TVI Pacific Inc. Reports BGRIMM Pilot Plant Test Work Results For Its Agata Nickel Laterite Ore Project

Initial Results Confirm Excellent Leachability of the Agata Nickel Laterite Ore

CALGARY, ALBERTA – TVI Pacific Inc. (TSX:TVI) (OTCQX:TVIPF) (TVI or the Company) through its Philippine operating affiliate, TVI Resource Development (Phils.), Inc. (TVIRD), provides an update on the test work results for its Agata Nickel Laterite Ore project. The positive results of Beijing General Research Institute of Mining & Metallurgy (BGRIMM) pilot plant marks another key step forward for the Agata North project, located in the mining district of Agusan in northern Mindanao.

Highlights:

• Pilot scale testing of Agata ore by BGRIMM is complete.
• Results confirm excellent leachability obtained during bench-scale testing.
• 93.5 – 94.5% Ni extraction obtained over the 2-stage leaching process.
• Favourable acid consumption in the range of 48-50 t acid/t Ni leached.
• Vendor testwork completed and all design parameters obtained for pre-leach thickener, Counter-Current Decantation and residue filtration design.
• 8,000 L Pregnant Leach Solution produced from BGRIMM leaching campaign and shipped to producer for offtaker evaluation.
• TVI’s Philippine pilot plant commissioned and production of NHP to commence in the 2nd half of October 2013.

On June 5, 2013, the Company announced the positive results of the bench scale tests indicating that the Agata ore is highly amenable to acid leaching. The next step was to then run a continuously operated pilot plant at BGRIMM’s research facility in China, in order to test and obtain design data for feed ore screening/classification/thickening, primary and secondary leaching, counter-current decantation (CCDs), residue neutralization and residue filtration.

The BGRIMM pilot plant operation was conducted from May to July 2013 and the results are encouraging and in line with expectations as obtained from positive bench-scale test work.

Approximately 8,000L of the nickel-rich liquor from the BGRIMM pilot leaching plant was shipped to the Philippines for use as the feed stock to the TVI nickel purification and recovery pilot plant, established to produce a Nickel Hydroxide Product (NHP, containing about 50-53% Ni).

Some of this liquor was also tested at BGRIMM in a continuous pilot plant campaign configured to produce a Mixed Hydroxide Product (MHP) containing at least 36% Ni. This will allow TVI to evaluate the process option of producing MHP compared to NHP.

Key outcomes:

• An overall nickel extraction of 93.5 – 94.5% may be consistently achieved at an acid consumption of 48-50 t acid/t Ni leached. This has been shown as a result of an extensive BGRIMM pilot plant campaign, in which 4,300 kg of feed ore was leached.
• Leaching performance achieved is near identical to that obtained during the bench-scale test campaigns conducted at BGRIMM and the in-house facility in Manila.

• The 2-stage leaching process proposed is robust and yielded similar results for the variety of ore types tested.

• The leaching pilot plant operation allowed determination of other circuit design data such as residence time, operating temperature, feed slurry density, etc.

• Vendor settling tests confirmed fast settling nature of the feed ore, and leach residue. Acceptable underflow density obtained means that the leach circuit can be operated at 35-40% solids and the Counter-Current Decantation (CCD) circuit can be designed to achieve 98-99% recovery of soluble Ni over 7 CCD stages. All design data for pre-leach and CCD thickener design has been obtained.

• Limestone and lime consumption were determined from the continuously operating pilot plant for the neutralization of the washed leach residue. Additionally, residence time and other design parameters were obtained.

• Vendor settling tests have confirmed the expectation that the filtration rate of the washed and neutralized leach residue is slow, but feasible to incorporate this unit operation in the full scale plant flowsheet. All data to allow the design of the residue filtration has been obtained.

• A Mixed Hydroxide Product (MHP) containing an average of 36% nickel was produced by treating the pregnant leach solution (PLS) with soda ash/caustic soda. It was shown that it is possible to produce an MHP containing >40% Ni, if a 2-stage precipitation circuit is used.

• 8,000L of the BGRIMM pilot plant PLS has been shipped to Philippines for processing at TVI’s downstream metal purification and recovery pilot plant. A higher value Nickel Hydroxide Product (NHP) will be produced at this facility.

Details of the BGRIMM Pilot Plant Campaign

The pilot plant test commenced in May 2013 and was based on the results of the comprehensive program of laboratory bench-scale testing, which were previously carried out at BGRIMM in China and at TVI’s Metallurgical Laboratory in the Philippines.

Approximately 30 t of ore was mined from a variety of test pits that cover the Agata ore body. Test pits were carefully selected from the available drill-hole data to accurately reflect the ore that is expected to feed the process plant. Limonite and saprolite ore was separately mined, blended and loaded into sealed drums to preserve ore moisture.
Approximately 12 t of ore was sent to BGRIMM in order to continuously operate the pilot plant. The ore was blended, crushed, screened and milled. Leaching commenced on 13 May 2013 to test a high grade (1.5% Ni) and a medium grade (1.3% Ni) ore.

The leaching pilot plant comprised 2 stages, viz. primary leaching, conducted in a series of 5 atmospheric leaching reactors, and secondary leaching, conducted in an autoclave comprising 5 chambers and a flash tank. Acid was added to the primary leaching circuit, together with high Fe, low Mg content feed ore. Primary leach residue and fresh ore containing low Fe, high Mg was fed to the autoclave. No acid is added, since acid is generated from the Fe hydrolysis reaction occurring in the autoclave. The autoclave therefore allows greater acid efficiency to be obtained, as well as effectively reducing the Fe:Ni ratio in the final PLS.

Residue from the leaching stage was made available to two thickener vendors to conduct CCD thickener settling tests. Additionally, these vendors also conducted primary leach feed slurry thickening tests. These tests provide all the data required for the specification and design of the pre-leach and CCD thickener stages.

Washed leach residue was neutralized using a continuous pilot plant consisting of five neutralization reactors. Limestone was added to the first reactor and lime was added to the second reactor.

Washed and neutralized leach residue was made available to two filter vendors to conduct filtration tests that would allow the specification and design of the residue filtration stage. A bulk sample of the washed and neutralized residue filter cake has been sent to the TVI metallurgical testing facility in the Philippines for the purpose of conducting further environmental characterization and geo-technical stability tests that will allow the design of the leached ore storage facility and specification of the mine backfill and rehabilitation program.

PLS recovered from the slurry after leaching was divided into two batches, including 8,000L for shipment to the TVI metallurgical testing facility in the Philippines for production of a Nickel Hydroxide Product (NHP) and 1,000L for production of an alternative Mixed Hydroxide Product (MHP). This will allow NHP and MHP processes and products to be compared and a final process route chosen as part of the Bankable Feasibility Study that is currently underway.

The MHP production pilot plant operation has been completed by BGRIMM in July 2013. PLS was subjected to Fe removal, conducted using limestone as the neutralizing reagent, in a series of five continuously operating neutralization reactors. The Fe-free PLS was then fed to a series of 5 Ni precipitation reactors, where soda ash/caustic soda was added in order to precipitate the Ni, Co (and Mn) in solution to produce an MHP containing on average 36% Ni. When a 2-stage precipitation circuit is employed, the NHP Ni content is >40%.

**TVI’s Pilot Plant (Philippines)**

TVI has installed and commissioned a continuously operating pilot plant at its metallurgical laboratory in the Philippines. This pilot plant comprises Ni solution purification (using continuous counter-current ion exchange), Ni precipitation to produce NHP containing slurry (using magnesia as precipitating agent) and NHP washing and filtration to produce final NHP filter cake product (50-53% Ni). Additionally, raffinate from the ion exchange pilot plant will be treated to remove heavy metals so that the resultant brine may be appropriately disposed.

The 8,000L of PLS from BGRIMM has already been received at the TVI pilot plant, and operation of the pilot plant is set to commence by mid-October 2013 and will run until end-November 2013. On completion of these pilot plant operations, TVI will have all the metallurgical data required to design the proposed full-scale pilot plant, as well as have all the consumption, recovery and other data in order to fully evaluate the operating costs and other important process economic factors.

The NHP filter cake produced by the TVI pilot plant will be sent to interested product off-takers for further evaluation.

**TVI and Mindoro Joint Venture**

TVI and Mindoro Resources (TSXv:MIO) have signed four joint venture agreements, previously announced on October 1, 2012, relating to the Agata and Pan de Azucar mining projects located in the Philippines on
the islands of Mindanao and Panay, respectively. The joint ventures present TVI with multiple growth opportunities for near-term and medium-term cash flow generating potential. Under the agreements the Company’s Philippine affiliate, TVI Resource Developments (Phils.) Inc. (“TVIRD”) has the ability to earn up to a 60% interest and will act as operator of the projects.

Mining Project Opportunities within the Agata Tenement

- a near-term high iron (Fe) laterite direct shipping ore (DSO) operation
- a near-term limestone DSO operation
- a medium-term lime production facility
- a medium-term nickel processing plant project

Prior extensive pre-feasibility and engineering works have been conducted on the Mindoro properties. These reports can be accessed on Mindoro’s website at www.mindoro.com or on SEDAR at www.sedar.com.

TVI Pacific Inc. has filed an updated National Instrument 43-101 technical report on the Agata project on April 10, 2013. The National Instrument 43-101 technical report is available on SEDAR and on TVI’s website.

Qualified Person

Enrico C. Nera, President and Chief Operating Officer of Minercon International Inc., Member AusIMM, is the qualified person under NI 43-101 who has approved the scientific and technical information in this news release.

About TVI Pacific Inc.

TVI Pacific Inc. is a Canadian resource company focused on the production, development, exploration and acquisition of resource projects in the Philippines and Southeast Asia. The Company produces copper and zinc concentrates from its Canatuan mine and is advancing its Balabag Gold-Silver project. TVI is a participant/operator in several joint venture projects in the Philippines and Papua New Guinea and also has an interest in an offshore Philippine oil property.

Investor Relations
TVI Pacific Inc.
403.265.4356
tvi-info@tvipacific.com

Connect with us www.tvipacific.com
Follow us on Twitter www.twitter.com/tvipacific
"Like" us at www.facebook.com/tvipacific

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The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein.

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Forward-Looking Statements: This news release contains certain forward-looking information (referred to herein as “forward-looking statements”). Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “intend”, “estimate”, “scheduled”, “expect”, “may”, “will”, “should”, or similar words suggesting future activities or outcomes. The forward-looking statements set out in this news release include information relating to interests that may be earned by TVIRD in the Agata and Pan de Azucar joint ventures; opportunities for exploration, development and commercialization of the Agata Mining Project (including the High Fe and Limestone DSO/Lime Production Facility and the Agata Nickel Processing Plant).
Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those risks and uncertainties include, but are not limited to: (A) results of further work in pursuing the conceptual planning described in this news release not supporting current expectations as to the opportunities outlined; (B) TVIRD not funding the necessary expenditures at Agata or Pan de Azucar to advance the projects or earn an interest under the joint venture agreements due to, among other things (i) changes in TVIRD's strategic priorities, due diligence findings, changes in laws or regulations affecting mining operations in the Philippines (including the profitability of such operations), and other factors, (ii) changes in TVIRD budgets and (iii) limited availability of funds; (C) a determination on the part of TVIRD not to pursue projects contemplated by one or more of the joint venture agreements noted above for technical, economic, legal or other reasons (including, without limitation, a failure to obtain required permits or other governmental or regulatory approvals); and (D) certain other risks identified elsewhere in TVI's public filings, including, without limitation, those risk factors set forth at pp. 46-52 of TVI's Annual Information Form dated March 19, 2013. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.

The forward-looking statements contained in this news release are made as of the date hereof and TVI does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable Canadian securities law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.