



Dec 13, 2004

Initial Closing of Kang Dian Nickel Project Option Early Warning Report

SKN Resources Ltd. and New Pacific Metals Corp. Joint Press Release

VANCOUVER, British Columbia – December 13, 2004 – SKN Resources Ltd., ("SKN"), and New Pacific Metals Corp. ("NUX") advise that TSX Venture Exchange acceptance has been granted to the option by SKN to NUX of the Kang Dian Nickel/Copper/ Platinum Group Metals(PGM) project located in Sichuan Province, China. The transaction was originally announced March 4, 2004.

Under the Option Agreement, NUX has the right to acquire 100% of SKN's wholly owned subsidiary, SKN Nickel & Platinum Ltd. (SNP), which has the right to acquire 75% and 90% interests in exploration permits that form the Kang Dian Nickel-Copper-PGM project upon the issuance of an aggregate 7,000,000 shares, exploration expenditures of US\$2.7 million, and the payment of US\$80,000.

By way of an initial closing, NUX has now issued the first 2,500,000 tranche of the 6,500,000 shares it is obligated to issue to SKN. A further 2,000,000 shares are issuable to SKN upon successful completion of the initial US\$539,000 work program recommended in the Technical Report on the Project, and the final 2,000,000 shares are issuable on completion of SNP's obligation to provide, within 24 months, US\$1,000,000 in capital contributions to the joint venture company created to hold the permits pursuant to the joint venture agreement with the Chinese partner.

Also in accordance with the Option Agreement, NUX has now issued a total of 500,000 shares and paid US\$80,000 to one of the Chinese property owners with respect to the Angzhou (AZ) Prospect.

SKN also reports, pursuant to Section 111 of the Securities Act (British Columbia) and Section 141 of the Securities Act (Alberta), that, with the initial issuance of 2,500,000 shares under the Option Agreement, it now holds securities representing approximately 12.9% of NUX's current issued and outstanding share capital. Under the Option Agreement SKN may receive 2 additional issuances of 2,000,000 shares each, subject to the completion of work and expenditure obligations. Prior to this transaction SKN neither owned nor controlled any securities of NUX, either alone or together with any joint actor. SKN acquired these securities for investment purposes. Depending on economic or market conditions or matters relating to NUX, SKN may choose to either acquire additional securities or dispose of securities of NUX.

The Shares issued to SKN are subject to a hold period expiring April 14, 2005, and also subject to escrow for three years with quarterly releases. Shares remaining in escrow are subject to cancellation in

the event NUX determines not to continue contributing to the joint venture company to be created.

SKN RESOURCES LTD.

NEW PACIFIC METALS CORP.

For Further Information:

Rui Feng, Ph.D.

President & Director

Phone: (604) 669-9397

Fax: (604) 669-9387

Email: info@newpacificmetals.com

Website: www.newpacificmetal.com

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents of this release.