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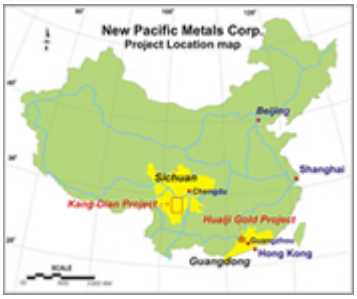
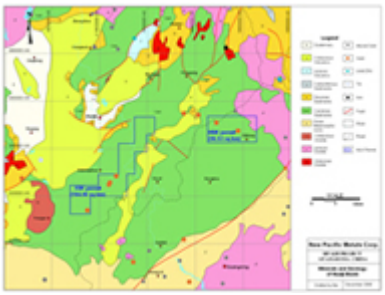
New Pacific Obtains Two Gold-Polymetallic Exploration Permits in Guangdong Province From the Ministry of Land and Resources of China

VANCOUVER, BRITISH COLUMBIA-- December 7, 200 6 -- New Pacific Metals Corp. (" NUX ") is pleased to announce that it has been issued two gold-polymetallic exploration permits by the Ministry of Land and Resources of China. The two permits ("XSK" and "HNK") cover a total area of approximately 160 square kilometers, and are held in the name of Yunnan Jin Chang Jiang Mining Co. Ltd. ("JCJM"), in trust for NUX. JCJM is a wholly owned Chinese subsidiary of Silvercorp Metals Inc. The cost of obtaining these two permits is only the direct costs of permit application, property visits, sampling and the preparation of technical reports.

The permit areas are located in Guangdong Province's Huaiji and Guangning counties, about 180 kilometers (km) northwest of Guangzhou, the capital city of Guangdong Province. Guangzhou, one of China's largest cities, is serviced by daily air flights with connections to all major cities in China and many international destinations. Access to the two permits from Guangzhou is via paved highways, then by inter-township paved roads.



Huaiji Project Location Map


Huaiji Gold Project Geology Map

There have been many artesian mining activities on the two properties that have been shut down by local authorities two years ago. With the exploration title secured and numerous occurrences of gold mineralization in the two permit areas, NUX is now preparing a full review of all available geological data and will organize field crews for a detailed geological survey with the intention of a follow–up drill program.

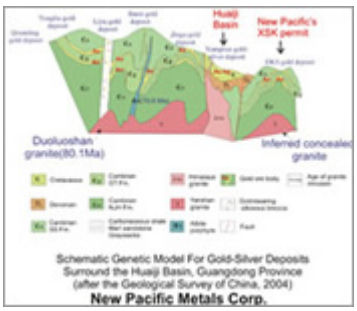
Geologically, the permit areas are located in the centre of the Dayao mountain range upwarping, southwest of the Southern-China Craton, where the Southern-China Craton is cut into the mountain ranges and basins by numerous parallel deep northeastern trending structures that extend several hundreds kilometres. The Cambrian and pre-Cambrian metasediments are dominant rock sequences in

the mountain ranges, whereas in the basins, Jurrasic and Cretaceous volcanics are the dominant rock units. Gold and silver mineralization in these areas mainly occur in the mountain ranges that are intruded by Mesozoic and even Cenozoic granite plutons and porphyries.

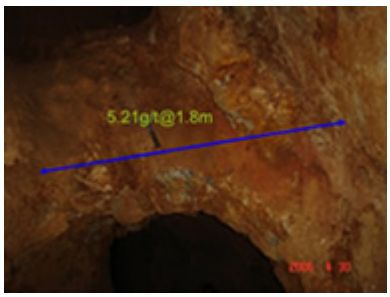
The two permits were applied to cover two extensive gold, silver, and antimony stream sedimentary geochemical anomalies that were revealed by 1 to 200,000 and 1 to 50,000 scales geochemical surveys performed by the Guangdong branch of the Geological Survey of China. The two permits also cover numerous occurrences of gold mineralization and alluvial gold. Gold mineralization is hosted in the carbonaceous strata, carbonate rock, and calcareous-tuff shales of the Cambrian Gaotan Formation, which were intruded by late Mesozoic and Cenozoic granitic plutons and porphyries.

The XSK permit, located in Huanji County, covers an area of approximately 104 square kms. A report on the XSK permit area published by the Geological Survey of China notes that, "the gold mineralization trend extends over 15 km in length along the northeast direction hosted in the Cambrian turbidite sequence, as evidenced by extensive gold geochemical anomalies and by four known gold mineralization occurrences. In the southwest end of this gold mineralization trend, a gold mineralized body of 0.8 to 4.2 metres (m) in thickness is traced over a length of 500 m with gold grades ranging 6.25 to 2.37 grams per tonne ("g/t"). The gold mineralized body concordant with the sedimentary strata is hosted in bedding fracture. In the northeast part of this gold trend, gold mineralized bodies are difficult to outline due to heavy forest cover and old collapsed adits. However, the result of surface soil geochemical survey reveals gold anomalies greater than 0.1 g/t extending over 1000 m."

An old mining tunnel running about 200 m in length within the XSK permit was visited by NUX geologists. A gold mineralization zone, accompanied with strong deformation, silicification, ferritization and sericitization, was observed at the end of the tunnel. The assay results from three continuous chip samples along the mined out area of the tunnel are 2.85g/t Au over 2.00 m, 0.80g/t Au over 2.00 m, and 1.46g/t Au over 2.02 m for an average 1.7 g/t Au over 6.02 m. From another branch tunnel nearby, one sample returned 5.21g/t Au over 1.8 m from the roof of the tunnel. Numerous other old adits in the area have not yet been examined.



Schematic Genetic Model for Huaiji Project



Sample from Huaiji Project

The HNK permit, located in Guangning County, which is 100 km east of Huaiji County, covers an area of approximately 56.5 square kms. Two gold mineralization occurrences were reported in a geological report published by the Chinese government agent. Chip samples by NUX geologists from a different zone returned grades ranging from 1 to 3 g/t Au.

Quality Control

The company has implemented a quality control program to ensure best practice in sampling and analysis of the tunnel samples. All samples are shipped directly in security sealed bags to the Central Laboratory of Sichuan Bureau of Geology and Mineral Resources in Chengdu, Sichuan Province, where samples are dried, crushed, split, and then pulverized to 200 mesh. The Laboratory is certified by China Bureau of Quality Control and Quality Assurance.

The Exploration work is directly supervised by Dr. Rui Feng, President of NUX and Mr. Jigui Sun , geologist and China Project Manager for NUX. Myles Gao, P.Geo, consultant to NUX, is the Qualified Person on the Project.

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