



## NEWS RELEASE

Trading Symbol: TSX Venture: NUX.V

---

### **NEW PACIFIC ENTERS INTO AGREEMENT TO ACQUIRE 100% OF A PRIVATE BOLIVIAN MINING COMPANY AND ANNOUNCES A PRIVATE PLACEMENT OF US\$32 MILLION**

#### **NOT FOR DISSEMINATION IN THE UNITED STATES OR TO U.S. NEWSWIRE SERVICES**

**VANCOUVER, BRITISH COLUMBIA – April 10, 2017: New Pacific Holdings Corp.** (“New Pacific” or the “Company”) (TSXV: “NUX”) announces that its wholly-owned subsidiary New Pacific Investment Corp. Limited has signed a binding share purchase agreement (the “Agreement”) dated March 28, 2017 to acquire a 100% interest in Empresa Minera Alcira S.A., a private Bolivian incorporated mining company (the “Target Company”) from its three shareholders (the “Vendors”), free of any debt. The Vendors include NingdeJungie Minería Co., Ltd. (99% shareholder), Cai Ximing, (0.5% shareholder) and Li Chengliang (0.5% shareholder), all of whom are arm’s length parties.

The Target Company has seven silver-polymetallic mineral properties or ATEs (Temporary Special Authorization) in Bolivia. The most significant property is the Silver Sand Property (the “Property”), located in the Potosí Department, which has been subjected to some small-scale, historic mining and was drilled during the period 2012 through 2015 by the Target Company. The other six are early-stage exploration projects, which have either been subject to limited small-scale mining or historical drilling.

#### **Major Terms of the Agreement**

- 1) New Pacific has paid US\$250,000 to the Vendors as an initial non-refundable down-payment following the signing of the Agreement;
- 2) New Pacific shall loan US\$3.5 million to one of the Vendors with a term of 120 days, secured by its 30% interest in the outstanding shares of the Target Company;
- 3) New Pacific will carry out confirmation drilling to twin three drill holes drilled by the Target Company within three and a half months of the signing of the Agreement;
- 4) If the results of the confirmation drilling matches to 70% of the Target Company’s drill results, New Pacific shall notify the Vendors within 7 days after 3.5 months of signing this agreement that it will proceed with the completion of the Agreement and New Pacific shall make the second payment of US\$35,750,000 (the “Closing Payment”) to the Vendors to acquire 100% of the shares of the Target Company. In this case, the above US\$3.5 million loan will be offset against the Closing Payment;
- 5) If the confirmation drill results are not acceptable to New Pacific, the transaction shall not proceed, and New Pacific will forfeit its initial US\$250,000 down-payment;

- 6) Within 90 days after the closing or completion of acquiring the 100% interest of the Target Company, New Pacific will make further payments of US\$4,000,000; and
- 7) A final payment of US\$5,000,000 will be due 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 the Target Company has commenced commercial production.

Closing of the transaction is subject to shareholder approval, regulatory approval, and other conditions as set out in the Agreement.

## **Silver Sand Property**

### ***Location and history***

At an elevation of approximately 4,050 meters, the Silver Sand Property, having an area of approximately 3.17 square kilometers (km), is located in the Potosí Department of Bolivia, approximately 25 km northeast of the world famous Cerro Rico Silver and Base Metal mineral system. The Silver Sand property is adjacent to ancient and current tin mining activities in the area. Access is relatively easy with a road distance of 54 km to Potosi, of which 27 km are paved.

The Property is one of the earliest discoveries, before the discovery of Cerro Rico in the mid-1500's, made by Spanish Colonials. Small-scale, historic mining is evident from scattered shafts, pits, adit, declines and dumps. The Property has been explored by the Target Company with intermittent surface mapping and sampling, underground sampling and surface core drilling; all of which occurred from 2012 through 2015.

Historical mining activities appear to have followed high-grade vein structures. However, high-grade, silver mineralization also occurs as more subtle disseminations, veinlets and stockworks in the host sandstones, which were not recognized or mined by historic operators. Currently there are still minor active artisanal mining activities by a few local contract miners on the property.

### ***Geology and Mineralization***

At Silver Sand, the host rocks of the silver mineralization are Cretaceous-aged quartz-rich sandstone, which were strongly silicified and now occur in gentle, open folds, dipping shallowly to the north. The Cretaceous rocks unconformably overlie Ordovician- and Silurian-aged rocks, all of which were intruded by Tertiary-aged porphyritic igneous dikes, plugs and sills. Tin mineralization also occurs on the Property and is generally associated with the sills.

The silver mineralized structures, occur in a belt that extends in a northwesterly direction, and are subvertical to east-dipping at high angles. In addition to silicification, alteration of the host rocks includes widespread oxidation grading into and strong iron oxide staining on structures. Where not replaced by iron oxide minerals, ore and gangue minerals consist of disseminated and vein/veinlet pyrite argentite, cerargyrite, native silver, and freibergite.

A total of five mineralized zones (I, II, III, IV and V) were defined by surface geological mapping work, with Zone I being the most prominent with a mapped strike length of at least 1,500 meters and a horizontal width of up to one hundred meters.

### **Historical Exploration**

The Vendors had acquired the Target Company in 2009 along with the Silver Sand Property. After acquisition, the Target Company conducted a limited amount of exploration at the Property during the period 2012 through 2015. This exploration included surface geological mapping, 1,628 meters of channel sampling (containing 846 surface and underground channel samples) and drilling of 8 core holes, among other work. The results of the historical Channel Sample are listed in Table 1 below.

From these channel sample results, five significant mineralization zones (Zone I, II, III, IV, and V) were identified with the Zone I mineralization extending over 1,500 meters long and up to 125 meters in width.

**Table1: Results of Surface and Underground Channel Samples From Zones I,II, III & V**

<b>Section</b>	<b>Sample Location</b>	<b>Zone</b>	<b>Interval (m) 1.</b>	<b>Average Silver (g/t)</b>	<b>Number of Samples</b>	<b>Distance from Section 76 (m) 2.</b>
50	Surface	Zone I	62.7	174	31	1,300
52	Surface	Zone I	71.4	110	35	1,200
54	Surface	Zone I	112.4	127	59	1,100
56	Surface	Zone I	105.0	122	54	1,000
58	Surface	Zone I	83.0	93	44	900
	Adit - PD19	Zone II	21.4	263	10	900
60	Surface	Zone I	125.7	120	68	800
62	Surface	Zone I	90.7	233	48	700
	Adit - PD62	Zone I	72.1	207	36	700
	Adit - PD62	Zone V	8.0	185	4	700
64	Surface	Zone I	48.0	124	25	600
66	Surface	Zone I	71.9	145	38	500
68	Surface	Zone I	64.7	105	31	400
70	Surface	Zone I	33.8	131	18	300
	Surface	Zone II	6.7	141	4	300
72	Adit - PD70	Zone I	11.8	163	6	200
	Surface	Zone II	1.5	356	1	200
	Surface	Zone III	16.9	198	9	200
74	Surface	Zone I	18.1	105	11	100
	Surface	Zone II	1.2	473	1	100
76	Surface	Zone I	14.8	125	12	0
	Surface	Zone II	1.5	535	1	0

1. Channel samples from adits PD62 and PD19 are believed to be close to the true width as they are nearly perpendicular to the zones.
2. Section 76 is the southern-most NE-SW section on the Property to-date.

Two short, vertical diamond drill holes, targeting shallowly-dipping tin mineralization, were drilled in 2012 but did not intersect silver mineralization. Two angled holes drilled in the same period but in the footwall (west side of the zone) did not intercept the silver mineralization. Four holes, totaling 1,558 meters, were drilled in 2015, consisting of three angled holes from the hanging wall (east side) of the Zone I mineralization, which intersected significant silver mineralization and one vertical hole collared in footwall of Zone I, which did not intercept silver mineralization. The results of the three, historic drill hole intercepts are listed in Table 2.

**Table 2: Results of the Historical Drill Intersections at Zone I**

Drill Hole Number	Cross Section (NE-SW)	Distance from Section 76 (m)	Ave Sample Length (m)	Mineralized Interval				
				From (m)	To (m)	Length (m)	Average Ag (g/t)	
ZK4601	46	1,500	1.28m	83.3	85.6	2.3	60	
				122.0	277.2	155.2	179	
				<i>Incl.</i>	122.0	145.4	23.4	261
				<i>Incl.</i>	170.9	231.3	60.4	266
ZK5401	54	1,100	1.27 m	151.1	346.4	195.3	168	
				<i>Incl.</i>	151.1	177.9	26.8	302
				<i>Incl.</i>	195.2	249.5	54.3	303
				<i>Incl.</i>	304.0	321.7	17.7	284
ZK6601	66	500	1.33 m	51.9	243.2	191.3	246	
				<i>Incl.</i>	51.9	108.1	56.2	329
				<i>Incl.</i>	132.1	182.6	50.5	316.0
				<i>Incl.</i>	200.3	243.2	42.9	282.5

**Notes:** g/t = grams per metric tonne. All data from owner.

Intervals are drill core length in meters. True widths are not known but are estimated to be 40 to 55% of the drill widths.

A 30 g/t Ag minimum grade was used to determine the average silver (Ag) grades.

No more than 2 sequential assay values, ≤ 30 g/t, were used in the compilation.

Zone I – This zone is the most prominent alteration and structural feature on the Property. Zone I has been traced on surface for more than 1,500 meters in a northwesterly direction. Its silicification alteration envelope is interpreted to range from about 50 to 125 meters width and its depth extension is 300 meters and open at depth. The zone cuts the folded lower, middle and upper Cretaceous-aged sandstone units and is projected to extend further to northwest, north of the Property, into a block of Tertiary-aged intrusion into a cluster of northwest-striking structures and artisanal mining. The Zone is also believed to extend in the south direction as silver mineralization is exposed by channel sampling in the southern most section 76.

Cross cut PD62, the Dolores Adit, was developed near the center of Zone I approximately 200 meters below the top of the zone on section 62. The adit has a total NE to SW length of 173 meters. Channel samples were collected along the ribs of PD62. Using a 30 Ag g/t cutoff, the length-weighted average grade of silver mineralization is 72.1 meters grading 207 g/t. Zone V was intersected near the collar of

the Dolores adit. Channel sampling along the ribs yielded length-weighted silver values of 8 meters grading 182 g/t for Zone V.

About 200 meters southeast of adit PD62, core hole ZK6601 was drilled on section 66 to a length of 284 meters. This section is approximately 500 northwest of the southern most section 76. Hole ZK6601 crossed Zone I yielding a total drill width of 191.3m grading 246 silver g/t starting at a down-hole depth of 51.9 extending to 243.2 meters. Within this interval, three higher-grade "subzones" were defined. Near the collar of hole ZK6601 is an adit (PD25) and a dump outside adit portal. The owner took one grab sample from the dump in 2014, which returned a silver grade of 220 g/t. During its due diligence, NPHC took four grab samples from the dump, which returned silver grades of 296 g/t, 448 g/t, 59 g/t and 452 g/t.

400 meters to the northwest of PD62, core hole ZK5401 was collared on section 54 and extended to drill depth of 413 meters and crossing Zone I. Sampling yielded a total core length of 195.2 meters grading 168 silver g/t silver starting at 151.1 meters down-hole, extending to 346.4 meters. This drill hole length included four higher-grade "subzones".

Further to the northwest, approximately 400 meters from ZK5401, core hole ZK4601 was drilled on cross section 46 in an area of overburden covering the projected strike of Zone I. Hole ZK4601 intercepted Zone I for a total drill width of 155.2 m grading 179 silver g/t starting at a drill depth of 122 meters, extending to 277.2 meters down-hole. This interval also included three higher-grade "subzones".

Zone II – This zone is parallel to, and situated 300 meters northeast of, Zone I. Exposures of Zone II are more subtle than those of Zone I. It has been traced, using sporadic outcrops of silicified, veined and oxidized sandstone, over 1,400 meters in NW strike and up to 25 meters in width. The zone cuts the lower, middle and upper Cretaceous-aged sandstone units. There are no drill holes in Zone II but channels have been collected from a small adit and decline (adit PD19) on section 58. Assays on these samples by the owner yielded a total channel length of 21.4 m with a length-weighted average silver grade of 263 g/t. It is noted that the first and the last channel samples were taken in mineralization. The adit occurs at the intersection of the trend of the zone and a contact between the middle and upper sandstone units. Examination of the surface above, and to the northeast of, the adit revealed wide spread oxidation, which may suggest the zone is wider than currently estimated.

Zone III – This zone is situated about 130 meters to the east of Zone II and is parallel to zones I and II. The alteration envelope of Zone III has been mapped over approximately 1,000 meters of strike and up to 75 meters in width. Zone III occurs entirely within the lower sandstone. There are no drill holes in Zone III. Samples were collected on surface from two sections cutting Zone III. They yielded mineralized intervals of 15 meters grading 137 silver g/t and 16.9 meters grading 198 silver g/t.

Zone IV – This zone occurs about 100 meters due west of Zone I, intersecting a circular breccia body on the southeast. The zone is interpreted to be less than 10 meters in maximum width and dipping shallowly and variably from northeast to southwest. There are no drill holes in Zone IV.

Zone V – This zone is located about 400 meters north of the collar of core hole ZK6601 and is parallel to Zone I. The strike length of this zone is approximately 25 meters. As mentioned in the description of Zone I, adit PD62 intersected Zone V near the portal. Sampling there cut a mineralized interval of 8 meters grading 185 silver g/t. No drilling has been performed on Zone V.

## **Initial Due Diligence**

The Company did its internal due diligence in November 2016, and a separate due diligence by the independent Qualified Person in December 2016. The due diligence work includes a thorough reviewing of the historical exploration results, site visit and examinations of mineralized outcrops and artisanal mining sites as well as quartering of the drill cores, taking numerous check samples from previous channel sampling sites, drill cores and pulp rejects, and finally visiting and observing the procedures of the in-house lab of the Target Company in Potosí, Bolivia, which did sample preparation and geochemical analysis of all historical exploration samples. The check samples were sent to internationally accredited analytical labs (ALS Global in Oruro, Bolivia and in Lima, Peru, and SGS in La Paz, Bolivia) for preparation and analysis. The results of the check samples are generally consistent with the historical assay results provided by the Target Company.

## **Sample Preparation and Assay Results**

The Target Company's in-house lab applied its own QAQC procedures during sample preparation and analysis. The procedures are similar to those implemented by internationally accredited analytical labs. The results of check samples of New Pacific from ALS and SGS did not show any significant bias.

During the due diligence check sampling of New Pacific in November and December 2016, no field certified standard reference materials, blanks and duplicates were inserted into normal sample runs.

## **Confirmation Drilling**

As per the terms of the Agreement, the Company will carry out a confirmation drilling program to twin the three historical drill holes that intercepted significant silver mineralization. The Company has commenced the process of assembling a Bolivian team, and hiring 2 drilling rigs to complete the confirmation drilling. This drill program will be implemented by the common standards of the best practices of industry to assure the quality of drill results.

## **Private Placement of Subscription Receipts**

The Company will raise up to US\$32 million to fund the acquisition, by completing a non-brokered private placement (the "Private Placement") of subscription receipts (the "Subscription Receipts"), through issuing up to 40,000,000 Subscription Receipts at a price of US\$0.80. The proceeds (the "Escrowed Funds") of the private placement will be placed in escrow following closing to be held by an escrow agent.

The Escrowed Funds will be released to the Company once the confirmation drilling yields satisfactory results and New Pacific selects to complete the acquisition of the Target Company. Upon the release of the Escrowed Funds to the Company the subscription receipts will automatically convert into common shares of the Company on a one to one basis. In the event that the confirmation drill results are not acceptable to New Pacific, the transaction shall not proceed, the Escrowed Funds will be returned to the subscribers and the Subscription Receipts will be cancelled.

It is anticipated that Silvercorp Metals Inc., a 16% shareholder in the Company, will subscribe for 50% of the Private Placement.

The acquisition of the Target Company by the Company will constitute a Change of Business under TSX Venture Exchange policies and the Company will be seeking shareholder approval to the transaction. Following completion of the Acquisition it is anticipated that the Company will be classified as a Tier 2 mining issuer on the TSX Venture Exchange. Trading in the Company's shares is currently halted and it is anticipated that trading will remain halted until completion of the Change of Business. The Company will be seeking a waiver from the sponsorship requirements of the TSX Venture Exchange.

The Company is in the process of preparing an information circular which will be communicated to shareholders prior to a shareholders meeting to be held to approve the Change of Business. It is currently anticipated that this shareholders meeting will be held near the end of June with closing of the Acquisition to occur in July.

Donald J. Birak, an independent consultant geologist and Qualified Person as defined under National Instrument 43-101, has reviewed and approved the scientific and technical information in this news release.

#### **About New Pacific**

New Pacific Holdings Corp. is a Canadian investment company with investment focus on mineral resource industry. Silvercorp Metals Inc. (TSX: SVM), the largest primary silver producer in China, is the major shareholder.

For further information, contact:

New Pacific Holdings Corp.,  
Investor Relations  
Phone: (604) 633-1368  
Fax: (604) 669-9387  
info@newpacificholdings.ca  
www.newpacificholdings.ca

#### **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 relate to, among other things: : the completion of the Private Placement; seeking shareholder approval of the acquisition of the Target Company; that trading in the Company's shares will remain halted until completion of the Change of Business; that Silvercorp Metals Inc. will subscribe for a portion of the Private Placement; the conversion of the Subscription Receipts to common shares of the Company; the assembling of a Bolivian drilling team; completion of the confirmation drilling; the acquisition by the Company of the Target Company pursuant to the terms of the Agreement; and the implementation of the drilling program by the common standards of the best practices best practices of industry..*

*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: : the receipt of necessary competition, regulatory and third party approvals for the acquisition of the Target Company including the*

approval of the TSX Venture Exchange and the shareholders of the Company; the ability of the Company to finance the acquisition of the Target Company; the inability or failure of the Company and the Vendors to satisfy the conditions to the completion of the acquisition of the Target Company; the ability of the Company to integrate the Target Company into the Company's existing operations; the devotion of management time and resources required to complete the acquisition of the Target Company; current global financial conditions; receipt of the approval of the TSX Venture Exchange to the Private Placement; the ability of the Company to find suitable investors for the Private Placement; the satisfaction of the escrow release conditions for the conversion of the Subscription Receipts into common shares of the Company; the availability of a Bolivian drilling team and the ability to complete the confirmation drilling within the time permitted under the Agreement; the possibility that the confirmation drilling and future exploration results will not be consistent with the Company's expectations; the ability of Company to obtain the necessary permits and consents required to complete the confirmation drilling; operating in Bolivia including possible expropriation or nationalization without adequate compensation, changing political and fiscal regimes, and economic and regulatory instability, unanticipated changes to royalty and tax regulations, unreliable or undeveloped infrastructure, labour unrest and labour scarcity, difficulty obtaining key equipment and components for equipment, regulations and restrictions with respect to imports and exports; high rates of inflation, extreme fluctuations in currency exchange rates and the imposition of currency controls, the possible unilateral cancellation or forced re-negotiation of contracts, and uncertainty regarding enforceability of contractual rights, inability to obtain fair dispute resolution or judicial determinations because of bias, corruption or abuse of power, difficulties enforcing judgments generally, and in particular those obtained in Canadian courts against assets located outside of those jurisdictions, difficulty understanding and complying with the regulatory and legal framework respecting the ownership and maintenance of mineral properties, mines and mining operations, and with respect to permitting, local opposition to mine development projects, which include the potential for violence, property damage and frivolous or vexatious claims, violence and more prevalent or stronger organized crime groups; terrorism and hostage taking, military repression and increased likelihood of international conflicts or aggression, and increased public health concerns; fluctuating commodity prices; calculation of resources, reserves and mineralization and precious and base metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; feasibility and engineering reports; title to properties; property interests; joint venture partners; acquisition of commercially mineable mineral rights; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; competition; operations and political conditions; environmental risks; insurance; risks and hazards of mining operations; key personnel; conflicts of interest; and dependence on management..

*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, 2016 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.*

Completion of the transaction is subject to a number of conditions including TSX Venture Exchange acceptance and Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the Change of Business may not be accurate or complete and should not be relied upon. Trading in the securities of New Pacific should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.