



## NEWS RELEASE

TSX : TVI OTCQX: TVIPF

May 13, 2011

### TVI Pacific Provides First Quarter 2011 Financial and Operational Results

CALGARY, ALBERTA - TVI Pacific Inc. (TSX: TVI) (OTCQX: TVIPF) ("TVI" or the "Company") today announced unaudited, consolidated financial and operational results for the first quarter ended March 31, 2011.

For a thorough explanation of the points noted in this news release, shareholders are encouraged to read the interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and management's discussion and analysis for the quarter ended March 31, 2011. These documents were filed with certain securities regulators in Canada on May 13, 2011, and are available on our web site ([www.tvipacific.com](http://www.tvipacific.com)) or under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### Financial Snapshot

	Quarter ended March 31, 2011	Quarter ended December 31, 2010
• Cash balance (\$ million)	\$20.4	\$8.9
• Average copper price received (US\$/lb)	\$4.38	\$3.89
• Gross revenue (\$ million) <sup>(1)</sup>	\$11.3	\$19.2
• Production cash costs (US\$)	\$2.01	\$1.57
• Total cash costs net of by-products (US\$)	\$1.55	\$1.14
• Net revenue (\$ million) <sup>(1)</sup>	\$10.8	\$18.5
• Net income (\$ million) <sup>(1)</sup>	\$0.268	\$1.2
• Basic earnings per share	\$0.000	\$0.001

*(1) Only cash received from the 20<sup>th</sup> shipment could be recognized as revenue for the quarter because the concentrate for the 21<sup>st</sup> shipment was not loaded onto the vessel until Q2.*

#### Financial Summary

TVI was originally scheduled to complete two shipments in the first quarter of 2011. Unfortunately the vessel was delayed for the second shipment. As a result, the Company received gross revenue in Q1 of \$11.3 million for 4,997 dry metric tonnes ("dmt") of copper concentrate for the 20<sup>th</sup> shipment. As of March 31, 2010, inventory of 5,836 dmt of copper concentrate remained in storage.

At March 31, 2010, the Company held \$20.4 million in cash and cash equivalents that it can reinvest into growth opportunities.

The Company holds short-term debt instruments totalling \$20.1 million at an average interest rate of 1.85% relating to its mining assets and also holds long-term debt totalling US\$6.7 million at an average interest rate of 16.14% relating to its oil and gas assets.

## Operational Snapshot Quarter Over Quarter

<b>Selected operational highlights:</b>	<b>Quarter ended March 31, 2011</b>	<b>Quarter ended Dec. 31, 2010</b>
Copper pound equivalent ("Cu lb eq") produced	4,448,021	5,185,333
Copper produced (lbs)	3,330,593	3,740,813
Gold produced (oz)	1,035	1,432
Silver produced (oz)	101,380	119,652
Production cash cost (US\$ per Cu lb eq) <sup>(1)</sup>	\$2.01	\$1.57
Average copper price received (US\$/lb)	\$4.38	\$3.89

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

### Quarterly Operations Summary

The average daily throughput for the quarter ended March 31, 2011 was 1,864 dry metric tonnes. Based on the remaining reserves and resources as at March 31, 2011, including expected increases in throughput, the estimated remaining mine life is approximately 2.3 years.

Production cash cost increased quarter-over-quarter because of lower output (resulting from lower tonnes processed and lower recovery, offset by higher grades) and higher production costs due to the increased consumption of chemicals and other costs required as a result of the increased zinc content of the ore being processed, as had been anticipated. Also contributing to higher production costs in the quarter were the delays and interruptions associated with the commissioning of the Zinc Circuit.

### Zinc Production

As reported on April 25, 2011, zinc concentrate production began with initial modest volumes. TVI expects that, with effective copper-zinc separation now being achieved, zinc concentrate volumes will ramp up so that a first shipment is likely be made prior to year-end 2011.

As a result of zinc separation being achieved, TVI has returned to steady copper production at Canatuan.

	<b>Quarter ended March 31, 2011</b>	<b>Quarter ended Dec. 31, 2010</b>
Total tonnes processed	167,780	194,585
Average tonnes processed per day	1,864	2,115
Ore copper grade (%)	1.15	1.04
Copper recovery (%)	78.18	83.91
Concentrates produced (dmt)	7,830	9,684
Average daily concentrates produced (dmt)	87	105
Concentrate copper grade (%)	19.29	17.52
Concentrate gold grade (g/t)	4.11	4.60
Concentrate silver grade (g/t)	402.71	384.29
<b>Offtake</b>		
Copper concentrate shipped (dmt)	4,997	10,181
Copper concentrate inventory (dmt)	5,836	3,003

## **Outlook**

### **Greater Canatuan Tenement Area (“GCTA”)**

The airborne data acquisition has been completed and the results are being analyzed.

Arrangements have been made with our joint venture partner, DMCI-CERI (“DMCI”), a subsidiary of DACON Corporation, and the Philippine Mines and Geosciences Bureau with respect to the EXPA 61 tenement area whereby a Certificate of Non-Overlap with nearby ancestral domains has been submitted. This document will support the application currently being processed by the government for the Exploration Permit required to begin drilling the anomalies and prospects identified to date.

The Company is also working on perfecting other near-mine tenement applications in order to follow-up on additional anomalies identified by the airborne data.

### **Balabag**

The development-stage Balabag gold project is a high priority project. As of March 31, 2011, 39 holes had been completed in Phase 2 with 32 out of 39 showing mineralization. The exploration portion of the Phase 2 drill program, which was focused on step-out drilling in the down dip mineralized zones, was successful in its objective of confirming and extending the Balabag mineralization. This component of the program is expected to be completed around mid-year 2011. It is anticipated that the program will also include further infill drilling in the core area of the Tinago vein zone to increase the level of confidence of information used for production planning.

Based on assay results from the Phase 2 drill program to date (released on April 5, 2011), a decision was made to submit a Declaration of Mining Feasibility to the Mines and Geosciences Bureau of the Philippines. This report involves an evaluation of the economics of mining a minimum identified "core" resource and includes capital costs such as infrastructure, plant and pit development and operating costs such as mine and mill costs, tailings disposal, environmental remediation and social programs.

TVI intends to produce an updated NI 43-101 report in the second half of 2011 that will incorporate all drill results to the end of Q2, 2011.

### **North Zamboanga Tenement Area**

TVI has advanced its exploration activities including geophysical surveys, systematic detailed geological investigations and drilling on the Tamarok copper-gold project. On April 11, 2011, TVI announced an initial drill program at Malachite Hill consisting of 6 to 12 holes, up to 4,000 metres (13,100 feet) total depth, depending on accessibility and initial results. This drill program is ongoing.

### **Petroleum and Natural Gas Properties**

In Alaska, the company is assessing the results of its recently completed North Tarn drilling program where 20-25 feet of Kuparuk target sand thickness is estimated based on cutting samples. The partners are planning further activity during the 2011/12 winter drilling season.

In Niger, the Chinese National Petroleum Company International Ténéré Ltd. (“CNPCIT”), a wholly owned subsidiary of the Chinese National Petroleum Company (“CNPC”), has advised that it expects to complete the third exploratory well, of the three well Minimum Work Program, in Q3 2011. CNPCIT is the operator and funds 100% of costs of the Minimum Work Program.

In the Philippines, the partners are currently assessing future drilling plans for Service Contract 54A (“SC 54A”). When the partners decide on a timeline, shareholders will be updated.

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

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 the Balabag 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, 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 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", "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, such things general economic conditions in Canada, the United States, Niger, Alaska, the Philippines and elsewhere; volatility of prices for precious metals, base metals, oil and gas; commodity supply and demand; fluctuations in currency and interest rates; inherent risks associated with the exploration and development of mining properties; inherent risks associated with the exploration of oil and gas properties (including mechanical problems); ultimate recoverability of reserves; production, timing, results and costs of exploration and development activities; political or civil unrest; availability of equipment and personnel; availability of financial resources or third-party financing; new laws (domestic or foreign); changes in administrative practices; changes in exploration plans or budgets; and availability of equipment and personnel. 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.*

*Forward-looking statements respecting production from the Zinc Circuit are based upon current mining and processing activities, management's prior experiences with mining and processing activities, 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 are all subject to change). Forward-looking statements regarding the nature and timing of exploration in the GCTA (including 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 the completion of drilling activities at Balabag and the timing of an updated NI 43-101 report 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 are all subject to change). Forward-looking statements respecting anticipated operations in Alaska during the 2011/12 winter exploration season are based upon information obtained during the drilling of the North Tarn #1 well, initial tests from the North Tarn #1 well and the exploration plan developed by the Alaska joint venture participants (which are subject to change). Forward-looking statements respecting the nature and timing of mobilization and drilling activities in the Ténéré Block in Niger are based on advice received from the operator, CNPCIT, and the current budget, exploration plans and overall strategy for the Ténéré Block (which are all subject to change). Activities in Niger are also subject to the security situation in various parts of the country, over which neither the operator nor the Company has any control*

*The forward-looking statements of the Company contained in this news release are expressly qualified, in their entirety, by this cautionary statement. Various risks to which the Company and its affiliates are exposed in the conduct of their business are described in detail in the Company's Annual Information Form for the year ended December 31, 2010, which was filed on SEDAR on March 30, 2011, and is available under the Company's profile at [www.SEDAR.com](http://www.SEDAR.com). Subject to applicable securities laws, the Company does not undertake any obligation to publicly revise the forward-looking statements included in this news release to reflect subsequent events or circumstances, except as required*