TSX: TVI OTCQB: TVIPF

CALGARY, Dec. 21, 2015 /CNW/ - TVI Pacific Inc. (TSX:TVI) (OTCQB:TVIPF) ("TVI" or "the Company") announced today that TVI Resource Development (Phils.), Inc. ("TVIRD"), a company in which TVI has a 30.66% equity interest, has filed an updated preliminary prospectus (the "Preliminary Prospectus") with the Philippine Securities and Exchange Commission (the "SEC") relating to its previously announced proposed Initial Public Offering ("IPO") of TVIRD shares in the Philippines. Subject to market conditions, approval by the SEC listing and approval by the PSE, the IPO and listing of the TVIRD shares on the main board of the PSE is now tentatively scheduled for completion on February 29, 2016.

Clifford James, Chairman and Chief Executive Officer of TVI and Chairman of TVIRD, stated: "Partly due to the fact that government offices and businesses were closed for a week in mid-November in connection with the APEC summit meetings, and we are now well into the holiday season, TVIRD's listing process has been deferred to early 2016 to provide the PSE, SEC and TVIRD's underwriter with the necessary time to carry out their review and book building activities."

"While we had hoped to see TVIRD's IPO take place before the end of 2015, TVI remains optimistic about the prospects for the IPO in early 2016 given TVIRD's diverse pipeline of projects and the strong support of its majority shareholder, Prime Resource Holdings Inc.," continued Mr. James. "We believe the establishment of a public market for TVIRD shares will allow North American investors to better evaluate the value of TVI's 30.66% indirect interest and provide us with a potential source of non-dilutive funding."

TVIRD's Preliminary Prospectus

As announced in the news on October 8, 2015, TVIRD's Preliminary Prospectus contemplates a primary offer of up to 272.02 million shares from the unissued capital stock of TVIRD and a secondary offer of up to 136.01 million shares from the holdings of existing shareholders. The shares are being offered at a price of up to PHP 3.71 per share (approx. CAD$0.11 per share using a PHP/CAD exchange rate of 35.28). Following the IPO, and assuming the primary offer is fully subscribed, TVIRD will have approximately 2.72 billion common shares outstanding (excluding 616.25 million treasury shares).

TVIRD has indicated in the Preliminary Prospectus that it proposes to use the net proceeds from the primary offer to fund certain capital expenditures for the construction, development and operation of TVIRD's Balabag Gold-Silver Project in Zamboanga del Sur. For the secondary offer, the purchase price of the applicable shares will be paid to the selling shareholders, Prime Resource Holdings Inc. and TVI International Marketing Limited ("TIML"), a wholly-owned subsidiary of TVI.

BDO Capital & Investment Corporation ("BDO Capital"), the investment banking arm of BDO Unibank, Inc., is expected to act as the issue manager and to underwrite the offer, subject to the finalization of the offer and offer terms following the book building process and agreement on customary documentation, among other conditions.

Subject to securing all pre-requisite regulatory approvals, the final offer price for the IPO is now expected to be set on February 15, 2016. This will then be followed by an offer period expected to commence on February 16 and end on February 22, 2016. The shares are targeted to be listed on the Main Board of the PSE on February 29, 2016.

For more information and to see a full version of the updated Preliminary Prospectus filed by TVIRD on December 16, 2015 with the SEC, please visit http://tvird.com.ph/transparency-and-open-door-policy/. Please note that this Preliminary Prospectus is subject to further changes, and the Final Prospectus, which will be filed after the review of the SEC and issuance of pre-effective clearance, will be the only approved selling document for the offer.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS COMMUNICATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.

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 PRHI became a controlling shareholder. TVIRD was the first foreign-affiliated Philippine company to reach the production stage, following the enactment of the Philippine Mining Act of 1995, 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.

Since then, 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 production, development, exploration and acquisition of resource projects in the Asia Pacific region. TVI's track record of success includes putting the first foreign invested mine into production in the Philippines after the passage of the Philippine Mining Act of 1995. From 2004 to 2014, the Canatuan mine produced 105,200 ounces of gold, 1.8 million ounces of silver, 199,778 dry metric tonnes of copper concentrate and 30,558 dry metric tonnes of zinc concentrate.

TVI currently holds a 30.66% interest in TVIRD. In addition to its interest in TVIRD, TVI also holds (i) a 28.26% equity interest in Foyson Resources Limited; (ii) a 14.4% equity interest in Mindoro Resources Ltd.; (iii) a 10% interest in the Amazon Bay Iron Sands project in Papua New Guinea; and (iv) 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", "up to" and similar expressions. In particular, this News Release contains forward-looking information respecting: (i) the distribution of net proceeds from the sale of TVIRD shares (in connection with the secondary offering) by TIML to TVI and the use of those proceeds by TVI; (ii) anticipated timing of various critical events associated with the IPO (including the pricing of the TVIRD shares to be distributed and the listing of the TVIRD shares on the PSE); (iii) expectations with respect to the future monetization of TVIRD shares held by TIML and the distribution of net proceeds from future sales of TVIRD shares to TVI; (iv) the use, by TVIRD, of the net proceeds from the sale of TVIRD shares in connection with the primary offer; and (v) the number of TVIRD shares to be outstanding following completion of the IPO and the effect of the IPO and secondary offer on the number of TVIRD shares held by TIML.

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 some cases, information supplied by third parties. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from 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 that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, such things as changes in general economic conditions in the Philippines and elsewhere, changes in the conditions under which TVIRD operates (including as a result of weather patterns), the volatility of prices for base and precious minerals and other commodities, commodity supply and demand, fluctuations in currency and interest rates, availability of financial resources or third-party financing, availability of equipment, materials and personnel, defaults by counterparties under commercial arrangements to which TVIRD is a party, TVIRD's inability to procure regulatory approvals in a timely manner or on acceptable terms, and new laws and regulations (domestic and foreign). 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 information respecting the distribution of net proceeds from the sale of TVIRD shares (in connection with the secondary offering) by TIML to TVI and the use of those proceeds by TVI is based upon various assumptions and factors, including the successful completion of the IPO, the ability of TIML to distribute the proceeds of sales of TVIRD shares to the Company in a tax efficient manner, and receipt of all required regulatory approvals. Forward-looking information respecting the anticipated timing of various critical events associated with the IPO (including the pricing of the TVIRD shares to be distributed and the listing of the TVIRD shares on the PSE) is based upon various assumptions and factors, including the receipt by TVIRD of all regulatory approvals required to permit the IPO and the listing of the TVIRD shares on the PSE (such as approvals from the SEC and PSE); advice received from professional advisors to TVIRD with respect to legally mandated time frames for various applications and steps/events associated with the IPO; there being no material changes in the business, affairs, capital, prospects or assets of TVIRD prior to completion of the IPO and the listing of the TVIRD shares on the PSE; and satisfaction or waiver of all conditions for the benefit of BDO Capital set out in the underwriting agreement between BDO Capital and TVIRD. Forward-looking information respecting the future monetization of TVIRD shares held by TIML and the distribution of net proceeds from future sales of TVIRD shares to TVI is based upon various assumptions and factors, including the successful completion of the IPO, the listing of the TVIRD shares on the PSE, the existence of a liquid market for the TVIRD shares following the listing of such shares on the PSE, the ability of TIML to distribute the proceeds of sales of TVIRD shares to the Company in a tax efficient manner, and receipt of all required regulatory approvals. Forward-looking information respecting the use, by TVIRD, of the net proceeds from the sale of TVIRD shares in connection with the primary offering is based upon various assumptions and factors, including the "use of proceeds" information set out in the Preliminary Prospectus. Forward-looking information respecting the number of TVIRD shares to be outstanding following completion of the IPO and the effect of the IPO and secondary offer on the number of shares of TVIRD held by TIML is based upon various assumptions and factors, including the number of TVIRD shares currently issued and outstanding, the number of TVIRD shares currently held by TIML and that the primary offer will be fully subscribed and the total number of TVIRD shares to be made available for sale in connection with the secondary offer will be sold in full to third parties.

The forward-looking statements of the Company contained in this News Release are expressly qualified, in their entirety, by these cautionary statements. 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.

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