



New Pacific Metals Corp.

TSX-V: NUAG

NEWS RELEASE

Trading Symbol: TSX Venture: NUAG.V

NEW PACIFIC REPORTS FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2017

VANCOUVER, BRITISH COLUMBIA – September 21, 2017: New Pacific Metals Corp. (“New Pacific” or the “Company”) today announced its audited consolidated financial results for the year ended June 30, 2017.

This earnings release should be read in conjunction with the Company's Management Discussion & Analysis, Financial Statements and Notes to Financial Statements for the corresponding period, which have been posted on SEDAR at www.sedar.com and are also available on the Company's website at www.newpacificmetals.com. All figures are expressed in Canadian Dollars (CAD) unless otherwise stated.

FISCAL 2017 HIGHLIGHTS

- Successfully completed the Alcira acquisition to acquire the Silver Sand Property in Bolivia for a total cash consideration of US\$45,000,000, the transaction was closed on July 20, 2017;
- Managed to raise US\$35,817,000 through two private placements as the funding source of the Alcira acquisition, the transactions were closed on July 17 and July 28, 2017, respectively;
- Net income attributable to equity holders of \$1.37 million, or \$0.02 per share, compared to net loss attributable to equity holders of \$0.12 million, or (\$0.00) per share.

FISCAL 2017 FINANCIAL SUMMARY

Net income attributable to equity holders of the Company for the year ended June 30, 2017 (“Fiscal 2017”) was \$1,372,544 or \$0.02 per share (year ended June 30, 2016 (“Fiscal 2016”) - net loss of \$118,167 or \$0.00 per share). The Company's financial results were mainly impacted by the following: (i) income from investments of \$3,032,548 in Fiscal 2017 compared to \$3,098,622 in Fiscal 2016; (ii) foreign exchange loss of \$78,944 in Fiscal 2017 compared to foreign exchange gain of \$864,648 in Fiscal 2016; (iii) operating expenses of \$2,107,187 in Fiscal 2017 compared to \$1,029,722 in Fiscal 2016, and, (iv) no impairment charge in Fiscal 2017 compared to impairment of mineral property interest of \$3,850,343 in Fiscal 2016.

Income from investments for Fiscal 2017 was \$3,032,548 (Fiscal 2016 - \$3,098,622). Within the investments income, \$1,720,896 was from gain on the Company's equity investments and \$1,256,349 was from fair value change and interest earned on bonds.

Operating expenses for Fiscal 2017 was \$2,107,187 (Fiscal 2016 - \$1,029,722). The increase in operating expenses was a result of the Company's increased activities in refocusing on mining and acquiring mining properties in Bolivia. Significant items included in operating expenses are as follows:

- (i) **Consulting fees** for Fiscal 2017 was \$110,169 (Fiscal 2016 - \$3,690). The increase of consulting fees was due to external consulting services related to seeking and acquiring mining properties in Bolivia.
- (ii) **Filing and listing fees** for Fiscal 2017 was \$100,190 (Fiscal 2016 - \$73,831). The filing fees include the base fee and variable fee based on the market capitalization paid to TSX Venture.
- (iii) **Investor relations expense** for Fiscal 2017 was \$119,993 (Fiscal 2016 - \$55,103). The Company engaged in more mining conferences and roadshows in the current year since it changed its business back to mining.
- (iv) **Professional fees** for Fiscal 2017 was \$455,978 (Fiscal 2016 - \$105,180). The increase in professional fees was a result of additional legal and accounting services related to the Alcira acquisition.
- (v) **Salaries and benefits expense** for Fiscal 2017 was \$618,333 (Fiscal 2016 - \$366,284). The increase in salaries in the current year was due to increased operating activities resulted in more chargeable hours for existing employees and the creation of a couple of new positions.
- (vi) **Office and administration expense** for Fiscal 2017 was \$424,167 (Fiscal 2016 - \$255,397). The increase in office and administration expenses was a result of the overall increased activity levels of the Company.
- (vii) **Share-based compensation** for Fiscal 2017 was \$246,156 (Fiscal 2016 - \$129,726).

Foreign exchange loss for Fiscal 2017 was \$78,944 (Fiscal 2016 - foreign exchange gain of \$864,648). The Company holds a large portion of cash and cash equivalents and bonds in US dollars while the Company's functional currency is Canadian dollar, the fluctuation in exchange rates between the US dollar and Canadian dollar will impact the financial results of the Company. During Fiscal 2017, the US dollar depreciated by 0.2% against Canadian dollar (from 1.3009 to 1.2977) while in Fiscal 2016 the US dollar appreciated by 4.3% against Canadian dollar (from 1.2474 to 1.3009).

FOURTH QUARTER FINANCIAL SUMMARY

For the quarter ended June 30, 2017 ("Q4 Fiscal 2017"), the Company reported net loss attributable to equity holders of \$1.55 million or \$0.02 per share, compared to net loss of \$1.76 million or \$0.03 per share for the quarter ended June 30, 2016 ("Q4 Fiscal 2016").

Major financial items impacting the fourth quarter financial results were as follow: (i) loss from investments of \$708,806 in Q4 Fiscal 2017 compared to income from investments of \$1,507,480 in Q4 Fiscal 2016; (ii) operating expenses of \$756,523 in Q4 Fiscal 2017 compared to \$220,352 in Q4 Fiscal 2016; (iii) foreign exchange loss of \$524,096 in Q4 Fiscal 2017 compared to foreign exchange gain of \$64,378 in Q4 Fiscal 2016, and (iv) no impairment charge in Q4 Fiscal 2017 compared to impairment of mineral property interest of \$3,850,343 in Q4 Fiscal 2016.

ALCIRA ACQUISITION AND SILVER SAND PROPERTY

On July 20, 2017, the Company has closed its previously announced acquisition of 100% interest in Empresa Minera Alcira S.A. ("Alcira"), a private Bolivian incorporated mining company from its three shareholders (the "Vendors") pursuant to the terms of a share purchase agreement (the "Agreement") dated March 28, 2017. Alcira has seven silver-polymetallic mineral properties or ATEs (Temporary Special Authorization) in Bolivia. The most significant property is the Silver Sand Property (the "Property"). The other six are early-stage exploration projects, which have either been subject to limited small-scale mining or historical drilling.

The Company acquired Alcira for total cash consideration of US\$45,000,000. Payment terms and schedules are summarized as follow:

- US\$3,750,000 was paid to the Vendors on April 6, 2017 and was included in deposits and prepayments as at June 30, 2017;
- US\$32,250,000 was paid to the Vendors on July 20, 2017;
- US\$2,000,000 was paid to Alcira on August 14, 2017 ahead of the scheduled October 18, 2017 payment date;
- US\$2,000,000 to be paid on or before October 18, 2017; and
- US\$5,000,000 to be paid to the Vendors once the Company has received certain specified permits and licenses from the authorities of Bolivia necessary for mining and milling operations, or once Alcira has commenced commercial production.

To facilitate the funding of its acquisition of Alcira, the Company successfully completed two private placements subsequent to the year end.

On July 17, 2017, the Company closed a private placement to issue a total of 43,521,250 common shares at a price of US\$0.80 per share for gross proceeds of US\$34,817,000. Total finder's fee for the transaction was \$554,632.

On July 28, 2017, the Company closed another private placement to issue a total of 1,250,000 common shares at a price of US\$0.80 per share for gross proceeds of US\$1,000,000.

ABOUT NEW PACIFIC

New Pacific Metals Corp. is a Canadian exploration and development company which owns the Silver Sand Project, in the Potosi Department of Bolivia, the Tagish Lake Gold Project in Yukon, Canada and the RZY Project in Qinghai Province, China. Silvercorp Metals Inc. (TSX/NYSE American: SVM), the largest primary silver producer in China, is the major shareholder.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements and information in this press release constitute "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information.

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to: fluctuating equity prices, bond prices, commodity prices; calculation of resources, reserves and mineralization, foreign exchange risks, interest rate risk, foreign investment risk loss of key personnel; conflicts of interest; dependence on management and others.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in the Company's Annual Information Form for the year ended June 30, 2017 under the heading "Risk Factors". Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this press release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.