



## NEWS RELEASE

# TVI Pacific's 30.66% owned TVIRD Closes US \$28.5 million Term Loan Facility for its Balabag Gold Project

10/22/2019

CALGARY, Oct. 22, 2019 /CNW/ - TVI Pacific Inc. (TSX-V: TVI) (OTC Pink: 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 closed an Omnibus Loan and Surety Agreement ("OLSA") with China Banking Corporation (the "Lender") providing for a US \$28.5 million principal amount term loan facility (the "Facility"), the proceeds of which shall be used to partially finance its 2,000 metric tons per day ("MTPD") Balabag gold/silver mining project ("Balabag").

## Balabag Financing Highlights

- US \$28.5 million Facility concluded with the China Banking Corporation.
- Five (5) year term with a fixed interest rate per annum.
- Repayable in fifteen (15) equal quarterly installments to start at the end of the sixth (6th) quarter from the initial drawdown date. Interest is payable starting at the end of the first quarter from the initial drawdown date.

## Balabag Financing

The Facility is a five (5) year term loan facility from the Lender in the aggregate principal amount of up to US \$28.5 million, the proceeds of which shall be used to partially finance TVIRD's 2,000 MTPD Balabag project.

TVIRD has elected to apply a fixed interest rate to any amounts borrowed through the Facility that shall be based on the sum of the 5-year rate on US dollar denominated bonds issued by the Philippine government plus a spread of 275 basis points.

The principal shall be repaid in fifteen (15) equal quarterly installments to start at the end of the sixth (6th) quarter from the initial drawdown date, with interest payable quarterly in arrears starting at the end of the first quarter from the initial drawdown date. An option exists to prepay the Loan, in full or in part, subject to a prepayment penalty.

The Loan shall be secured by:

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- a) All agreements related to the 2,000 MTPD Balabag gold/silver project ("Project Agreements"), including but not limited to all exports and remittances related to Balabag, and the right, title and interest to all such Project Agreements;
  - b) The Debt Service Reserve Account that shall hold at least the amount equivalent to the next principal repayment and interest due up to 90 days in advance of the due date, and the Debt Service Payment Account that shall also hold the amount equivalent to the next principal repayment and interest due at least five (5) business days in advance of the due date; and,
  - c) Insurance contract rights.

Other fees due to the lender include a commitment fee equal to 25 basis points per annum calculated on the undrawn portion of the Facility, and a one-time upfront fee of 50 basis points calculated on the entire amount of the Facility, payable on the initial drawdown date.

"Conclusion of a loan facility with China Banking Corporation represents the final step required to proceed with the Balabag gold/silver project, which is the fourth mine for TVIRD following the Canatuan gold-silver mine from 2004 to 2008, the Canatuan copper-zinc mine from 2009 to 2014 and then the Agata nickel direct shipping ore project that commenced in 2014 and in which TVIRD holds a 60% interest," stated Cliff James, Chairman and CEO of TVI and Chairman of TVIRD. "We are most excited about this opportunity after years of study and preparation and look forward to the value this project may be expected to bring to the Company, our shareholders and the community."

## About Balabag

Balabag is owned 100% by TVIRD and is fully permitted to proceed. The total capital expenditure requirement for

the Balabag project is expected to be US \$48.85 million, with the difference between this total anticipated capital expenditure requirement and the Facility to be funded by internally generated TVIRD cash and cash generated specifically by the Balabag project.

An updated NI 43-101 technical report entitled "NI 43-101 Technical Report: Balabag Gold and Silver Project, Balabag, Depore, Zamboanga del Sur, Philippines", and as announced on October 18, 2019, has been filed on October 18, 2019.

Exploration work has continued at Balabag following preparation of the internal TVIRD resource model in 2014 upon which the current updated NI 43-101 technical report has been based. Activities have included mapping and sampling of underground tunnels, particularly in the Lalab and Miswi area, and has extended into Mossad (north of Balabag hill). Additional drilling was initiated in 2018 and has continued into 2019 with 28 drill holes (for a total of 2,356 meters drilled). Data from the recent drilling campaign continues to be analyzed.

### **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. It operates under the highest standards of health and safety practices for its workers and its host community; and is uncompromising in its best-practices approach to environmental protection as well as community development. TVIRD has a pool of highly competent managers, technical personnel and skilled workers with previous experience in gold-silver operation, and holds a 60% interest in AMVI, a nickel laterite DSO operation that commenced in October 2014 and in which TVIRD is operator. To date AMVI has shipped a total of 12.71 million wet metric tonnes through 235 shipments. TVIRD also owns 100% of the Balabag gold/silver project.

### **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 3.57% equity interest in Integrated Green Energy Solutions Ltd, a publicly listed company incorporated in Australia with shares listed on the ASX, that is engaged in the commercialization of technologies related to converting waste plastics to fuel in Australia and internationally. TVI's other holdings include a 14.4% equity interest in Mindoro Resources Ltd. and a 100% investment in shares of TG World. As at the date of this announcement, TVI has 655,537,039 outstanding common shares and 696,887,039 fully diluted including the currently issued outstanding options of 41,350,000.

### **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. 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.

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 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 factors include, but are not limited to, such things as changes in general economic conditions in the Philippines and elsewhere; the volatility of prices for certain base and precious metals and other commodities; commodity supply and demand; fluctuations in currency and interest rates; an inability to procure third party approvals in a timely manner or on satisfactory terms; new laws and regulations (domestic and foreign); inherent risks associated with the exploration and development of mining properties; ultimate recoverability of reserves; production, timing, results and costs of exploration and development activities; political or civil unrest; TVIRD's overall plans, budget and strategy (which are all subject to change), and extreme weather conditions and forces of nature (i.e. typhoons, heavy rains, earthquakes, and the like) that may disrupt operations and exploration. **Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this material change report and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.**

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.

Forward-looking information respecting the content of the Updated NI 43-101 is based upon various assumptions and factors including exploration and development work completed to date at Balabag. Readers are cautioned that

such estimates contained within the Updated NI 43-101 remain conceptual in nature and mineral resources that are not mineral reserves do not have demonstrated economic value.

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, 2018, which was filed on SEDAR on April 29, 2019 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.

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