

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

TVI Pacific Inc. (the “**Company**”)  
600, 505 – 2nd Street SW  
Calgary, Alberta T2P 1N8

**2. Date of Material Change**

August 12, 2024

**3. News Release**

A news release disclosing the material changes described herein was issued on August 28, 2024, through the facilities of Newsfile Corp. and was filed with the applicable securities regulatory authorities via SEDAR+ on such date.

**4. Summary of Material Change**

On August 28, 2024, the Company announced that it had drawn the principal amount of \$196,416.00 (the “**Loan**”) under the Company’s previously announced funding commitment agreement (the “**Funding Commitment Agreement**”) with Prime Resources Holdings, Inc. (the “**Lender**”). In accordance with the terms of the Funding Commitment Agreement, the Lender advanced the Loan to the Company as evidenced by an unsecured interest-bearing promissory note (the “**Note**”).

**5.1 Full Description of Material Change(s)**

***The Loan***

On August 12, 2024, the Company issued the Note to the Lender in consideration of the advance by the Lender of the Loan for proceeds of \$196,416.00 and intended to fund certain accrued expenses and for working capital and general corporate purposes.

By its terms, the Note accrues interest at a rate of prime plus 2.0% per annum and matures on the earlier of: (i) February 2026, being eighteen months from the date the Note was issued (each, a “**Maturity Date**”); and (ii) prior to the applicable Maturity Date, an entity or individual (other than the Lender, its affiliates and any other person acting jointly or in concert therewith), together or acting jointly or in concert with one or more entities or persons, holds more than 19.9% of the issued and outstanding shares of the Company.

As of the date of this material change report, \$1,181,348.45 has been borrowed by the Company from the Lender and evidenced by unsecured interest-bearing promissory notes, including the Note.

### **Related Party Participation**

The Lender is a “related party” of the Company, and the Loan, the entering into the Note and matters relating thereto (the “**Transactions**”) are considered to be “related party transactions” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) requiring the Company, in the absence of exemptions, to obtain a formal valuation and minority shareholder approval, of the related party transactions.

Pursuant to Sections 5.5(b) and 5.7(1)(f) of MI 61-101, the Company relied on exemptions from the formal valuation and minority shareholder requirements, respectively, as, in addition to no securities of the Company being listed or quoted on certain specified exchanges, the Loan is a non-convertible loan obtained on reasonable commercial terms that is not less advantageous to the Company than if the Loan were obtained from a person dealing at arm’s length and not repayable, directly or indirectly, in equity or voting securities of the Company or a subsidiary.

The Transactions were approved by the then board of directors of the Company (the “**Board**”), who were independent for the purposes of the Note, being Messrs. Jan Horejsi, Brian Cramm, and Robert Armstrong. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, the Lender, had or has knowledge of any material information concerning the Company or its securities that has not been generally disclosed. No special committee of the Board was established in connection with the Transactions as the entire Board was engaged in respect thereof, and, other than Messrs. James, Villar and Regino, who abstained from voting on the Transactions, no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

Neither the Company nor any director or senior officer of the Company has knowledge, after reasonable inquiry, of any prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the Transactions, which has been made in the 24 months prior to the date of this report. The Company did not file a material change report more than 21 days before the expected closing as the details of the Transactions were not finalized until immediately prior to its advance, and the Company wished to close the Transactions as soon as practicable for sound business reasons.

#### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

#### **6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

#### **7. Omitted Information**

No information has been omitted on the basis that it is confidential information.

#### **8. Executive Officer**

For inquiries regarding the material change and this report, please contact:

Michael G. Regino

Chief Executive Officer  
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**9. Date of Report**

August 28, 2024