



NEWS RELEASE

# TVI Pacific's 30.66% owned TVIRD Completes Acquisition of Siana Gold Project

9/20/2021

TSX-V: TVI; OTC Pink: TVIPF

CALGARY, AB, Sept. 20, 2021 /CNW/ - TVI Pacific Inc. (TSX-V: TVI) (OTC: TVIPF) ("**TVI**" or the "**Company**") is pleased to announce that TVI Resource Development Phils., Inc. ("**TVIRD**"), a Philippines corporation in which TVI holds a 30.66% interest, has completed the acquisition of 100% of the outstanding equity (the "**Acquisition**") of Greenstone Resources Corporation ("**GRC**") further to the Company's announcement of July 28, 2021, that TVIRD had signed a binding agreement with respect to the transaction (the "**GRC Agreement**"). GRC was previously the Philippine affiliate of Red 5 Limited ("**Red 5**") (ASX: RED), a Perth, Western Australian-based gold company, and is the owner and operator of the Siana Gold Project ("**Siana**") and the Mapawa Project ("**Mapawa**"), both of which are located in the southern Philippines island of Mindanao.

## Highlights:

- TVIRD has completed the acquisition of 100% of the outstanding shares of GRC (the "GRC Shares"), for consideration that has included a cash payment of U.S. \$19 million and the grant, to the Red 5 group, of a 3.25% net smelter return royalty ("NSR") payable on the sale of up to 619,000 oz. of gold produced from potential open-pit and underground operations at Siana. In the GRC Agreement, the ascribed value of the NSR is U.S. \$35 million (based on a U.S. \$1,750/oz. Au price).
- TVIRD has fully funded the cash portion of the purchase price for the GRC Shares from internal resources. TVI

is not party to the GRC Agreement or related agreements and has not been required to make any contribution to TVIRD to support the Acquisition (as defined below).

- Red 5 has previously reported a combined historical Indicated JORC Code, 2012 Edition, ("JORC 2012") mineral resource estimate for the Siana open pit and underground mine of 4.3Mt @ 4.7 g/t Au and 6.8 g/t Ag and combined Inferred JORC 2012 mineral resource estimate for the Siana open pit and underground mine of 0.5Mt @ 9.2 g/t Au and 10.6 g/t Ag (source: Red 5 2020 Annual Report). TVI is not treating this as a current mineral resource under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") as a Qualified Person has not done sufficient work to classify the historical estimate as current.
- The assets of GRC include a modern 1.1 million dry tonnes per annum ("mdtpa") Outotec mill, gravity and Carbon-in-Leach ("CIL") facility, and all other key infrastructure together with the Siana, Mapawa and Ferrer tenements.
- Management and the directors of TVIRD believe that the Siana and Mapawa tenements have exploration potential with the currently defined Siana deposit open to depth and laterally and Mapawa and Ferrer in the early stages of exploration.
- TVIRD's plan is to recommence operations at Siana as soon as possible and TVIRD is presently developing plans in furtherance of this objective.
- TVIRD has been advised that all required permits are in place to restart Siana from its current voluntary care and maintenance status, including an Environmental Compliance Certificate and an approved Declaration of Mining Project Feasibility, both from the Philippines government.

### The Acquisition :

GRC owns and operates the Siana Project and the Mapawa Project, both of which are located on the southern Philippines island of Mindanao.

The Acquisition includes:

1. The Siana Project, as covered by Philippines Mineral Production Sharing Agreement ("MPSA") No. 184-2002-XIII covering 3,289 hectares, which includes the following project infrastructure:
  - A modern 1.1mdtpa Outotec mill, gravity and CIL mill facility commissioned in 2012 at a capital cost of U.S. \$54 million that includes a single stage SAG mill and 6 CIL tanks;

- Grid power with backup 8MW diesel fired power station; and
  - Administration building, warehouse, mess hall, camp facilities and accommodation, engineering building and maintenance facilities.
2. Mapawa Project, as covered by MPSA No. 280-2009-XIII covering 1,482 hectares.
  3. The Ferrer Claim, as covered by the Application for Mineral Production Sharing Agreement No. A000046 and comprising of one Block of 595 hectares.
  4. Established government approvals and relationships with key stakeholders.

TVIRD has been advised that all of the mining and processing facilities and required permits are in place for re-commencement of operations. Siana has the only modern gold plant in the region with the potential to establish Siana as a processing centre for other nearby prospects/gold deposits.

Mining operations have been conducted at Siana since the early 1900's, with major commercial underground mining conducted by the Philippine company, Suricon Consolidated Mining Company, from 1938 to 1960 followed by open pit mining from 1980 to 1991. Siana had produced nearly one million ounces of gold prior to its acquisition in 2003 by Red 5's Philippine affiliated company, GRC, and TVIRD understands that, to date, Siana has produced a further 149,203 ounces of gold and 199,669 ounces of silver under the control of GRC.

Red 5 has previously published underground and open pit mineral resource and mineral reserve estimates for Siana and mineral resource estimates for Mapawa. These estimates were prepared using **JORC 2012**. No estimates for either Siana or Mapawa have been prepared using the 2014 definition standards published by the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM 2014 Standard**") and no technical report supporting this estimate has been prepared in accordance with NI 43-101. A "Qualified Person" (as defined in NI 43-101) has not done sufficient work to classify any of these mineral resource or mineral reserve estimates as current. As a result, the Company is treating the mineral resource and mineral reserve estimates as historical in nature and not current mineral resources or mineral reserves, and they should not be relied upon. There are certain differences between the JORC Code and the CIM 2014 Standard described further below.

Red 5 announced on February 23, 2016, that Mining One Pty Ltd had completed a JORC 2012 underground mineral resource and reserves estimate using a 2.4 g/t gold cut-off that has been subsequently reviewed annually by Red 5 and most recently confirmed in their Annual Report at June 30, 2020 (the "**Red 5 2020 Annual Report**"). As summarized in the Red 5 2020 Annual Report, the Siana open pit and underground mine have at June 30, 2020, a combined Indicated JORC 2012 mineral resource estimate of 4.3Mt @ 4.6 g/t Au and 6.8 g/t Ag and combined Inferred JORC 2012 mineral resource estimate of 0.5Mt @ 8.9 g/t Au and 10.6 g/t Ag. Red 5 has further reported in

the Red 5 2020 Annual Report that Mapawa has an indicated JORC 2012 open pit mineral resource estimate of 3.3Mt @ 1.0 g/t Au and 3.5 g/t Ag and inferred JORC 2012 mineral resource estimate of 5.6 Mt @ 1.0 g/t Au and 2.5 g/t Ag, reported on a dry tonne basis based on a 0.7 g/t gold cut-off and taking into account historic mining depletion. Mapawa is located 20 kilometers north of Siana and has the potential to be developed as a satellite source of mineralized feed for the Siana processing plant.

As noted above, TVI is not treating the estimates reported for Siana and Mapawa as current mineral resources and the estimates should not be relied upon as a Qualified Person acting in compliance with NI 43-101 reporting requirements has not done sufficient work to classify these estimates as current resources and has not verified this information. The historical estimates are believed to be based on reasonable assumptions, and neither the Company nor the Qualified Person responsible for the scientific and technical content of this news release has any reason to contest their relevance and reliability.

**Additional information related to Siana and Mapawa may be found on the TVIRD website at <https://tvird.com.ph/>.**

TVIRD currently does not plan to conduct any work to verify the historical estimates other than using them to guide its exploration, resource modeling and possible development work and is presently assessing the GRC resource model, mine development and production plan for Siana in order to develop its own plan in furtherance of a potential recommencement of operations. TVIRD is evaluating steps that would be required to upgrade or verify the foregoing historical estimates as current under NI 43-101 standards, which would include a review of past drill results and Quality Assurance/Quality Control procedures applied as well as possibly resource modeling with the involvement of a Qualified Person.

"The Siana Gold Project represents an exciting addition to TVIRD's portfolio of projects", said Mr. Cliff James, Chairman and CEO of TVI and Chairman of TVIRD, "With our now having finalized this acquisition, TVIRD can turn its attention to developing its own plan in furtherance of a potential recommencement of operations. We are confident that TVIRD's experience aligns well with the operational and regional requirements of both Siana and Mapawa and look forward to sharing developments with our public as we move these projects forward."

## Qualified Person

The Qualified Person responsible for the scientific and technical content of this news release is Mr. Michael James Bue, Bsc. Eng, M.Eng, P.Eng. Mr. Bue has acted as the Qualified Person in compliance with NI 43-101 reporting requirements by virtue of his membership in the Professional Engineers of Ontario and Canadian Institute of Mining and Metallurgy and has confirmed compliance of this news release with NI 43-101 requirements.

## JORC Reconciliation

The mineral resources and ore reserves detailed above were classified using the JORC Code and reported by Red 5 as per regulations under the JORC Code. In the Company's view, there are no material differences between the confidence categories assigned under the JORC Code and the equivalent confidence categories in the CIM 2014 Standard. Certain terminology from JORC 2012 is different to that used under CIM 2014 Standard. The JORC Code uses the term "Ore Reserves", which is equivalent to "Mineral Reserves" using the CIM 2014 Standard. The CIM 2014 Standard uses the term "Proven Mineral Reserves", which is equivalent to "Proved Ore Reserves" under the JORC Code. Additionally, NI 43-101 reporting requirements do not allow for "Inferred Mineral Resources" to be added to other Mineral Resource categories and must be reported separately. The Inferred Resource category estimates above under JORC 2012 were reported separately in each instance. The Company will consider retaining Qualified Person(s) acting in compliance with NI 43-101 reporting requirements to complete a formal review of the Red 5 mineral resources and ore reserves.

## 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 has a pool of highly competent managers, technical personnel and skilled workers with previous experience in gold-silver operation and owns 100% of the Balabag gold/silver project in addition to 60% interest in Agata Mining Ventures Inc. ("AMVI"), a direct shipping Nickel/Iron operation that commenced in October 2014 and in which TVIRD is operator. AMVI has shipped a total of 18.03 million wet metric tonnes of nickel laterite ore through 331 shipments through to August 31, 2021.

## About TVI Pacific Inc.

TVI Pacific Inc. is a Canadian resource company focused on the acquisition of resource projects in the Asia Pacific region. TVI currently holds a 30.66% equity interest in TVIRD and a 2.95% equity interest in Integrated Green Energy Solutions Ltd., a publicly listed company incorporated in Australia with shares listed on the ASX (but currently suspended since January 2020 and subject to an order for winding up, for which a liquidator has been appointed). TVI's other holdings include a 14.4% equity interest in Mindoro Resources Ltd. and a 100% investment in shares of TG World Energy Corp. As at the date of this announcement, TVI has 656,987,039 outstanding common shares and 696,887,039 fully diluted including the currently issued outstanding options of 39,900,000.

## 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. The forward-looking statements contained in this News Release include: (1) reference to a gold production volume of 619,000 oz. and a gold price of U.S. \$1,750 upon which the NSR is to be based, both of which may not be realized; (2) statements related to exploration at Siana and Mapawa, both of which are not guaranteed and require further review and analysis by TVIRD to review and determine and may be affected by factors beyond the control of TVIRD; (3) the stated Indicated and Inferred JORC 2012 mineral resource estimate for the Siana open pit and underground mine, as well as the JORC 2012 open pit mineral resource for the Mapawa Project as included in the Red 5 2020 Annual Report, for which actual volumes produced may vary. The estimation of mineral reserves and mineral resources is inherently uncertain and involves subjective judgments about many relevant factors; and, (4) any reference to when mining and processing operations at Siana may recommence.

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 and, in certain cases, information supplied by third parties. 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 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 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 explorations.

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 news release 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, 2020, which was filed on SEDAR on April 28, 2021 and is available under the Company's profile at [www.SEDAR.com](http://www.SEDAR.com).

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE TVI Pacific Inc.