



Resource Development (Phils.) Inc.

NEWS RELEASE

Agata DSO Project to Generate Positive Returns for TVI Pacific Inc.

Manila, Philippines / September 2013 –TVI Pacific Inc. (TSX:TVI) (OTCQX:TVIPF) announced promising results of a National Instrument 43-101 compliant feasibility study that indicates robust economics for a high iron laterite direct shipping ore (DSO) operation at the Agata Project in Agusan del Norte. National Instrument 43-101, is a medium for disclosures among Canadian mining companies which serves as the basis for reporting to stock exchanges in the country.

Results from the feasibility study, completed on August 30, 2013, indicate a low initial start-up capital requirement of US\$10.1 million and provide TVI with a high Internal Rate of Return (IRR) of 187%, a payback within the first year of operation, and a post-tax Net Present Value (10% discount) on the project of US\$37.9 million.

“Completion of the feasibility study is a major milestone in developing new cash flow opportunities beyond TVI’s producing Canatuan copper-zinc mine,” said TVI Pacific Chairman and President, Cliff James. “The study demonstrates robust economics that provide a path towards further development at Agata and advancing our goal of eventually building a nickel processing plant.”

In October 2012, TVI and Mindoro Resources Ltd. (MRL) signed four joint venture agreements relating to the Agata and Pan de Azucar mining projects located in the islands of Mindanao and Panay. The joint ventures present TVI with multiple growth opportunities for near and medium-term cash flow. The mining opportunities at Agata include a near-term high-iron laterite DSO operation; a near-term limestone DSO operation; a medium-term lime production facility; and a medium-term nickel-processing plant. TVI has the ability to earn a 60% interest and will act as operator of the projects through its Philippine affiliate, TVI Resource Development Philippines Inc. (TVIRD).

Economic Assessment

Capital and operating cost estimates have been developed to $\pm 15\%$ precision. The inputs to the feasibility study were developed by Dallas Cox, MAusIMM (CP), of Crystal Sun Consulting Limited, based on estimates from local Philippine contractors, TVI’s current suppliers and service providers.

Installed capital cost estimates include the port loading facility, general infrastructure, mining-related capital costs, duties and taxes for equipment, sustaining capital and an estimate of working capital. A 10% contingency has been allowed within the capital cost estimate. Operating cost estimates include mining, infrastructure, government charges, royalties, administration, security, community relations and environmental costs.

DSO operations can be brought on-stream with a low start-up capitalization and bears a high internal rate of return. Return on investment is expected within the first year of operation. Cash flows are calculated on an after-tax basis applying the current Philippine taxation regime.

A conservative sales price for high iron limonite DSO of US\$22 per wet metric tonne (wmt) FOB has been used in the economic assessment of the feasibility study, which is 10% lower than the 18-month average sales price realized by off-takers.

Mineral Reserve Estimate and DSO Production Targets

The project's mineral resource estimate for the Agata Nickel Project released in April this year provides the basis for the mineral reserve estimate for the feasibility study. It is also the basis for DSO production targets, which are expected to peak on the second year at 2.5 million wmt and to then gradually taper-off to 0.5 wmt per year. The DSO product is expected to be at a grade of 48% iron (Fe) and 0.9% nickel (Ni), which has been consistently in demand.

DSO shipments to China are currently planned to commence in Q1, 2014 following the remaining infrastructure development planned for Q4, 2013.

The resource estimation method applied was ordinary kriging while cut-off grades applied to the resource were 0.5% nickel within the limonite (upper) zone and 0.8% nickel within the saprolite (lower) zone.

Port Loading Facility and Infrastructure

The close proximity of the planned port loading facility to the ore stockpile (3.5km) will provide a significant economic advantage through low transportation costs. The port will consist of a causeway extending approximately 160m offshore and will allow two barges to be moored and loaded simultaneously.

DSO Market

The Agata DSO Project is located in the north-eastern region in Mindanao, which hosts approximately fifteen DSO operations at present that cumulatively exported 17.3 million wmt in 2011 and 19.2 million wmt in 2012.

Over the past 18 months the high iron DSO sale price has fluctuated between US\$15/wmt to US\$34/wmt. The recent and historical price of high iron limonite DSO has been a function of supply and demand, but influenced by seasonal weather patterns in South East Asia. DSO projects on the sheltered west coast of the Mindanao peninsula, where Agata is situated, can ship ore 12 months a year and take advantage of peak season prices.

About TVI Pacific Inc.

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

Technical Report and Independent Qualified Persons

A National Instrument 43-101 Technical Report is available on SEDAR at www.sedar.com and on TVI's website at www.tvipacific.com.

The Agata North DSO Feasibility Study has been prepared under the direction of Dallas Cox, an independent qualified person, with contributions from Mark Gifford and Michael Conan-Davies; independent qualified persons as defined by National Instrument 43-101 (Canada). Messrs Cox, Gifford and Conan-Davies have authorized the technical information detailed in this release.

Dallas Cox, MAusIMM(CP), a qualified person as defined by National Instrument 43-101, has reviewed and verified the disclosure of the Mineral Reserve Estimate in this news release. Mr. Cox has over thirty years of experience which is relevant to the activity he has undertaken and he has consented to the release of the pertinent information in the form and context in which it appears.

Mark Gifford, FAusIMM, a qualified person as defined by National Instrument 43-101 has reviewed and verified the disclosure of the Mineral Resource Estimate in this news release. Mr. Gifford has over twenty- six years of experience which is relevant to the activity he has undertaken and he has consented to the release of the pertinent information in the form and context in which it appears.

Michael Conan-Davies, MAusIMM(CP), a qualified person as defined by National Instrument 43-101 has reviewed and verified the disclosure of the Economic Assessment in this news release. Mr. Conan-Davies has over fifteen years of experience which is relevant to the activity he has undertaken and he has consented to the release of the pertinent information in the form and context in which it appears.

For media queries:

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