



N E W S R E L E A S E

TSX : TVI

August 13, 2010

TVI Pacific Provides Second Quarter Financial Results and Operational Update

CALGARY, ALBERTA - TVI Pacific Inc. ("TVI" or "the Company") today announced unaudited, consolidated financial and operational results for the three and six months ended June 30, 2010.

For a thorough explanation of the points noted in this press release, shareholders are encouraged to read this press release in conjunction with the interim consolidated financial statements and management's discussion and analysis for the quarter ended June 30, 2010, filed with certain securities regulators in Canada on August 13, 2010, and available on our web site (www.tvipacific.com) and SEDAR (www.sedar.com).

	Quarter ended June 30, 2010	Year to date June 30, 2010
• Average price received for copper concentrate (US\$)	\$3.22/lb	\$3.26/lb
• Operating cash flow	\$1.7 mm	\$16.5 mm
• Net Income (loss)	(\$1.1 mm)	\$7.2 mm
• Earnings (loss) per share	(\$0.002)	\$0.015
• Production cash cost (US\$)	\$1.13/Cu lbs eq	\$0.76/Cu lbs eq
• Cash Balance		\$6.2 mm

Net income for the quarter was reduced by \$4.9 million as a result of one-time prepayment charges and related interest expense that TVI chose to incur in Q2 in order to retire the Term Facility in full by June 30th. Because there were only two shipments in Q2 compared to three shipments in Q1, a reduction of 39% in revenue was realized quarter over quarter.

Shipments

- There were two shipments of copper concentrate in Q2, 2010 for gross revenue of US\$16.35 million. For comparison purposes, there were three shipments of copper concentrates in Q1, 2010 generating gross revenue of US\$26.64 million.
- Subsequent to the end of the quarter, on August 7, 2010, a sixteenth shipment of copper concentrate was completed at an average copper price received of US\$3.19 for gross revenue of US\$7.8 million, bringing total gross revenue year to date to US\$50.8 million.

Retired Debt Facility, Letter of Credit Facilities and Current Cash Position

- In order to retire the Term Facility ahead of schedule, during the six month period ended June 30, 2010, TVI made five voluntary payments totalling US\$22.3 million and a scheduled payment of US\$2.0 million. In addition, interest expenses, including prepayment premiums, totalled US\$8.4 million.
- The Company has letter of credit facilities with a major Philippine bank that accrue interest at 8.75% per annum, payable over four equal monthly instalments starting 90 days from the withdrawal dates. The total amount payable on the letter of credit facilities at June 30, 2010 was US\$696,107.

- The Company also obtained a US\$3.3 million revolving loan bearing interest at 4.3% per annum, and two short-term loan facilities totaling US\$5.0 million bearing an average interest rate of 4.4% per annum. The total amount owing on these loans as of June 30, 2010 was US\$8.3 million and they are secured by the offtake agreement.
- As of June 30th, 2010, the Company held \$6.2 million in cash.

Costs

- The increase in unit production cash cost during Q2 was mainly due to the commissioning of the zinc circuit which resulted in less concentrate being shipped (two shipments in Q2 versus three in Q1). The process required expected shutdowns to connect and test the circuit resulting in downtime which impacted throughput. In addition, the lower copper feed grade of 1.22% of the circuit test materials in Q2 compared to the 1.75% copper feed grade in Q1 also contributed to the lower production in Q2. Although production volume declined, production costs were similar in Q2 compared to Q1.

Outlook

- Production during the initial zinc circuit commissioning yielded unsatisfactory results of copper-zinc separation during flotation. As of the date of this release, the zinc circuit has been temporarily suspended while additional metallurgical test work is being carried out. It is expected that on-site testing will commence in early Q4. In the meantime, copper concentrate production will continue as planned.
- Preliminary core sample assay results from the Balabag drill program are on schedule to be released around the end of August, followed by a full technical report produced by GeoSystems International Inc., by the end of September. Social and environmental initiatives and a new phase of drilling continue at Balabag.
- Preparation for exploration drilling in the Canatuan Near-Mine Tenements to increase mine life is ongoing. Helicopter-supported geophysical surveys are planned for these tenements in September, 2010. While the equipment is available, TVI intends to conduct helicopter-supported geophysical surveys over many of its North Zamboanga tenement areas, including Tamarok and Tapisa.

Key Financial Figures Quarter Over Quarter

(in thousands of CDN dollars except per share information)

	Quarter Ended June 30, 2010	Quarter Ended March 31, 2010	Year to date June 30, 2010
Net revenue	16,453	26,184	42,637
Operating cash flow	1,724	14,811	16,535
Free cash flow ⁽¹⁾	(555)	12,208	11,652
Net income (loss)	(1,141)	8,390	7,248
Earnings (loss) per share (basic)	(0.002)	0.018	0.015
Free cash flow per share ⁽¹⁾	(0.001)	0.025	0.024

(1) See financial statements for the reconciliation from operating cash flow to free cash flow. Free cash flow is a non-GAAP measure. See MD&A for definition of this non-GAAP measure.

Key Production Figures Quarter Over Quarter

	Quarter ended June 30, 2010	Quarter ended March 31, 2010	Year to date June 30, 2010
Copper pound equivalent produced (m lbs)	5,036	8,841	13,877
Copper produced (m lbs)	4,111	6,930	11,042
Gold produced (oz)	1,184	2,321	3,505
Silver produced (oz)	76,571	220,400	296,971

The following table details some key operating statistics for the Canatuan Sulphide Mine for the three month periods ended March 31, 2010 and June 30, 2010.

	Quarter ended June 30, 2010	Quarter ended March 31, 2010	Year to date June 30, 2010
Total tonnes processed	187,845	203,480	391,325
Average tonnes processed per day	2,064	2,261	2,162
Ore copper grade (%)	1.22	1.75	1.50
Copper recovery (%)	81.41	88.14	85.51
Concentrates produced (dry weight - t)	10,110	15,826	25,936
Average daily concentrates produced (dry weight - t)	111	176	143
Concentrate copper grade (%)	18.45	19.86	19.31
Concentrate gold grade (g/t)	3.64	4.56	4.20
Concentrate silver grade (g/t)	235.57	433.15	356.13
Production cash cost per Cu lb eq (US\$) ^{(1) (2)}	1.13	0.56	0.76
Total cash cost per Cu lb eq (US\$) ⁽²⁾	1.58	0.94	1.17
Total cash cost per Cu lb eq, net of by-products (US\$) ⁽²⁾	0.95	0.32	0.55
Offtake			
Copper concentrates shipped (dry weight - t)	10,533	15,514	26,047
Average copper price received (US\$/lb)	3.22	3.28	3.26

(1) Excludes selling expenses.

(2) Production cash cost per copper pound equivalent; Total cash cost per copper pound equivalent; and Total cash cost per copper pound equivalent, net of by-products are non-GAAP measures. See MD&A for definition of these non-GAAP measures.

About TVI Pacific Inc. (TSX: TVI)

TVI Pacific Inc. is a publically traded, copper producer focused on the exploration, development and acquisition of precious and base metal mining projects in the Philippines. The Company's interest in the Canatuan Mine and its other Philippine assets are held through its affiliate, TVI Resource Development (Phils.), Inc.

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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", "schedule" and similar expressions.

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 received from or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from or disseminated by 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 (known and unknown) that could cause actual 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 the volatility of prices for precious metals and base metals; commodity supply and demand; fluctuations in currency and interest rates; inherent risks associated with the exploration and development of mining properties;

ultimate recoverability of mineral reserves; timing, results and costs of exploration and development activities; availability of financial resources or third-party financing; new laws (domestic or foreign); changes in administrative practices; changes in exploration plans or budgets; and availability of equipment and personnel. 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 statements regarding the timing and nature of production of zinc concentrates at the Canatuan Mine are based on the current mining and processing activities at Canatuan, management's prior experiences with mining and processing at Canatuan, the estimated copper and zinc mineralization of the sulphide zone at Canatuan and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding the exploration program at the Balabag Project and the timing of exploration results are based on prior and current exploration activities, discussions held to date with third parties and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding exploration, development and production activities in the Canatuan Near-Mine Tenements are based on the timing of regulatory approvals from government authorities in the Philippines (including the granting of FPIC and the Exploration Permit), the results of prior and current exploration activities and the Company's overall plans, budget and strategy, which are all subject to change. Forward-looking statements regarding the nature and timing of airborne geophysical surveys over Canatuan and the North Zamboanga Tenements are based on discussions held to date with the international service provider, the timing of mobilization of equipment to the Philippines, the timing of regulatory approvals from government authorities in the Philippines, the results of prior and current exploration activities, and the Company's overall plans, budget and strategy, which are all subject to change.

The forward-looking statements of the Company contained in this news release are expressly qualified, in their entirety, by this cautionary statement. 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, except as required by law.

The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein.