

TVI Pacific's 30.66% owned TVIRD Closes US \$30 million Term Loan Facility Through GRC for its Siana Gold Mine

CALGARY, AB, Dec. 28, 2023 /CNW/ - TVI Pacific Inc. (TSXV: TVI) (OTC Pink: TVIPF) ("**TVI**" or "**the Company**") is pleased to announce that Greenstone Resources Corporation ("**GRC**"), the owner and operator of the Siana Gold mine ("**Siana**") and an entity wholly owned by TVI Resource Development Phils., Inc. ("**TVIRD**"), a Philippines corporation in which TVI holds a 30.66% interest, has closed an Omnibus Loan and Surety Agreement ("**OLSA**") with China Banking Corporation (the "**Lender**") providing for a US \$30 million principal amount term loan facility (the "**Facility**"), the proceeds of which shall be used to partially finance its 3,000 metric tons per day ("**MTPD**") Siana mine.

GRC Financing Highlights

- US \$30 million Facility concluded with China Banking Corporation.
- Five (5) year term with a fixed interest rate per annum ("**pa**") for the first two (2) years that shall be repriced on the second anniversary from the initial drawdown date.
- Repayable in fifteen (15) equal quarterly installments to start at the end of the sixth (6th) quarter from the initial drawdown date. Interest is payable starting at the end of the first quarter from the initial drawdown date.

GRC Financing

The Facility is a five (5) year term loan facility from the Lender in the aggregate principal amount of up to US \$30 million, the proceeds of which shall be used to partially finance GRC's 3,000 MTPD Siana mine.

GRC has elected to apply a fixed interest rate for the first two years of any amounts borrowed through the Facility that shall be based on the sum of the benchmark rate plus a spread of 200 basis points or 6.50% pa, whichever is higher, as established one Banking Day prior to the relevant drawdown date ("**Interest Rate Setting Date**"). A day after the second anniversary of the initial drawdown date, a new repriced interest rate will be applied based on the sum of the applicable benchmark rate plus a spread of 200 basis point or 6.50% pa, whichever is higher, as established one Banking Day prior to the relevant anniversary from the initial drawdown date. The new interest rate will be applicable for the remaining tenor of the loan.

Benchmark rate is the simple average bid yield for the Applicable Tenor of US dollar bonds issued by the Republic of the Philippines as displayed on the ALLQ Screen source-BGN (or successor screen) of Bloomberg (or such successor electronic service provider) at approximately 5:00 pm GMT +8 for the three (3) banking days ending on and inclusive of the Interest Rate Setting Date.

The principal shall be repaid in fifteen (15) equal quarterly installments to start at the end of the sixth (6th) quarter from the initial drawdown date, with interest payable quarterly in arrears starting at the end of the first quarter from the initial drawdown date. An option exists to prepay the Facility, in full or in part, subject to a prepayment penalty.

The Facility shall be secured by:

- a) A corporate surety provided by Prime Asset Ventures, Inc.;
- b) Fine Properties, Inc., a member of the Villar Group, acting as Mortgagor;
- c) A corporate surety provided by TVIRD and TVIRD acting as Share Security Grantor

- whereby a first ranking security interest over all of TVIRD's shares in GRC is provided;
- d) First ranking security interest over, or assignment of, GRC's rights/interests/receivables in its contracts with buyers and all material contracts of Siana, excluding the Mineral Production Sharing Agreement ("**MPSA**");
 - e) The Debt Service Reserve Account that shall hold at least the amount equivalent to the next principal repayment and interest due up to 90 days in advance of the due date; and,
 - f) Insurance contract rights related to Siana.

The Facility has been fully drawn on December 28, 2023.

"Conclusion of a loan facility with China Banking Corporation will help Siana to move toward commercial production and to proudly become the fifth mine for TVIRD following the Canatuan gold-silver mine from 2004 to 2008, the Canatuan copper-zinc mine from 2009 to 2014, the Agata nickel direct shipping ore mine from 2014 to 2023 and in which TVIRD holds a 60% interest and the Balabag gold/silver mine that commenced operations in 2021," stated Cliff James, Chairman and CEO of TVI and Chairman of TVIRD. "This represents yet another exciting step for both TVIRD and TVI Pacific as we continue to be focused on adding value to TVIRD's portfolio of projects."

About GRC

On November 4, 2021, TVIRD completed its acquisition of 100% of the outstanding equity in GRC, the owner and operator of Siana and the Mapawa Project ("**Mapawa**"), both of which are located in the southern Philippine island of Mindanao. Prior to the acquisition by TVIRD, GRC was the Philippines affiliate of Red 5 Limited ("**Red 5**") (ASX: RED), a Perth, Western Australian-based gold company, the shares of which are listed on the Australian Securities Exchange. Red 5 previously reported in their 2020 Annual Report a combined historical Indicated JORC 2012 mineral resource estimate for the Siana open pit and underground mine of 4.3Mt @ 4.6 g/t gold ("**Au**") and 6.8 g/t silver ("**Ag**") and combined Inferred JORC 2012 mineral resource estimate for the Siana open pit and underground mine of 0.5Mt @ 8.9 g/t Au and 10.6 g/t Ag. TVI is not treating this as a current mineral resource under National Instrument 43-101 – Standards of Disclosure for Mineral Projects as a qualified person has not done sufficient work to classify the historical estimate as current and has not verified this information; as such, these estimates should not be relied upon.

Siana is located in Tubod, Surigao del Norte, approximately 35 kilometers from Surigao City and near to Lake Mainit, while Mapawa is located 20 kilometers north of Siana and has the potential to be developed as a satellite source of ore feed for the Siana processing plant. The Siana mine covers a 3,289-hectare MPSA (MPSA No. 184-2002-XIII) in addition to 100% of the neighboring 1,482-hectare MPSA No. 280-2009-XIII for the Mapawa Project and the Ferrer Claim (as covered by the Application for Mineral Production Sharing Agreement No. A000046 and comprising of one Block of 595 hectares). The Siana MPSA was granted on December 11, 2002 and registered with the Philippine Mines and Geoscience Bureau on December 27, 2002 for a term of 25 years. Siana is located along the Surigao Valley Fault, a major mineral structure, which is a part of the major Philippine Fault or Rift Zone. The Rift Zone constitutes multiple epithermal gold and porphyry-type copper-gold mineral deposits.

GRC continues to focus on dewatering of the Siana pit and the reconditioning and commissioning of the Process Plant. The construction of Tailings Storage Facility 6 ("**TSF-6**") is now complete with surfacing and maintenance of the embankment ongoing. Permission of the TSF Engineer has been given to start utilizing the facility for mill tails deposition and soft-commissioning of the plant commenced in December 2022. Through to November 30, 2023, a total of 365,249 tonnes of low-grade stockpile mineralized material with an average grade of 0.68 g/t Au and 4.37 g/t Ag has been milled, averaging through the same period a plant utilization of 64% and an average throughput of 1,900 MTPD to manage the drawdown of the low-grade stockpile until the full development of the open pit is achieved. A total of 699 kg of doré containing 6,401 oz of Au and 15,377 oz of Ag have been smelted and a total of 674 kg of doré containing 6,283 oz of Au and 14,968 oz of Ag have

been shipped as at November 30, 2023.

As the previous 100% owner of TVIRD, TVI's focus upon responsible mining established the framework through which TVIRD received and has continued to receive various environmental and safety awards for its exceptional performance. This discipline has carried through into GRC with GRC being awarded in November 2023 the Platinum Achievement Award in the Surface Mining Operation category and runner-up for the Safest Surface Mining Operation Award by the Presidential Mineral Industry Environment Award ("PMIEA") Committee, both in relation to GRC's operations at Siana mine as it continues to work through the soft-commissioning phase.

About TVI Resource Development Phils., Inc.

TVIRD, a Philippine corporation in which TVI holds a 30.66% interest, is a diversified mining company that focuses on the acquisition, exploration, development and production of resource projects in the Philippines. TVIRD owns 100% of the operating Balabag gold/silver mine, 100% of the Siana gold mine that is proceeding through the stage of soft-commissioning, 100% of the Mapawa project (gold), a 60% indirect interest in the Mabilo project (a copper-gold-iron skarn deposit that offers potential for multi-metal products, namely copper, gold and silver, with by-products magnetite and pyrite), and a 60% interest in Agata Mining Ventures Inc. (nickel/iron DSO mine).

About TVI Pacific Inc.

TVI Pacific Inc. is a Canadian resource company focused on mining projects in the Philippines, one of the most prolifically mineralized countries in the world. TVI currently holds a 30.66% equity interest in TVIRD, a Philippines corporation. Through TVIRD, TVI has ownership in a currently producing gold mine and is focused on bringing on-stream the Siana gold mine at which equipment has been rehabilitated and commissioning of the plant has commenced in line with TVIRD's plan to restart operations.

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain information set out in this News Release constitutes forward-looking information. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "believe", "scheduled", "to be", "will be" and similar expressions. Forward-looking statements in this News Release are based upon the opinions and expectations of management of the Company as at the effective date of such statements. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties (known and unknown) that could cause actual outcomes to differ materially from those anticipated or implied by such forward-looking statements.

Forward-looking statements are based upon the opinions and expectations of management of the Company as at the effective date of such statements and, in certain cases, information supplied by third parties. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct.

Forward-looking statements are subject to certain risks and uncertainties (known and unknown) that could cause actual outcomes to differ materially from those anticipated or implied and should not be read as guarantees of future performance or results. These factors include, but are not limited to, such things as: (i) general economic conditions in Canada,

the Philippines and elsewhere; (ii) volatility of prices for precious metals, base metals, and other commodities; (iii) commodity supply and demand; (iv) fluctuations in currency and interest rates; (v) inherent risks associated with the exploration and development of mining properties, including but not limited to geological characteristics, metallurgical characteristics of the mineralization, the availability of equipment and facilities necessary to complete development and the ability to develop adequate processing capacity; (vi) the cost of consumables and mining and processing equipment; (vii) unforeseen technological and engineering problems; (viii) ultimate recoverability of reserves; (ix) production, timing, results and costs of exploration and development activities; * political factors, political stability or civil unrest, including but not limited to acts of sabotage or terrorism; (xi) availability of financial resources or third-party financing; (xii) changes in laws or regulations (domestic or foreign); (xiii) changes in administrative practices; (xiv) changes in exploration plans or budgets; (xv) the availability of skilled labour; (xvi) the failure of parties to contracts with the Company and TVIRD to perform as agreed, including its joint venture partners; (xvii) the impact of the COVID-19 pandemic; and (xviii) extreme weather conditions and forces of nature (i.e. typhoons, heavy rains, earthquakes, and the like) that may disrupt operations and exploration.

Forward-looking statements regarding GRC's Siana development are based upon, but are not limited to, TVIRD's past exploration, operations, construction and project development experience in the region and in such terrain, current and previous exploration activities, discussions with third parties, the availability of financing and TVIRD's overall plans, budget and strategy for Siana (which are all subject to change).

The Company does not have control over TVIRD nor does it have any involvement in the management or decisions of TVIRD or control over financial reporting and internal controls of TVIRD. The Company relies on the internal controls and financial reporting controls of TVIRD and their failure to maintain effectiveness or comply with applicable standards may adversely affect TVI.

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

Various risks to which the Company is exposed in the conduct of its business (including mining activities) are described in detail in the Company's Annual Information Form for the year ended December 31, 2022, which was filed on SEDAR+ on May 15, 2023, and is available under the Company's profile at www.sedarplus.ca.

The forward-looking statements contained in this News Release are made as of the date hereof and the Company does not undertake any obligation to update or to revise any of the included forward-looking statements, except as required by applicable securities laws in force in Canada. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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