino  
President, CEO and Director

  
Love D. Manigsaca  
Chief Financial Officer

**TVI Pacific Inc.**  
**Consolidated Statements of Profit or Loss and Comprehensive Income**  
**December 31, 2025 and 2024**  
**(in Canadian dollars)**



	Notes	2025	2024
<b>Expenses:</b>			
Depreciation expense		\$ 2,563	\$ 2,751
Administrative and general costs	17	1,216,928	1,766,340
<b>Total expenses</b>		<b>1,219,491</b>	<b>1,769,091</b>
<b>Operating loss</b>		<b>(1,219,491)</b>	<b>(1,769,091)</b>
<b>Other income (expenses):</b>			
Interest expense, net	19	(84,366)	(161,705)
Foreign exchange gain (loss)	20	(7,950)	4,426
Reversal of retirement benefit payable	12	-	197,265
Share of income of joint venture	10	25,686,281	5,020,010
<b>Other income, net</b>		<b>25,593,965</b>	<b>5,059,996</b>
Net income before income tax		24,374,474	3,290,905
Deferred income tax (expense) recovery	14	140,310	(127,216)
<b>Net income</b>		<b>\$ 24,514,784</b>	<b>\$ 3,163,689</b>
<b>Other comprehensive income (loss):</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustment – foreign operations		31,499	(20,320)
Foreign currency translation adjustment – joint venture		(1,528,946)	1,349,216
<b>Comprehensive Income</b>		<b>\$ 23,017,337</b>	<b>\$ 4,492,585</b>
Basic net income per share	16	\$ 0.03	\$ 0.00
Diluted net income per share	16	0.03	0.00
Weighted average number of common shares, basic	16	728,587,039	728,587,039
Weighted average number of common shares, diluted	16	728,587,039	728,587,039

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

**TVI Pacific Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**December 31, 2025 and 2024**  
**(in Canadian dollars)**

	Share capital (Note 15b)	Contributed surplus (Note 15d)	Retained earnings (Deficit)	Translation reserves	Total shareholders' equity
<b>January 1, 2025</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ (13,887,097)</b>	<b>\$ (4,437,551)</b>	<b>\$ 23,376,377</b>
<b>Comprehensive income</b>					
Net Income	-	-	24,514,784	-	24,514,784
Other comprehensive loss:					
Foreign currency translation adjustment	-	-	-	(1,497,447)	(1,497,447)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>24,514,784</b>	<b>(1,497,447)</b>	<b>23,017,337</b>
<b>December 31, 2025</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ 10,627,687</b>	<b>\$ (5,934,998)</b>	<b>\$ 46,393,714</b>
<b>January 1, 2024</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ (17,050,786)</b>	<b>\$ (5,766,447)</b>	<b>\$ 18,883,792</b>
<b>Comprehensive income</b>					
Net Income	-	-	3,163,689	-	3,163,689
Other comprehensive gain:					
Foreign currency translation adjustment	-	-	-	1,328,896	1,328,896
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3,163,689</b>	<b>1,328,896</b>	<b>4,492,585</b>
<b>December 31, 2024</b>	<b>\$ 34,374,277</b>	<b>\$ 7,326,748</b>	<b>\$ (13,887,097)</b>	<b>\$ (4,437,551)</b>	<b>\$ 23,376,377</b>

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

**TVI Pacific Inc.**  
**Consolidated Statements of Cash Flows**  
**December 31, 2025 and 2024**  
**(in Canadian dollars)**

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income		\$ 24,514,784	\$ 3,163,689
Adjustments for:			
Depreciation expense		2,563	2,751
Deferred income tax (recovery) expense	14	(140,310)	127,216
Unrealized foreign exchange (gain) loss	20	8,008	(5,091)
Reversal of retirement benefit payable	12	-	(197,265)
Interest expense	19	85,778	-
Share of income of joint venture	10	(25,686,281)	(5,020,010)
Changes in non-cash working capital	18	273,449	(486,587)
Changes in retirement benefit payable	12	-	(11,685)
Distribution from investment in joint venture, net of tax	10	966,667	-
Income tax paid		-	(4)
<b>Net cash provided by (used in) operating activities</b>		<b>24,658</b>	<b>(2,426,986)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Promissory Notes and Funds from TVIRD	8	-	2,347,754
<b>Net cash from financing activities</b>		<b>-</b>	<b>2,347,754</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Expenditure on property and equipment and other assets		-	(3,236)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(3,236)</b>
Effect of foreign exchange rates on cash		221	623
Net increase (decrease) in cash		24,879	(81,845)
Cash at beginning of the year		184,310	266,155
<b>Cash at end of the year</b>		<b>\$ 209,189</b>	<b>\$ 184,310</b>

There were no significant non-cash financing and investing activities during the years ended December 31, 2025, and 2024.

The accompanying notes are an integral part of these 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 December 31, 2025, TVI holds a 30.66% interest in TVI Resource Development Phils., Inc. (“TVIRD”), whose assets include: the Balabag gold-silver mine, the Siana gold mine (“Siana”), a 60% interest in the Agata nickel laterite and DSO projects, interests in the Agata processing project, 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.

At December 31, 2025, TVI also holds a 14.4% equity interest in Mindoro Resources Ltd. (“Mindoro”), an entity incorporated in Canada that is engaged in mining and exploration in the Philippines.

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

These consolidated financial statements were authorized for issue by the Board of Directors on June 1, 2026.

**Going concern**

These consolidated financial statements (“**consolidated 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.

As at December 31, 2025, the Company reported a deficit of \$5.2 million (December 31, 2024 – \$4.9 million deficit), with cash of \$0.2 million (December 31, 2024 – \$0.2 million). The Company realized a net income of \$24.5 million (December 31, 2024 – \$3.2 million), largely attributable to its equity share in the earnings of TVIRD. As a result, the accumulated deficit improved to a retained earnings balance of \$10.6 million at December 31, 2025 (December 31, 2024 – \$13.9 million accumulated deficit).

Despite the strong reported net income, the reported operating cash inflows for the year were at \$24,658 (December 31, 2024 – \$2.4 million cash outflow), reflecting the non-cash nature of equity earnings and the timing of dividend receipts. The Company’s earnings are primarily non-cash in nature, driven by equity accounting of TVIRD, and are not indicative of short-term liquidity. At December 31, 2025, the Company had accounts payable and accrued liabilities of \$0.3 million (December 31, 2024 – \$0.3 million), related party payables of \$4.0 million (December 31, 2024 – \$3.8 million), and outstanding loans payable to Prime Resource Holdings, Inc. of \$1.3 million (December 31, 2024 – \$1.2 million). The Company has no other long-term debt or annual expenditure commitments.

During the year ended December 31, 2025, TVI received dividend distributions from TVIRD totaling \$966,667, net of Philippine withholding tax (December 31, 2024 – \$nil). The Company’s ability to continue as a going concern is dependent on the receipt of future distributions from TVIRD, which it does not control, as well as management’s ability to secure additional financing to fund operations and pursue resource projects capable of near-term development. There is no assurance that such distributions or financing initiatives will occur as planned.

These conditions give rise to material uncertainties that may cast significant doubt on the Company’s ability to meet its obligations as they fall due and, accordingly, on its ability to continue as 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 on its ability to fund ongoing operations, obtain distributions from its joint venture investment in TVIRD, and advance its resource projects to generate positive operating cash flows. There can be no assurance that these sources of funding will be realized as planned.

These consolidated financial statements have been prepared on a going concern basis and do not reflect adjustments to the carrying amounts of assets and liabilities, reported expenses, or classifications in the statement of financial position that would be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

**2. Basis of preparation:**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

These consolidated financial statements have been prepared on the historical cost basis. The Company does not have financial instruments measured at fair value as at December 31, 2025 and 2024 (note 5b). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated 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 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 financial statements, unless otherwise indicated.

**(a) Principles of consolidation**

(i) Subsidiaries

The consolidated 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 financial statements from the date that control commences until the date that control ceases. The consolidated 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 financial statements.

Consolidated 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 the results of its associates is recognized in profit or loss, and its share of movements in other comprehensive income of its associates is recognized in other comprehensive income.

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**

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

**(c) Mining claims and exploration costs**

Exploration and evaluation expenditures are expensed as incurred until the Company determines that a property is technically feasible and commercially viable. Upon such determination, subsequent expenditures related to the development of the property are capitalized at cost.

### **3. Material accounting policies (continued):**

Capitalized costs include acquisition costs, development expenditures, and other directly attributable costs necessary to bring the asset to commercial production, including operating and related administrative expenditures.

When a property is brought into commercial production, the capitalized costs are amortized using the unit-of-production method based on the property's estimated proven and probable reserves. If a property is abandoned, all capitalized costs are charged to profit or loss in the year of abandonment.

Mining claims and deferred exploration costs are classified as either tangible or intangible assets based on the nature of the underlying expenditures, and this classification is applied consistently. Certain deferred exploration costs are treated as intangible (e.g., licenses and legal fees), while others are treated as tangible (e.g., equipment and vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount representing that consumption is included in the cost of the intangible asset.

Mining claims and exploration and evaluation assets are assessed for impairment whenever facts and circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount, being the higher of fair value less costs of disposal and value in use. For impairment testing purposes, assets are grouped at the lowest level for which separately identifiable cash inflows exist (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 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).

**3. Material accounting policies (continued):**

(ii) Other income

Other incomes are recognized when earned or realized.

**(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 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 year ended December 31, 2025, \$6,677 was incurred in the statement of profit or loss relating to short term leases (2024 - \$29,537).

**(h) Income taxes**

Income tax expense for the period comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In such cases, the related tax is recognized in other comprehensive income 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 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 financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated 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 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.

#### *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.

#### 4. Critical accounting estimates and judgments (continued):

##### *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 financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the consolidated financial statements for the year ended December 31, 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) *Financial instruments and classification*

The Company's financial instruments consist of cash, accounts receivables, accounts payable, accrued liabilities, due to related parties, and borrowings. Management has assessed the classification of these instruments in accordance with IFRS 9.

All financial instruments are measured at amortized cost, as they are held to collect contractual cash flows that represent solely payments of principal and interest. The carrying amounts approximate their fair values due to their short-term nature.

Financial Instrument	IFRS 9 Classification	Carrying Amount (CAD)
Cash	Amortized cost	209,189
Trade receivables	Amortized cost	8,724
Accounts payable	Amortized cost	54,334
Accrued liabilities	Amortized cost	267,408
Due to related parties – operating balances	Amortized cost	3,995,949
Borrowings – (related party financing)	Amortized cost	1,341,276

###### (ii) *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.

**5. Financial risk management (continued):**

For the year ended December 31, 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 \$2,960.
- 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.

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

	Average rate		Spot rate as at December 31	
	2025	2024	2025	2024
Canadian Dollar/US Dollar	1.3978	1.4240	1.3706	1.4389
Canadian Dollar/ Philippine Peso	0.0243	0.0244	0.0233	0.0248

*(iii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is limited, arising primarily from previously accrued interest on unpaid management and directors' fees and interest-bearing notes payable to Prime Resources Holdings, Inc.

The Company began accruing interest on unpaid management and directors' fees (note 8 (a)) in October 2020 at 4% per annum, calculated daily and compounded annually. Commencing July 2022, this rate was revised to Canada Prime Rate plus 2%. The last interest accrual on these fees was recorded in March 2024. Under the Funding Commitment Agreement dated May 27, 2024, a reduction in interest payable of \$18,750 was recognized, with partial payments of accrued interest made during the year ended December 31, 2025 – \$200,821 (December 31, 2024 – \$99,067). No further interest accruals will be made on these fees going forward.

In June 2024, the Company began accruing interest on the interest-bearing notes payable to Prime Resources Holdings, Inc at Canada Prime Rate plus 2%. During the year ended December 31, 2025, accrued interest totaled \$102,778 (December 31, 2024 – \$57,150).

Beyond these obligations, the Company has no other material interest-bearing assets or liabilities subject to variable interest rates. Accordingly, changes in market interest rates have only a limited impact on the Company's income (loss) and operating cash flows.

*(iv) Liquidity risk*

As at December 31, 2025, and December 31, 2024, the Company has a \$5.2 million and \$4.9 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.

	2025	2024
Due within 12 months:		
Accounts payable and accrued liabilities (note 11)	\$ 321,742	\$ 278,378
Due to related parties (note 8)	3,995,949	3,760,044
Loans and accrued interest payable	1,144,860	1,042,082
	\$ 5,462,551	\$ 5,080,504

**5. Financial risk management (continued):**

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.

(v) *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, accounts receivable, 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.

The following are the components and aging of the accounts receivable:

	2025	2024
Advances to employees	48%	51%
Other receivable	52%	49%
	100%	100%

The following is the aging of the accounts receivable:

	2025	2024
Neither past due nor impaired	\$ 8,724	\$ 8,280
	\$ 8,724	\$ 8,280

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period of greater than 120 days past due.

As at December 31, 2025, all receivables are current and are due within twelve months. None of the receivables are past due, impaired, or subject to an expected credit loss allowance. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not considered significant.

The impairment of trade receivables was assessed at both December 31, 2025, and December 31, 2024, using the expected credit loss model. No individual receivables were found to be uncollectible and therefore, written off. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization; and
- default or late payments (more than 30 days overdue).

Receivables for which an impairment provision is recognized are written off against the provision when there is no expectation of recovering additional cash. No provision has been recorded at December 31, 2025, or December 31, 2024.

The carrying amounts of cash, accounts receivable, and other assets at December 31, 2025, represent the Company's maximum credit risk exposure.

**5. Financial risk management (continued):**

*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, accounts receivable, due to related parties, and accounts payable and accrued liabilities approximate their fair values at December 31, 2025, and December 31, 2024 due to their short-term nature. The carrying value of the Company's loans approximates fair value using the effective interest-rate method.

*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, accrued liabilities, due to related parties, loans and deferred tax liability. 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.

	2025	2024
Debt	\$ 5,964,386	\$ 5,745,520
Equity	46,393,714	23,376,377
Assets	52,358,100	29,121,897
Debt-to-equity	13%	25%
Debt-to-assets	11%	20%

**6. Cash:**

Cash consists of:

	2025	2024
Cash on hand	\$ 349	\$ 372
Cash in banks	208,840	183,938
	\$ 209,189	\$ 184,310

Cash in banks earns interest at the prevailing bank deposit rates. The carrying amount of cash approximates its fair value.

**7. Accounts receivable:**

Accounts receivable consists of:

	2025	2024
Goods and services tax receivable	\$ 8,724	\$ 8,280
	\$ 8,724	\$ 8,280

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**8. Related party transactions:**

The consolidated 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)	
		2025	2024
<b>Subsidiaries of TVI:</b>			
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%
<b>Associates/Joint Venture:</b>			
TVIRD and affiliates	Philippines	30.66%	30.66%
Mindoro	Canada	14.40%	14.40%

**(a) Due to related parties**

	2025	2024
Seajay Management	\$ 475,075	\$ 1,452,617
Directors' fees	456,867	928,710
Due to Officers	327,433	269,462
TVI Resource Development Phil.	2,736,574	1,109,255
	\$ 3,995,949	\$ 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 partially settled, with payments of \$859,322 during the year ending December 31, 2025 (December 31, 2024 - \$429,661). No management fees related to the services of the former President were incurred during the year ended December 31, 2025 (December 31, 2024 - \$80,250), and no further retirement expense accrued during the year ended December 31, 2025 and 2024.

During the year ended December 31, 2025, no interest was accrued on the unpaid management fees of the Company (December 31, 2024 - \$49,251). Instead, a reduction in interest payable of \$9,118 was recognized to reflect the revised calculation under the Funding Commitment Agreement dated May 27, 2024.

The Company has not fully paid directors' fees dating back to 2017 as it has been actively conserving cash.

During the year ended December 31, 2025, the Company accrued \$139,833 in directors' fees (December 31, 2024 - \$98,813). Payments of \$14,500 were made against outstanding directors' fees during the year ended December 31, 2025. No interest expense was accrued on the unpaid fees for either former or current directors during the year ended December 31, 2025 (December 31, 2024 - \$47,080). A reduction in interest payable of \$8,038 was recognized to reflect the revised calculation under the Funding Commitment Agreement dated May 27, 2024.

The Company has not fully paid the former Chief Financial Officer ("CFO") dating back to 2017. At December 31, 2025, unpaid fees of \$48,481 remained outstanding (December 31, 2024 - \$151,012). During the year ended December 31, 2025, the Company accrued interest expense of \$nil (December 31, 2024 - \$9,154) on unpaid fees, with a reduction in interest payable of \$1,594 recognized to reflect the revised calculation under the Funding Commitment Agreement dated May 27, 2024.

During the year ended December 31, 2025, \$180,000 was accrued for the new CEO and CFO fees with no interest applied on the unpaid management fees (December 31, 2024 - \$90,000).

During the year ended December 31, 2025, no further expenses were incurred by the Company for administrative services provided by Regent Parkway, a corporation controlled by the chairman and director of TVI Resource Development (Phils.), Inc. (December 31, 2024 - \$112,143).

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**8. Related party transactions (continued):**

As at December 31, 2025, the Company accrued additional payables to TVI Resource Development (Phils.), Inc. in the amount of \$1,627,319 (December 31, 2024 – \$1,109,255), arising from funding received to support operating expenses.

**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 December 31, 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 December 31, 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 income		129,033
Foreign exchange revaluation		1,220,183
Investment in joint venture at December 31, 2024		28,914,666
Share of net income		25,686,281
Share of other comprehensive loss		(366,590)
Foreign exchange revaluation		(1,162,356)
Cash distribution from joint venture, net of \$170,588 withholding taxes		(966,667)
Investment in joint venture at December 31, 2025	\$	52,105,334

The Company's share of TVIRD's results of operations, assets and liabilities for the year ended December 31, 2025, are as follows:

	December 31, 2025	December 31, 2024
Share of revenue	\$ 137,392,154	\$ 72,323,981
Share of comprehensive income	25,319,691	5,149,043
Share of total current assets	82,534,141	43,101,543
Share of total assets	129,730,774	108,005,474
Share of total current liabilities	40,949,526	29,911,505
Share of total liabilities	77,520,148	76,902,841

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**10. Investment in joint venture (continued):**

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

	2025	2024
Revenue from laterite	\$ 299,601	\$ 616,287
Revenue from gold and silver	447,815,707	235,274,061
Total revenues	448,115,308	235,890,348
Total expenses	(346,557,043)	(208,087,907)
Operating income	101,558,265	27,802,441
Finance cost	(3,284,415)	(2,066,773)
Interest income	384,876	86,195
Other income (loss)	872,672	(4,412,195)
Net income before tax	99,531,398	21,409,668
Income tax expense	(15,787,850)	(5,937,122)
Net income for the year	83,743,548	15,472,546
Non-controlling interest income	34,275	900,611
Net income attributable to TVIRD	83,777,823	16,373,157
Other comprehensive income (loss) – TVIRD	(1,195,663)	420,851
Comprehensive income - TVIRD	\$ 82,547,885	\$ 15,893,397

	2025	2024
The Company's share in net income	\$ 25,686,281	\$ 5,020,010
The Company's share in other comprehensive income (loss)	(366,590)	129,033
Share of comprehensive income of joint venture	25,319,691	5,149,043
Cash and cash equivalents	\$ 71,829,919	\$ 19,731,272
Current assets	269,191,590	140,579,069
Non-current assets	153,935,528	211,689,274
Total assets	423,127,118	352,268,343
Current financial liabilities	24,491,868	18,425,223
Non-current financial liabilities	21,906,034	43,145,012
Current liabilities	133,560,099	97,558,724
Non-current liabilities	119,277,957	153,265,938
Total liabilities	252,838,056	250,824,662
Net assets	170,289,062	101,443,681
Adjustments and eliminations	(118,183,728)	(72,529,015)
Investment in joint venture	\$ 52,105,334	\$ 28,914,666

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 December 31, 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 ventures. As of December 31, 2025, investment in joint ventures 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. Dividends of \$966,667 were received in the year ended December 31, 2025 (December 31, 2024 - \$nil).

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**11. Accounts payable and accrued liabilities:**

Accounts payable consists of the following:

	2025	2024
Trade payables	\$ 54,334	\$ 18,605
Other accrued liabilities	267,408	259,773
	<b>\$ 321,742</b>	<b>\$ 278,378</b>

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, 2023. As at December 31, 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, 2026	Canada Prime rate + 2%
PN 02	April 12, 2024	71,586	October 12, 2026	Canada Prime rate + 2%
PN 03	May 27, 2024	144,658	November 27, 2026	Canada Prime rate + 2%
PN 04	May 27, 2024	110,301	November 27, 2026	Canada Prime rate + 2%
PN 05	June 13, 2024	57,809	December 13, 2026	Canada Prime rate + 2%
PN 06	June 27, 2024	428,846	December 27, 2026	Canada Prime rate + 2%
PN 07	August 12, 2024	196,416	February 12, 2027	Canada Prime rate + 2%
Total		<b>\$ 1,181,348</b>		

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 year ended December 31, 2025, the Company accrued interest expense of \$102,778 (December 31, 2024 - \$57,150). No interest payments have been made to date.

Subsequent to December 31, 2025, all promissory notes were extended by one year from their original maturity dates under the same interest terms. The above maturity dates are post-extension.

**14. Income taxes:**

	2025	2024
Deferred tax expense (recovery)	\$ (140,310)	\$ 127,216
Deferred income tax expense (recovery)	(140,310)	127,216

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**14. Income taxes (continued):**

Deferred tax recovery (expense) of \$140,310 at December 31, 2025 (2024 - \$127,216 expense) is as follows:

	2025	2024
TVI Minerals	\$ 140,335	\$ (85,410)
TVI Asia-Pacific Corp	25	(41,806)
Deferred tax recovery	140,310	(127,216)

Deferred tax liability of \$305,419 at December 31, 2025 (2024 - \$468,600) is as follows:

	2025	2024
TVI Minerals	\$ 305,302	\$ 468,499
TVI Asia-Pacific Corp	117	101
Deferred tax liability	305,419	468,600

The provision for income taxes differs from that which would be expected by applying the combined federal and provincial corporate statutory rates as follows:

	2025	2024
Weighted average applicable tax rate	23.0%	23.0%
Net income before income tax	\$ 24,374,474	\$ 3,290,905
Expected expense (recovery)	\$ 5,614,541	\$ 758,291
Change to income taxes resulting from:		
Nondeductible expenses	(5,580,995)	(881,250)
Non-taxable income	(1)	(1)
Net unrecognized (recognized) tax credit for losses	(173,855)	250,176
Income tax expense (recovery)	\$ (140,310)	\$ 127,216

The deferred tax recovery of \$140,310 recognized in the year ending December 31, 2025 (2024 – expense of \$127,216), relates to the Philippine entities, TVI Minerals and TVI Asia Pacific Corporation. Philippine tax law only allows losses to be carried forward for a maximum of five years and does not allow losses to be carried back.

The weighted average applicable tax rate was 23.0% (2024 – 23%).

At December 31, 2025, and 2024, the Company has estimated capital losses for Canadian tax purposes of \$27.9 million that do not expire and may be utilized to reduce future capital gains, if any. The Company has estimated non-capital losses of \$35.1 million at December 31, 2025, which may be applied to reduce taxable income in future taxation years (December 31, 2024 - \$36.5 million), the benefit of which has not been recorded in these consolidated financial statements. The non-capital losses will expire between 2026 to 2045.

**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**

	2025		2024	
	Shares (#)	Value (\$)	Shares (#)	Value (\$)
Common shares, January 1	728,587,039	\$ 34,374,277	728,587,039	\$ 34,374,277
Common shares, end of the year	728,587,039	\$ 34,374,277	728,587,039	\$ 34,374,277

During the years ended December 31, 2025 and December 31, 2024, no shares were issued and no options were exercised.

**(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 was no share options granted during the years ended December 31, 2025, and December 31, 2024.

The continuity of stock options is as follows:

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

All outstanding stock options expired during the year ended December 31, 2024. As a result, no stock options were outstanding as at December 31, 2025.

**(d) Stock-based compensation and contributed surplus**

During the year ended December 31, 2025, \$nil (December 31, 2024 - \$nil) of stock-based compensation was charged to the consolidated statement of profit or loss.

	2025	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

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**16. Per share data:**

	2025	2024
Net income	\$ 24,514,784	\$ 3,163,689
Weighted average number of shares, basic	728,587,039	728,587,039
Weighted average number of shares, diluted	728,587,039	728,587,039
Basic income per share	0.03	0.00
Diluted income per share	0.03	0.00

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common 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:**

	2025	2024
Personnel costs	\$ 420,922	\$ 683,778
Professional fees	358,304	672,793
Contracted services	231,865	183,929
Travel and transportation	353	51,133
Insurance	62,401	57,107
Investor relations	96,752	69,028
Rent	6,677	29,537
Taxes and licenses	24,218	6,494
Utilities	2,933	5,495
Materials and supplies	8,291	1,737
Others	4,212	5,309
Total administrative and general costs	\$ 1,216,928	\$ 1,766,340

**18. Changes in working capital:**

	2025	2024
Accounts receivable	\$ 583	\$ 9,397
Prepaid expenses	(23,843)	(1,121)
Accounts payable and accrued liabilities	43,267	(36,651)
Due from related parties	-	3,012
Due to related parties	253,442	(461,224)
	\$ 273,449	\$ (486,587)

**19. Interest income (expense):**

	2025	2024
Interest income	\$ 1,412	\$ 1,736
Interest (expense)	(85,778)	(163,441)
	\$ (84,366)	\$ (161,705)

The Company started to accrue interest in October 2020 on unpaid management and directors' fees (note 8) that is calculated on total unpaid fees. The interest 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%.

In 2025, no further interest was accrued on the unpaid management and directors' fees, instead a reduction in interest payable of \$18,750 was recognized to reflect the revised calculation under the

**19. Interest income (expense) (continued):**

Funding Commitment Agreement dated May 27, 2024. Partial payments of interest on unpaid management and directors' fees were made during the year ended December 31, 2025, totaling \$200,821 (December 31, 2024 – \$99,067).

In June 2024, the Company began accruing interest on the interest-bearing notes payable to Prime Resources Holdings, Inc at Canada Prime Rate plus 2%. During the year ended December 31, 2025, accrued interest totaled \$102,778 (December 31, 2024 – \$57,150).

**20. Foreign exchange gain (losses):**

	2025	2024
Unrealized foreign exchange gain (loss)	\$ (8,008)	\$ 5,091
Realized foreign exchange loss	58	(665)
	\$ (7,950)	\$ 4,426

**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.