



NEWS RELEASE

TVI's 30.66% owned TVIRD Responds to DENR Recommendation to Cancel Balabag MPSA

2/27/2017

CALGARY, Feb. 27, 2017 /CNW/ - TVI Pacific Inc. (TSX-V: TVI) (OTC Pink: TVIPF) ("TVI" or "the Company") announces that TVI Resource Development (Phils.), Inc. ("TVIRD"), a company in which TVI has a 30.66% equity interest, has filed a response on February 23 to the Show Cause letter received from the Philippine Department of Environment and Natural Resources ("DENR") further to their announcement at a news conference on February 14 that MPSA No.086-97-IX, in which the Balabag project is located, is among 75 Mineral Production Sharing Agreements ("MPSA") that have been recommended for cancellation. The cancellation stems from the DENR claim that the Contract Area is within a watershed. (The Show Cause letter received by TVIRD, together with TVIRD's response and their detailed news release summarizing the matter can be viewed on TVI's website located at www.tvipacific.com.)

In both the response to the Show Cause letter, dated February 13 but received only on February 17, and a news release issued by TVIRD on February 23, TVIRD has emphasized their position to be that there exists no grounds to validly cancel, terminate or suspend the MPSA between the government and TVIRD as there is neither violation of the terms of the MPSA nor of any law, rule or regulation that would merit its cancellation, termination or suspension. TVIRD defends its position in that:

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- i. There is no absolute ban on mining operations in "watershed" areas;
 - ii. The Contract Area of the MPSA is not located within the vicinity of any of the Philippine's list of 206 proclaimed watershed forest reserves that are included in the National Mapping and Resource Information Authority; and

- iii. TVIRD, which possesses the technical competence, technology and environmental management skills required to promptly and effectively undertake and execute, for and on behalf of the Philippine Government, sustainable mining operations in the Contract Area, has established environmental safeguards.

"While TVIRD does not contest the provisions of law cited in the Show Cause letter and recognizes also the authority of the DENR as the primary agency responsible for the conservation, management, development, and proper use of the Philippine mineral resources including those in reservations, watershed areas, and lands of the public domain, we are confident our past work to obtain the Balabag MPSA, our ECC and DMPF in compliance with the requirements of the DENR will justify our position. Balabag is clearly not in a proclaimed watershed forest reserve and TVIRD remains confident that its Balabag MPSA is valid and can withstand any legal challenge. However, we reserve all options available to respond to the DENR in the event the DENR does not accept our position", stated Cliff James, Chairman and CEO of TVI and Chairman of TVIRD. "TVIRD has invested significantly in the development of Balabag while establishing environmental and social programs for the overall sustainability of its surrounding communities. As such, TVIRD has gained significant support from local and provincial governments, Indigenous Cultural Communities and several other interest groups who are prepared to help defend TVIRD's plans for ongoing development of Balabag."

- **TVIRD Response to Show Cause Order (Balabag)**
- **TVIRD News Release - No Government Proclaimed Watershed in Balabag Gold-Silver Project**
- **Philippine DENR Show Cause Letter to Cancel Balabag MPSA**
- **Subanen Tribe Urges President Duterte: Reconsider Lopez' Move to Cancel Balabag MPSA**

About TVIRD

TVIRD was incorporated under the laws of the Philippines on January 18, 1994 and was an indirect subsidiary of TVI until July 2014 when Prime Resource Holdings Inc., a private Philippine investment entity, became the controlling shareholder. Following the enactment of the Philippine Mining Act of 1995, TVIRD was the first foreign-affiliated resource company to reach the production stage with the Canatuan project located in the municipality of Siocon, Zamboanga del Norte, Philippines. At the Canatuan mine, TVIRD established gold and silver operations from 2004 to 2008 and transitioned to copper and zinc operations from 2009 until 2014, during which time TVIRD ranked among the country's top copper and zinc producers.

TVIRD's track record of exceptional environmental performance at its Canatuan operations was recognized by numerous environmental and safety awards at the annual Presidential Mineral Industry Environmental Awards. Top accolades received between 2010 and 2013 include the Presidential Mineral Industry Environmental Award –

Platinum Award (2012); Titanium Award for Excellence in Environmental Management (2011); Platinum Achievement Award - Surface Mining Category (2010); and Titanium Award – Surface Mining Category (2013).

Since 2014, TVIRD has evolved into a diversified mining company that focuses on the acquisition, exploration, development and production of resource projects in the Philippines. Key projects include the 100% owned Balabag gold-silver project located in the municipality of Bayog, province of Zamboanga del Sur; and nickel laterite direct shipping ore operations at the Agata project located in northern Mindanao.

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 25.5% equity interest in FOY Group Limited, an Australian company in the process of acquiring and funding the commercialization of plastics to diesel technology in Australia and relisting on the Australian Stock Exchange in H2/2016. TVI's other holdings include a 14.4% equity interest in Mindoro Resources Ltd.; a 10% interest in the Amazon Bay Iron Sands project in Papua New Guinea; and a 100% investment in shares of TG World.

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. 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. 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 by such forward-looking statements.

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, 2015, which was filed on SEDAR on March 24, 2016 and is available under the Company's profile at 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.

SOURCE TVI Pacific Inc.

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