



## NEWS RELEASE

TSX : TVI OTCQX: TVIPF

March 18, 2011

### **TVI Pacific Year End Results Reinforce Solid Financial and Operational Performance**

CALGARY, ALBERTA - TVI Pacific Inc. ("TVI" or "the Company") today released audited, consolidated financial and operational results for the year ended December 31, 2010. This press release should be read in conjunction with the audited consolidated financial statements that have been prepared for the first time in accordance with International Financial Reporting Standards ("IFRS") and management's discussion and analysis for the years ended December 31, 2010, 2009 and 2008, and filed with certain securities regulators in Canada on March 18, 2011, and also available on our web site ([www.tvipacific.com](http://www.tvipacific.com)) and SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **Financial Snapshot for the Years Ended December 31, 2010 and 2009**

- **Increase in net revenue to \$76,732,792 from \$66,964,817**
- **Steady operating cash flow of \$28,459,281 compared to \$28,087,630**
- **Reliable net earnings before one-time finance charges<sup>(1)</sup> of \$18,653,907 compared to \$18,317,842**
- **Earnings per share before one-time finance charges<sup>(1)</sup> were \$0.037 compared to \$0.019 for 2009<sup>(2)</sup>**
- **2010 production cash cost of \$0.99 per copper pound equivalent**

(1) One time finance charges mainly relate to \$7.4 million penalties and related charges incurred in the early termination of a loan facility

(2) Due to the Company's conversion to IFRS, the 2009 EPS number has been adjusted from \$0.04 to \$0.019. Please refer to Note 4 of the consolidated financial statements.

On February 7, 2011, TVI completed its 20<sup>th</sup> shipment of copper concentrate of 4,997 dry metric tonnes for gross revenue of \$10.7 million (subject to final price adjustments).

#### **2010 Financial Summary**

Although net revenue increased year over year, it was lower for the last three quarters due to a change in the shipment schedule, from every 4 weeks to approximately every 6 weeks. This was implemented to allow for the planned interruptions in production that were a result of the commissioning process of the zinc circuit.

The surplus of funds from operations for the year ended December 31, 2010, was attributable to revenue from the copper concentrate shipments during the year. A portion of the cash flow surplus and proceeds from the short term loans were used in the final voluntary prepayment of the Term Facility in June 2010.

At December 31, 2010, the Company held \$8.9 million in cash and cash equivalent that it can reinvest into further growth in the Company. The Company also held \$10.5 million in various short term debt instruments at an average interest rate of 2.17%. TVI has no long term debt.

## Operational Snapshot Quarter Over Quarter and Year to Date 2010

	Quarter ended				Year ended Dec 31, 2010
	March 31, 2010	June 30, 2010	Sept. 30, 2010	Dec. 31, 2010	
Copper pound equivalent ("Cu lb eq") produced	8,841,433	5,035,688	6,249,498	5,185,333	25,311,952
Copper produced (lbs)	6,930,404	4,111,496	5,140,344	3,740,813	19,923,057
Gold produced (oz)	2,321	1,184	1,379	1,432	6,316
Silver produced (oz)	220,400	76,571	97,676	119,652	514,299
Production cash cost (US\$/Cu lb eq) <sup>(1)</sup>	0.56	1.13	1.02	1.57	0.99
Average copper price received (US\$/lb)	3.28	3.22	3.30	3.89	3.40

(1) See MD&A for definition of this non-IFRS measure.

### 2010 Operations Summary

The average daily throughput for the year ended December 31, 2010, was 2,204 dry metric tonnes per day. TVI is currently targeting an average daily throughput of 2,300 dry metric tonnes per day, which results in a remaining life of mine of approximately 2.5 years.

With its continuous improvement programs, TVI will continue to optimize its throughput in an effort to offset the declining feed grades.

The following table details key operating statistics for the Canatuan Sulphide Mine for the year ended December 31, 2010.

	Quarter ended				Year ended Dec 31, 2010
	Mar 31, 2010	June 30, 2010	Sept 30, 2010	Dec 31, 2010	
<b>Operations:</b>					
Total tonnes processed	203,480	187,845	218,525	194,585	804,435
Average tonnes processed per day	2,261	2,064	2,375	2,115	2,204
Ore copper grade (%)	1.75	1.22	1.21	1.04	1.31
Copper recovery (%)	88.14	81.41	88.43	83.91	85.93
Concentrates produced (dry weight - t)	15,826	10,110	12,680	9,684	48,300
Average daily concentrates produced (dry weight - t)	176	111	138	105	133
Concentrate copper grade (%)	19.86	18.45	18.39	17.52	18.71
Concentrate gold grade (g/t)	4.56	3.64	3.38	4.60	4.07
Concentrate silver grade (g/t)	433.15	235.57	239.60	384.29	331.19
<b>Offtake</b>					
Copper concentrates shipped (dry weight - t)	15,514	10,533	10,528	10,181	46,756

## **2011 Outlook**

### **Balabag**

A second, Phase 2 drilling program of 55 new holes began at Balabag on July 26, 2010, and includes further infill drilling in the core area of the Tinago vein and step out drilling in the downdip mineralized zones identified in Phase 1. Phase 2 also includes infill drilling at the Miswi vein and infill and extension drilling at the Lalab vein. The Phase 2 drilling program is on schedule with 36 holes completed to date and three presently drilling. An internal feasibility study has been launched and TVI expects to come to a decision regarding a "Bootstrap" mine development plan during the first half of 2011. Social and environmental baseline studies are currently underway along with additional metallurgical testing.

### **Siennalynn**

The Stage 1 drilling program underway was designed to assess the extent and quality of the near-surface mineralization and to begin drilling a number of prospects that had potential for new copper resources. It is anticipated that this drilling, along with assays and evaluations will be completed in Q2, 2011.

### **North Zamboanga Tenement Area**

In December 2009, the Tamarok MPSA was granted to the original claimholder with whom TVIRD has a contract to acquire full rights to the MPSA at TVIRD's election.

Review of regional data surveys previously conducted over the Tamarok-Tapisa tenements show several interesting clusters of combined geochemical and structural anomalies. TVIRD has initiated with the National Commission on Indigenous Peoples the FPIC process for these tenements in order to secure Exploration Permits to drill such anomalies.

Drilling is expected to begin on identified targets in the Tamarok area in Q2, 2011.

### **Zamboanga Tenement Airborne Geophysical Surveys**

As of December 31, 2010, over 6,546 line-kilometres (4,067 line-miles) have been flown acquiring magnetic/radiometric data covering 119,017 hectares (294,096 acres) of the North Zamboanga tenements. Processing and interpretation of the data is expected to be completed by early 2011. This high quality data will assist the Company in identifying specific exploration targets for future program planning.

A second helicopter survey over the GCTA and a portion of the North Zamboanga tenements is a combination of Versatile Time-Domain Electromagnetic ("VTEM") and magnetic data. This survey was delayed due to the appropriate equipment being unavailable until late 2010. At the time of writing the VTEM acquisition is nearing completion. This data will assist in the location of mineralization in the vicinity of the Canatuan operations with the goal of providing additional mill feed and mine life.

### **Other Non-Core Opportunities**

TVI is constantly evaluating non-core opportunities for additional revenue. These include possible joint ventures, equipment and facility optimization options, and cost saving initiatives that can be monetized.

### **Subsequent Events**

On March 10, 2011, an Arrangement was completed pursuant to which TVI acquired all of the outstanding TG World common shares. Pursuant to the Arrangement, TVI Pacific issued approximately 61.5 million shares to acquire ownership and control of the 134,335,870 TG World common shares not owned by TVI Pacific immediately prior to the Arrangement. TG World is now a wholly owned subsidiary of TVI Pacific.

Please also view our presentation in video by Mr. Cliff James on our web site at <http://lsm.tv/video/tvi>

## **About TVI Pacific Inc. (TSX: TVI)**

TVI Pacific Inc. is a publicly-traded resource company focused on the production, development, exploration and acquisition of resource projects in the Philippines. TVI produces copper concentrate from its Canatuan mine, is developing a gold property for anticipated production in the second half of 2012 and has begun an aggressive exploration program at its high-impact Tamarok property. TVI also has interests in oil and gas assets in Alaska and Niger and offshore Philippines.

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

## **IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

*Certain information set out in this press 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", "schedule" and similar expressions. 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 received from or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by 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 by such forward-looking statements. These factors include, but are not limited to, the volatility of prices for precious metals and base metals; commodity supply and demand; fluctuations in currency and interest rates; inherent risks associated with the exploration and development of mining properties; ultimate recoverability of mineral reserves; accuracy of production and cost estimates; timing, results and costs of exploration and development activities; availability of financial resources or third-party financing; new laws (domestic or foreign); changes in administrative practices; changes in exploration plans or budgets; fluctuations in the global financial condition; environmental and social hazards; the political, social and economic environment; and availability of equipment and personnel. **Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this PRESS RELEASE and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.***

*Forward-looking statements regarding the commissioning of the Zinc Circuit at Canatuan are based upon current mining and processing activities, prior experiences of management with mining and processing, the estimated copper and zinc mineralization of the sulphide zone, the current development and operating plan, and the Company's current budget and overall strategy for Canatuan, which plans, budget and strategy are all subject to change. Forward-looking statements regarding the nature and timing of exploration in the GCTA (including Siennalynn and EXPA 61), Bonbon, Tamarok and the Company's other tenements in the Philippines are based upon current and previous exploration activities, management's experiences with other exploration programs undertaken in the Philippines and elsewhere, and the Company's overall plans, budget and strategy, which are all subject to change. In certain cases, the timing of exploration activities in the Philippines is dependent upon the receipt of FPIC from indigenous communities and regulatory approvals from the government of the Philippines. Forward-looking statements regarding expectations that the Company will be able to find additional ore in the GCTA (including Siennalynn and EXPA 61) and that this ore can be economically transported to the existing Canatuan mill are based upon current and previous exploration activities, management's experience with other exploration programs undertaken in the Philippines and*

elsewhere, management's experience with current and previous mining and processing activities at Canatuan, and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding the timing for an updated NI 43-101 report and a development decision for Balabag are based upon current and previous exploration activities, management's experiences with feasibility and construction programs undertaken in the Philippines and elsewhere, advice received from third-party advisors, and the Company's current budget and overall strategy for Balabag, which plans, budget and strategy are all subject to change. Forward-looking statements regarding the exploration activities at Siennalynn (including Stage 1 & 2 drilling, assays and evaluations) are based upon current and previous exploration activities, management's experiences with other exploration work programs undertaken in the Philippines and elsewhere, and the Company's current budget and overall strategy for Siennalynn, which plans, budget and strategy are all subject to change. Forward-looking statements regarding the timing for completion of airborne geophysical surveys over the Company's tenements are based upon discussions held to date with the international service provider, the timing of mobilization of equipment, and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding the timing of the arrival of the EDCO drilling rigs in the Philippines and the allocation the rigs to exploration programs at Siennalynn, Balabag, and Tamarok are based upon discussions held to date with third parties, results of current and previous exploration activities, management's experiences with other exploration work programs undertaken in the Philippines and elsewhere, and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding the Company's expected capital expenditures for 2011 and its ability to continue to optimize throughput to offset declining feed grades is based on current mining and processing activities at Canatuan, current throughput of the sulphide plant and planned expansions in throughput, anticipated recoveries, efficiency and effectiveness of the sulphide plant, management's prior experiences with mining and processing at Canatuan, the estimated copper and zinc mineralization of the sulphide zone at Canatuan, current and previous exploration, and the Company's overall plans, budget and strategy, which are all subject to change.

*The forward-looking statements of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. Subject to applicable securities laws, the Company does not undertake any obligation to publicly revise the forward-looking statements included in this PRESS RELEASE to reflect subsequent events or circumstances, except as required by law.*