



# New Pacific Holdings Corp.

NEWS RELEASE

Trading Symbol: TSX Venture: NUX.V

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## NEW PACIFIC PROVIDES UPDATE ON TRANSACTION TO ACQUIRE 100% OF A PRIVATE BOLIVIAN MINING COMPANY

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

**VANCOUVER, BRITISH COLUMBIA – June 7, 2017: New Pacific Holdings Corp.** (“New Pacific” or the “Company”) (TSXV: “NUX”) today provided an update on its plans to acquire 100% of a private Bolivian mining company. The Company on April 10, 2017 announced it had signed a binding share purchase agreement dated March 28, 2017 (the “Agreement”) to acquire a 100% interest in Empresa Minera Alcira S.A., (“Alcira”). As per the Agreement, the Company has been actively carrying out a confirmation drilling program in Bolivia to twin three drill holes drilled by Alcira in the past on its Silver Sand property. Assay results from the confirmation drilling program are still pending.

The Company has set a new date of June 30, 2017 as the date for a Special Shareholders meeting at which shareholders will be asked to approve: (i) a change of the Company’s business from an investment issuer engaged in investing in privately held and publicly traded corporations to a mining issuer engaged in mineral exploration through the acquisition of Alcira; and, (ii) a change of name of the Company from New Pacific Holdings Corp. back to New Pacific Metals Corp. A Management Information Circular has been mailed to shareholders this week.

Additionally, the Company has filed on SEDAR a supporting National Instruction 43-101 Technical Report on the Silver Sand Property. The Technical Report on the Silver Sand Property was prepared by Donald J. Birak, an independent consultant geologist and Qualified Person as defined under National Instrument 43-101.

Copies of both the Management Information Circular and the National Instruction 43-101 Technical Report have been filed on SEDAR and will also be made available on the Company’s website.

It is anticipated that trading in the Company’s shares will remain halted until completion of the Change of Business and the completion of the Agreement which is scheduled for July 26, 2017, but trading resumption may resume earlier if an early closing occurs. Closing of the transaction is subject to satisfactory confirmation drilling results, Special Shareholders meeting approval, regulatory approval, and other conditions as set out in the Agreement.

## **Private Placement of Subscription Receipts**

The Company intends to 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 the issuance of up to 40,000,000 Subscription Receipts at a price of US\$0.80 per Subscription Receipt. The proceeds (the “Escrowed Funds”) of the private placement will be placed in escrow to be held by Computershare Trust Company of Canada (the “Escrow Agent”), as escrow agent.

The Escrow Agent will release the Escrowed Funds to the Company once the confirmation drilling yields satisfactory results and New Pacific elects to complete the acquisition of Alcira. 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 (US\$16 million).

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/NYSE MKT: 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 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 Special Shareholders meeting approval. The transaction cannot close until the required Special Shareholders meeting 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 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.