



**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

**Notice to Readers of the Unaudited Condensed Consolidated Interim Financial Statements  
For the three and six months ended December 31, 2016**

The unaudited condensed consolidated interim financial statements of New Pacific Holdings Corp. (the “Company”) for the three and six months ended December 31, 2016 (the “Financial Statements”) have been prepared by management and have not been reviewed by the Company’s independent auditors. The Financial Statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2016 which are available at the SEDAR website at [www.sedar.com](http://www.sedar.com). The Financial Statements are stated in terms of Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

# New Pacific Holdings Corp.

## Unaudited Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	December 31, 2016	June 30, 2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 1,673,024	\$ 5,267,066
Bonds	3	17,125,184	17,201,630
Receivables		111,013	115,146
Deposits and prepayments		22,934	23,401
		<b>18,932,155</b>	<b>22,607,243</b>
<b>Non-current Assets</b>			
Reclamation deposits		15,075	15,075
Equity investments	4	8,764,975	3,700,345
Plant and equipment	5	40,742	60,454
Mineral property interests	6	4,354,976	4,415,900
<b>TOTAL ASSETS</b>		<b>\$ 32,107,923</b>	<b>\$ 30,799,017</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	\$ 682,534	\$ 701,228
Provisions	8	-	83,000
Due to related parties	9	54,913	6,112
<b>Total Liabilities</b>		<b>737,447</b>	<b>790,340</b>
<b>Equity</b>			
Share capital	10	57,149,481	57,149,481
Share-based payment reserve		17,724,405	17,642,249
Accumulated other comprehensive income		1,170,828	1,225,698
Deficit		(44,822,551)	(46,176,203)
<b>Equity attributable to the equity holders of the Company</b>		<b>31,222,163</b>	<b>29,841,225</b>
Non-controlling interest	11	148,313	167,452
<b>Total Equity</b>		<b>31,370,476</b>	<b>30,008,677</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 32,107,923</b>	<b>\$ 30,799,017</b>

Approved on behalf of the Board:

(Signed) David Kong

Director

(Signed) Rui Feng

Director

See accompanying notes to the unaudited condensed consolidated interim financial statements

# New Pacific Holdings Corp.

## Unaudited Consolidated Interim Statements of Income (Loss)

(Expressed in Canadian dollars)

	Notes	Three months ended December 31,		Six month ended December 31,	
		2016	2015	2016	2015
<b>(Loss) income from investments</b>					
(Loss) gain on equity investments	4	\$ (2,542,886)	\$ (123,585)	\$ 677,826	\$ (127,598)
Fair value change and interest earned on bonds	3	152,954	68,364	611,720	128,921
Dividend income	4	28,556	-	30,356	-
Interest income		180	17,931	1,330	46,013
		<b>(2,361,196)</b>	<b>(37,290)</b>	<b>1,321,232</b>	<b>47,336</b>
<b>Operating expenses</b>					
Audit and accounting		-	4,000	13,480	4,000
Consulting		-	-	-	2,090
Depreciation		9,433	10,206	19,249	20,403
Investment evaluation		47,649	-	47,649	-
Filing and listing		13,356	2,951	22,197	20,915
Investor relations		3,398	10,799	8,016	11,563
Legal and professional fees		355	36,765	6,709	37,698
Salaries and benefits		145,604	85,340	257,895	198,405
Office and administration		59,671	33,794	112,046	97,103
Rent		16,784	23,150	36,323	49,183
Share-based compensation		59,244	33,693	82,156	79,437
Travel and promotion		43,400	17,183	46,534	31,405
<b>(Loss) income before other income and expenses</b>		<b>(2,760,090)</b>	<b>(295,171)</b>	<b>668,978</b>	<b>(504,866)</b>
<b>Other income (expenses)</b>					
Gain on disposal of plant and equipment		-	32,350	-	53,605
Foreign exchange gain		449,762	680,418	598,828	2,256,576
Other income		78,509	308	78,752	277
		<b>528,271</b>	<b>713,076</b>	<b>677,580</b>	<b>2,310,458</b>
<b>Net (loss) income</b>		<b>\$ (2,231,819)</b>	<b>\$ 417,905</b>	<b>\$ 1,346,558</b>	<b>\$ 1,805,592</b>
<b>Attributable to:</b>					
Equity holders of the Company		(2,228,616)	421,784	1,353,652	1,807,843
Non-controlling interests		(3,203)	(3,879)	(7,094)	(2,251)
		<b>\$ (2,231,819)</b>	<b>\$ 417,905</b>	<b>\$ 1,346,558</b>	<b>\$ 1,805,592</b>
<b>Basic and diluted (loss) earnings per share</b>		<b>\$ (0.03)</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ 0.03</b>
<b>Weighted average number of common shares - basic and diluted</b>		<b>66,938,229</b>	<b>66,938,229</b>	<b>66,938,229</b>	<b>66,938,229</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# New Pacific Holdings Corp.

## Unaudited Consolidated Interim Statements of Comprehensive Income (Loss)

(Expressed in Canadian dollars)

	<u>Three months ended December 31,</u>		<u>Six months ended December 31,</u>	
	2016	2015	2016	2015
<b>Net (loss) income</b>	\$ (2,231,819)	\$ 417,905	\$ 1,346,558	\$ 1,805,592
<b>Other comprehensive (loss) income</b>				
Items that may subsequently be reclassified to net income or loss:				
Currency translation adjustment	(91,786)	104,315	(66,915)	519,063
<b>Other comprehensive (loss) income</b>	<b>(91,786)</b>	<b>104,315</b>	<b>(66,915)</b>	<b>519,063</b>
<b>Attributable to:</b>				
Equity holders of the Company	\$ (75,264)	\$ 85,539	\$ (54,870)	\$ 425,632
Non-controlling interests	(16,522)	18,776	(12,045)	93,431
	<b>(91,786)</b>	<b>104,315</b>	<b>(66,915)</b>	<b>519,063</b>
<b>Comprehensive (loss) income</b>	<b>\$ (2,323,605)</b>	<b>\$ 522,220</b>	<b>\$ 1,279,643</b>	<b>\$ 2,324,655</b>
<b>Attributable to:</b>				
Equity holders of the Company	\$ (2,303,880)	\$ 507,323	\$ 1,298,782	\$ 2,233,475
Non-controlling interest	(19,725)	14,897	(19,139)	91,180
	<b>\$ (2,323,605)</b>	<b>\$ 522,220</b>	<b>\$ 1,279,643</b>	<b>\$ 2,324,655</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# New Pacific Holdings Corp.

## Unaudited Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Three months ended December 31,		Six months ended December 31,	
		2016	2015	2016	2015
<b>Operating activities</b>					
Net (loss) income		\$ (2,231,819)	\$ 417,905	\$ 1,346,558	\$ 1,805,592
Add (deduct) items not affecting cash :					
Loss (gain) on equity investments		2,542,886	123,585	(677,826)	127,598
Fair value change and interest earned on bonds	3	(152,954)	(68,364)	(611,720)	(128,921)
Interest income		(180)	(17,931)	(1,330)	(46,013)
Depreciation		9,433	10,206	19,249	20,403
Gain on disposal of plant and equipment		-	(32,350)	-	(53,605)
Share-based compensation		59,244	33,693	82,156	79,437
Unrealized foreign exchange gain		(449,762)	(680,418)	(598,828)	(2,256,576)
Coupon payments	3	395,953	-	519,898	-
Interest received		180	86,295	1,330	174,934
		172,981	(127,379)	79,487	(277,151)
Change in non-cash working capital					
Deposits and other receivables		(5,113)	6,992	3,090	(14,152)
Trade and other payables		(68,649)	(664,635)	(17,574)	(627,978)
Due to related parties		2,518	232,339	48,800	204,563
Provisions		-	-	(83,000)	-
<b>Cash provided by (used in) operating activities</b>		<b>101,737</b>	<b>(552,683)</b>	<b>30,803</b>	<b>(714,718)</b>
<b>Investing activities</b>					
Bonds					
Dispositions	3	710,437	-	710,437	-
Purchase of equity investments		(1,177,906)	(500,465)	(4,367,120)	(885,278)
Expenditures on mineral property interests		-	(13,520)	-	(31,378)
Proceeds from disposition of plant and equipment		-	32,350	-	53,605
Net purchase of short-term investments		-	(383,775)	-	(964,805)
<b>Cash used in investing activities</b>		<b>(467,469)</b>	<b>(865,410)</b>	<b>(3,656,683)</b>	<b>(1,827,856)</b>
Effect of exchange rate changes on cash and cash equivalents		28,508	678,450	31,838	2,298,824
<b>Decrease in cash and cash equivalents</b>		<b>(337,224)</b>	<b>(739,643)</b>	<b>(3,594,042)</b>	<b>(243,750)</b>
Cash and cash equivalents, beginning of the period		2,010,248	15,347,721	5,267,066	14,851,828
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 1,673,024</b>	<b>\$ 14,608,078</b>	<b>\$ 1,673,024</b>	<b>\$ 14,608,078</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# New Pacific Holdings Corp.

## Unaudited Consolidated Interim Statements of Change in Equity

(Expressed in Canadian dollars)

	Share Capital			Accumulated other comprehensive income	Deficit	Equity attributable to equity holders of the Company	Non-controlling interest	Total equity
	Number of common shares issued	Amount	Share-based payment reserve					
Balance, July 1, 2015	66,938,229	57,149,481	17,512,523	1,267,877	(46,058,036)	29,871,845	868,451	30,740,296
Share-based compensation	-	-	79,437	-	-	79,437	-	79,437
Net income	-	-	-	-	1,807,843	1,807,843	(2,251)	1,805,592
Currency translation adjustment	-	-	-	425,632	-	425,632	93,431	519,063
Balance, December 31, 2015	66,938,229	57,149,481	17,591,960	1,693,509	(44,250,193)	32,184,757	959,631	33,144,388
Share-based compensation	-	-	50,289	-	-	50,289	-	50,289
Net loss	-	-	-	-	(1,926,010)	(1,926,010)	(689,489)	(2,615,499)
Currency translation adjustment	-	-	-	(467,811)	-	(467,811)	(102,690)	(570,501)
Balance, June 30, 2016	66,938,229	57,149,481	17,642,249	1,225,698	(46,176,203)	29,841,225	167,452	30,008,677
Share-based compensation	-	-	82,156	-	-	82,156	-	82,156
Net income	-	-	-	-	1,353,652	1,353,652	(7,094)	1,346,558
Currency translation adjustment	-	-	-	(54,870)	-	(54,870)	(12,045)	(66,915)
<b>Balance, December 31, 2016</b>	<b>66,938,229</b>	<b>\$ 57,149,481</b>	<b>\$ 17,724,405</b>	<b>\$ 1,170,828</b>	<b>\$ (44,822,551)</b>	<b>\$ 31,222,163</b>	<b>\$ 148,313</b>	<b>\$ 31,370,476</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

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*(Expressed in Canadian dollars)*

### 1. CORPORATE INFORMATION

New Pacific Holdings Corp. along with its subsidiaries (collectively the “Company” or “New Pacific”), is a Canadian investment issuer engaged in investing in privately held and publicly traded corporations.

The investment objective for the Company as an investment issuer is to seek a high return on investment opportunities, primarily in the natural resource, industrial or technology sectors; and to preserve capital and limit downside risk while achieving a reasonable rate of return by focusing on opportunities with attractive risk to reward profiles. The nature and timing of the investment will depend, in part, on available capital at any particular time and the investment opportunities identified and available. Subject to the availability of capital, New Pacific intends to create a diversified portfolio of investments.

The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”). The Company was continued into the Province of British Columbia under the Business Corporation Act in November 2004. The head office, registered address and records office of the Company are located at 200 Granville Street, Suite 1378, Vancouver, British Columbia, Canada, V6C 1S4.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### *(a) Statement of compliance and basis of preparation*

These unaudited condensed consolidated interim financial statements have been prepared in accordance with *IAS 34 – Interim Financial Reporting*. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended June 30, 2016. These unaudited condensed consolidated interim financial statements follow the same significant accounting policies set out in note 2 to the audited consolidated financial statements for the year ended June 30, 2016.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The Company has a history of losses and no operating revenues from its operations. As at December 31, 2016, the Company had a working capital position of \$18,194,708 and sufficient cash resources to meet the Company’s investment needs, for, but not limited to, the next 12 months. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The unaudited condensed consolidated interim financial statements of the Company as at and for the three and six months ended December 31, 2016 were authorized for issue in accordance with a resolution of the Board of Directors dated on February 9, 2017.

#### *(b) Accounting standards issued but not yet in effect*

IFRS 15 – *Revenue from contracts with customers*, the standard on revenue from contracts with customers was issued in September 2015 and may be effective for annual reporting periods beginning on or after January 1, 2018 for public entities with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is assessing the impact of this standard.

IAS 7 - *Statement of Cash Flows* has been revised to incorporate amendments issued by the International Accounting Standards Board (“IASB”) in January 2016. The amendments require entities to provide



# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is assessing the impact of this standard.

IAS 12 - *Income Taxes* has been revised to incorporate amendments issued by the IASB in January 2016. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is assessing the impact of this standard.

IFRS 16 - *Leases* was issued by the IASB and will replace *Leases* ("IAS 17"). IFRS 16 requires most leases to be reported on a company's balance sheet as assets and liabilities. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early application permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. The Company is currently assessing the impact of this new standard.

### 3. BONDS

The Company acquired bonds issued by other companies from various industries through the open market. These bonds were held to receive coupon interest payments as well as to realize potential gains. The bonds may also be disposed on demand through the open market should the Company require funds for other operational or investment needs. The Company accounts for the bonds at fair value at each reporting date.

The bonds portfolio is summarized as follow:

Issuer	Coupon rate	Gain	Rate of return	Moody's or S&P rating	Fair value	
					December 31, 2016	June 30, 2016
Huarong Finance Co., Ltd.	3.00%	\$ 24,653	1.81%	Baa1	\$ 2,730,022	\$ 2,659,751
Grand China Air Hong Kong Co., Ltd.	5.50%	29,684	4.41%	N.R.	1,350,961	1,315,409
Shui On Development Holding Ltd.	8.70%	35,951	5.08%	N.R.	1,406,411	1,383,767
Central China Real Estate Ltd.	6.50%	51,123	7.60%	Ba3, B+	1,365,787	1,315,138
Evergrande Real Estate Group	8.75%	48,649	14.60%	B3, CCC+	692,889	651,805
CITIC Envirotech Limited	5.45%	17,837	2.60%	N.R.	1,367,172	1,342,471
eHi Car Services Ltd.	7.50%	75,860	10.99%	BB-	1,421,024	1,350,768
Zhiyuan Group (BVI) Co., Ltd.	6.20%	19,460	2.74%	BB	1,410,312	1,387,547
Blue Sky Fliers Co., Ltd.	6.90%	8,740	2.48%	N.R.	698,652	690,724
Credit Agricole S.A.	6.63%	131,132	21.67%	A1, A	1,310,795	1,183,778
Standard Chartered Bank	6.50%	49,606	8.06%	Ba1, BB-	1,249,623	1,204,086
Stats Chippac Ltd.	8.50%	64,316	9.25%	B3, B+	1,412,856	1,360,741
Unigroup International Holdings Ltd.	6.00%	54,709	14.51%	N.R.	708,679	1,355,645
<b>Total or weighted average</b>	<b>6.28%</b>	<b>\$ 611,720</b>	<b>7.31%</b>		<b>\$ 17,125,184</b>	<b>\$ 17,201,630</b>

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

The continuity of bonds is summarized as follow:

	<b>Amount</b>
Balance, July 1, 2015	\$ 8,826,997
Acquisition	15,750,827
Interest earned	659,876
Loss on fair value change	(82,338)
Coupon payment	(604,950)
Disposition	(7,010,931)
Foreign currency translation impact	(337,851)
Balance, June 30, 2016	\$ 17,201,630
Interest earned	528,710
Gain on fair value change	83,010
Coupon payment	(519,898)
Disposition	(710,437)
Foreign currency translation impact	542,169
<b>Balance, December 31, 2016</b>	<b>\$ 17,125,184</b>

#### 4. EQUITY INVESTMENTS

Equity investments represent equity interests of other publicly-trading or privately-held companies that the Company has acquired through the open market or through private placements. These equity interests consist of common shares and warrants. Equity investments are classified as FVTPL and are measured at fair value on initial recognition and subsequent measurement. The fair value of warrants was determined using the Black-Scholes pricing model as at the acquisition date as well as at each period end.

The equity investments portfolio is summarized as follow:

		<b>December 31, 2016</b>	<b>June 30, 2016</b>
<b>Common shares</b>			
Silvercorp Metals Inc.	(a)	\$ 3,593,240	\$ 3,375,120
Cozystay Holdings Inc.	(b)	335,675	325,225
Dalradian Resources Inc.	(c)	351,000	-
Centerra Gold Inc.	(d)	377,400	-
Aton Resources Inc.	(e)	840,000	-
Avesoro Resources Inc.	(f)	130,000	-
Prophecy Development Corp.	(g)	279,000	-
JDL Gold Corp.	(h)	910,000	-
Goldquest Mining Corp.	(i)	135,000	-
VanEck Vectors Junior Gold Miners	(j)	847,244	-
<b>Warrants</b>			
Prophecy Development Corp.	(g)	115,869	-
JDL Gold Corp.	(h)	850,547	-
		<b>\$ 8,764,975</b>	<b>\$ 3,700,345</b>

(a) Silvercorp Metals Inc.

Silvercorp Metals Inc. ("SVM") is a publicly traded mining company based in Canada. The Company acquired a total of 1,148,000 shares of SVM through the open market at a weighted average cost of

## New Pacific Holdings Corp.

### Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

\$0.764 per share. The Company's total investment in SVM represented 0.7% of SVM's total outstanding shares as at December 31, 2016. SVM was traded at \$3.13 per share as at December 31, 2016.

SVM's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2015	\$ -	\$ -
Purchase from open market	876,667	-
Change in fair value	2,498,453	2,498,453
Balance, June 30, 2016	\$ 3,375,120	\$ 2,498,453
Change in fair value	218,120	218,120
<b>Balance, December 31, 2016</b>	<b>\$ 3,593,240</b>	<b>\$ 2,716,573</b>

Subsequent to the period end, the Company sold a total of 100,000 SVM's shares through the open market at a weighted average price of \$4.9555 per share for total proceeds of \$495,550.

(b) *Cozystay Holdings Inc.*

Cozystay Holdings Inc. ("Cozystay") is a private Canadian company. The Company acquired a total of 750,750 shares of Cozystay through a private placement at a cost of \$0.466 (USD \$0.333) per share. The Company's total investment in Cozystay represented 7% of Cozystay's total outstanding shares as at December 31, 2016.

Cozystay's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market loss included in net income</b>
Balance, July 1, 2015	\$ -	\$ -
Purchase through private placement	350,150	-
Change in fair value	(24,925)	(24,925)
Balance, June 30, 2016	\$ 325,225	\$ (24,925)
Change in fair value	10,450	10,450
<b>Balance, December 31, 2016</b>	<b>\$ 335,675</b>	<b>\$ (14,475)</b>

As at December 31, 2016, fair value of Cozystay's shares approximates its carrying value except for the changes caused by foreign exchange.

(c) *Dalradian Resources Inc.*

Dalradian Resources Inc. ("DNA") is a publicly traded mining company based in Canada. The Company acquired a total of 300,000 shares of DNA through the open market at a cost of \$1.03 per share for a total consideration of \$309,000. The Company's total investment in DNA represented 0.1% of DNA's total outstanding shares as at December 31, 2016. DNA was traded at \$1.17 per share as at December 31, 2016.

## New Pacific Holdings Corp.

### Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

DNA's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	309,000	-
Change in fair value	42,000	42,000
<b>Balance, December 31, 2016</b>	<b>\$ 351,000</b>	<b>\$ 42,000</b>

Subsequent to the period end, the Company sold a total of 50,000 DNA's shares through the open market at a weighted average price of \$1.4955 per share for total proceeds of \$74,775.

(d) *Centerra Gold Inc.*

Centerra Gold Inc. ("CG") is a publicly traded mining company based in Canada. The Company acquired a total of 60,000 shares of CG through the open market at a cost of \$7.8559 per share for a total consideration of \$471,354. The Company's total investment in CG represented 0.02% of CG's total outstanding shares as at December 31, 2016. During the three and six months ended December 31, 2016, the Company received dividend income of \$nil and \$1,800 (net of withholding tax of \$600), respectively from CG. CG was traded at \$6.29 per share as at December 31, 2016.

CG's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market loss included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	471,354	-
Change in fair value	(93,954)	(93,954)
<b>Balance, December 31, 2016</b>	<b>\$ 377,400</b>	<b>\$ (93,954)</b>

(e) *Aton Resources Inc.*

Aton Resources Inc. ("AAN") is a publicly traded mining company based in Canada. The Company acquired a total of 14,000,000 shares of AAN through a private placement at a cost of \$0.05 per share for a total consideration of \$700,000. The Company's total investment in AAN represented 12.4% of AAN's total outstanding shares as at December 31, 2016. AAN was traded at \$0.06 per share as at December 31, 2016.

AAN's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	700,000	-
Change in fair value	140,000	140,000
<b>Balance, December 31, 2016</b>	<b>\$ 840,000</b>	<b>\$ 140,000</b>

Subsequent to the period end, the Company sold a total of 1,369,000 AAN's shares through the open market at a weighted average price of \$0.068 per share for total proceeds of \$92,830.

## New Pacific Holdings Corp.

### Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

(f) Avesoro Resources Inc. (Formerly "Aureus Mining Inc.")

Avesoro Resources Inc. ("ASO") is a publicly traded mining company based in Canada. The Company acquired a total of 6,500,000 shares of ASO through the open market at a weighted average cost of \$0.0564 per share for a total consideration of \$366,860. The Company's total investment in ASO represented 0.5% of ASO's total outstanding shares as at December 31, 2016. ASO was traded at \$0.02 per share as at December 31, 2016.

ASO's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market loss included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	366,860	-
Change in fair value	(236,860)	(236,860)
<b>Balance, December 31, 2016</b>	<b>\$ 130,000</b>	<b>\$ (236,860)</b>

(g) Prophecy Development Corp.

Prophecy Development Corp. ("PCY") is a publicly traded mining company based in Canada. The Company acquired a total of 90,000 units (each unit contains one common share and half warrant) of PCY through a private placement at a cost of \$3.80 per unit for a total consideration of \$342,000. The consideration was allocated to common share and warrants based on their relative fair value at the acquisition date. The 90,000 common shares were valued at \$238,521 (\$2.65 per share) and the 45,000 warrants were valued at \$103,479 (\$2.3 per warrant) based on the allocation. The warrants have an exercise price of \$4.40 per share and expire on August 15, 2021. The Company's total investment in PCY represented 2% of PCY's total outstanding shares as at December 31, 2016. PCY was traded at \$3.10 per share as at December 31, 2016.

PCY's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	238,521	-
Change in fair value	40,479	40,479
<b>Balance, December 31, 2016</b>	<b>\$ 279,000</b>	<b>\$ 40,479</b>

<b>Warrants</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	103,479	-
Change in fair value	12,390	12,390
<b>Balance, December 31, 2016</b>	<b>\$ 115,869</b>	<b>\$ 12,390</b>

Subsequent to the period end during January 2017, the Company sold a total of 24,200 PCY shares through the open market at a weighted average price of \$5.51 per share for total proceeds of \$133,405.

## New Pacific Holdings Corp.

### Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

(h) JDL Gold Corp.

JDL Gold Corp. ("JDL") is a publicly traded mining company based in Canada. The Company acquired a total of 500,000 units (each unit contains 6.45 common shares and one warrant) of JDL through a private placement at a cost of \$2.00 per unit for a total consideration of \$1,000,000. The consideration was allocated to common share and warrants based on their relative fair value at the acquisition date. The 3,225,000 common shares were valued at \$535,837 (\$0.1662 per share) and the 500,000 warrants were valued at \$464,163 (\$0.93 per warrant) based on the allocation. The warrants have an exercise price of \$3.00 for 6.45 common shares and expire on September 11, 2021. In connection with the business combination on October 6, 2016, JDL Gold has consolidated its share capital on a 6.45 for 1 basis with corresponding adjustment to its convertible securities. Following the completion of the transaction, the Company's total investment in JDL represented 0.5% of JDL's total outstanding shares as at December 31, 2016. JDL was traded at \$1.82 per share as at December 31, 2016.

JDL's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	535,634	-
Change in fair value	374,366	374,366
<b>Balance, December 31, 2016</b>	<b>\$ 910,000</b>	<b>\$ 374,366</b>

<b>Warrants</b>	<b>Fair value</b>	<b>Accumulated mark-to-market gain included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	464,366	-
Change in fair value	386,181	386,181
<b>Balance, December 31, 2016</b>	<b>\$ 850,547</b>	<b>\$ 386,181</b>

(i) Goldquest Mining Corp.

Goldquest Mining Corp. ("GQC") is a publicly traded mining company based in Canada. The Company acquired a total of 500,000 shares of GQC through the open market at a weighted average cost of \$0.3543 per share for a total consideration of \$177,138. The Company's total investment in GQC represented 0.2% of GQC's total outstanding shares. GQC was traded at \$0.27 per share as at December 31, 2016.

GQC's fair value movements were summarized as follow:

<b>Common share</b>	<b>Fair value</b>	<b>Accumulated mark-to-market loss included in net income</b>
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	177,138	-
Change in fair value	(42,138)	(42,138)
<b>Balance, December 31, 2016</b>	<b>\$ 135,000</b>	<b>\$ (42,138)</b>

Subsequent to the period end, the Company sold a total of 60,000 GQC's shares through the open market at a weighted average price of \$0.52 per share for total proceeds of \$31,200.

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

### (j) VanEck Vectors Junior Miners ETF

VanEck Vectors Junior Miners ETF ("GDJ") tracks a market-cap-weighted index of global gold and silver mining firms, focusing on small caps. The Company acquired a total of 20,000 shares of GDJ through the open market at a weighted average cost of \$50.04 per share for a total consideration of \$1,000,768. During the three and six months ended December 31, 2016, the Company received dividend income of \$28,556 and \$28,556, respectively from GDJ. GDJ was traded at \$42.36 per share as at December 31, 2016.

GDJ's fair value movements were summarized as follow:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	1,000,768	-
Change in fair value	(173,208)	(173,208)
Impact of foreign currency translation	19,684	
<b>Balance, December 31, 2016</b>	<b>\$ 847,244</b>	<b>\$ (173,208)</b>

## 5. PLANT AND EQUIPMENT

Cost	Buildings	Machinery	Motor vehicles	Office equipment and furniture	Computer software	Total
Balance, July 1, 2015	\$ 890,754	\$ 1,124,576	\$ 123,046	\$ 153,118	\$ 126,276	\$ 2,417,770
Disposals	-	-	(32,465)	-	-	(32,465)
Foreign currency translation impact	-	(205)	247	(1,647)	(10)	(1,615)
Balance, June 30, 2016	\$ 890,754	\$ 1,124,371	\$ 90,827	\$ 151,471	\$ 126,266	\$ 2,383,689
Foreign currency translation impact	-	(101)	(235)	(808)	(5)	(1,149)
<b>Balance, December 31, 2016</b>	<b>\$ 890,754</b>	<b>\$ 1,124,270</b>	<b>\$ 90,592</b>	<b>\$ 150,663</b>	<b>\$ 126,261</b>	<b>\$ 2,382,540</b>

### Accumulated depreciation and amortization

Balance as at July 1, 2015	\$ (890,754)	\$(1,119,269)	\$ (93,902)	\$ (109,101)	\$ (97,883)	\$ (2,310,909)
Depreciation and amortization	-	(492)	(7,197)	(15,850)	(16,972)	(40,511)
Disposals	-	-	27,196	-	-	27,196
Foreign currency translation impact	-	84	(447)	1,344	8	989
Balance, June 30, 2016	\$ (890,754)	\$(1,119,677)	\$ (74,350)	\$ (123,607)	\$ (114,847)	\$ (2,323,235)
Depreciation and amortization	-	(234)	(3,418)	(7,596)	(8,001)	(19,249)
Foreign currency translation impact	-	39	44	599	4	686
<b>Balance, December 31, 2016</b>	<b>\$ (890,754)</b>	<b>\$(1,119,872)</b>	<b>\$ (77,724)</b>	<b>\$ (130,604)</b>	<b>\$ (122,844)</b>	<b>\$ (2,341,798)</b>

### Carrying amount

Balance, June 30, 2016	\$ -	\$ 4,694	\$ 16,477	\$ 27,864	\$ 11,419	\$ 60,454
<b>Balance, December 31, 2016</b>	<b>\$ -</b>	<b>\$ 4,398</b>	<b>\$ 12,868</b>	<b>\$ 20,059</b>	<b>\$ 3,417</b>	<b>\$ 40,742</b>

## 6. MINERAL PROPERTY INTERESTS

### (a) Tagish Lake Gold Property

The Tagish Lake Gold Property, covering an area of 254 square kilometres, is located in Yukon Territory, Canada, and consists of 1,510 mining claims with three identified gold and gold-silver mineral deposits: Skukum Creek, Goddell Gully and Mount Skukum.

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

### (b) RZY Project

The RZY Project, located in Qinghai, China is an early stage silver-lead-zinc exploration project, situated on a high plateau with an average elevation of 5,000 metres above sea level. The RZY Project is located approximately 237 kilometres via paved and gravel roads from the capital city of Yushu Tibetan Autonomous Prefecture, or 820 kilometres via paved highway from Qinghai Province's capital city of Xining. In 2016, the Qinghai Provincial Government issued a moratorium which temporarily suspends exploration for twenty six mining projects including the Company's RZY project. Despite of the moratorium, the Company is allowed to renew the exploration permit with the Qinghai Provincial Government.

The continuity schedule of mineral property acquisition costs and deferred exploration and development costs is summarized as follows:

<b>Cost</b>		<b>Tagish Lake</b>		<b>RZY Project</b>		<b>Total</b>
Balance, July 1, 2015	\$	-	\$	8,253,673	\$	8,253,673
<u>Capitalized exploration expenditures</u>						
Camp services		-		43,132		43,132
Permitting		-		8,639		8,639
Impairment of RZY Project		-		(3,850,343)		(3,850,343)
Foreign currency translation impact		-		(39,201)		(39,201)
Balance, June 30, 2016	\$	-	\$	4,415,900	\$	4,415,900
Foreign currency translation impact		-		(60,924)		(60,924)
<b>Balance, December 31, 2016</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>4,354,976</b>	<b>\$</b>	<b>4,354,976</b>

### 7. TRADE AND OTHER PAYABLES

Trade and other payables consist of:

	<b>December 31, 2016</b>		June 30, 2016	
Trade payable	\$	<b>90,363</b>	\$	83,544
Acquisition cost payable		<b>441,904</b>		441,904
Accrued liabilities		<b>150,267</b>		175,780
	<b>\$</b>	<b>682,534</b>	<b>\$</b>	<b>701,228</b>

Acquisition cost payable represents estimated consideration and legal costs payable to settle untendered shares as a result of the TLG acquisition. The liability for the settlement of untendered shares is on demand and is effective until October 28, 2016, which is the expiry date of the plan of arrangement.

### 8. PROVISIONS

The Company is involved in legal action associated with the normal course of operations. The Company had a provision of \$83,000 for the labour dispute case related to Paul Whelan Mining Contractors ("Whelan Mining") from prior years. On August 8, 2016, the Company reached an agreement with Whelan Mining to settle the case with an all-inclusive sum of \$83,000. On August 18, 2016, the Supreme Court of Yukon issued a consent order to dismiss the case after the Company made the settlement payment. As at December 31, 2016, the Company had no provision (June 30, 2016 - \$83,000).



# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

### 9. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

Transactions with related parties	Three month ended December 31,		Six month ended December 31,	
	2016	2015	2016	2015
Silvercorp Metals Inc. (a)	\$ 59,285	\$ 51,614	\$ 127,148	\$ 151,405

Related party transactions are entered into based on normal market conditions at the amounts agreed on by the parties. As at December 31, 2016, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Due to related parties	December 31, 2016	June 30, 2016
Silvercorp Metals Inc. (a)	\$ 54,913	\$ 6,112

(a) Silvercorp has two common directors and officers with the Company and shares office space and provides various general and administrative services to the Company. During the three and six months ended December 31, 2016, the Company recorded total expenses of \$59,285 and \$127,148, respectively (three and six months ended December 31, 2015 - \$51,614 and \$151,405, respectively) for services rendered and expenses incurred by Silvercorp on behalf of the Company.

### 10. SHARE CAPITAL

#### (a) Share Capital - authorized share capital

Unlimited number of common shares without par value.  
Unlimited number of Class A preferred shares without par value.

#### (b) Stock Options

The continuity schedule of stock options, as at December 31, 2016, is as follows:

	Number of options	Weighted average exercise price
Balance, July 1, 2015	2,950,000	0.74
Options cancelled	(125,000)	0.60
Options expired	(420,000)	1.56
Balance, June 30, 2016	2,405,000	0.61
Options granted	2,010,000	0.55
Options cancelled	(355,000)	0.60
<b>Balance, December 31, 2016</b>	<b>4,060,000</b>	<b>0.58</b>

Option pricing model requires the input of subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange.

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

The fair value of the options granted were estimated using the Black Scholes options pricing model with the following assumptions:

	<b>Six Months ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Risk free interest rate	<b>0.58%</b>	-
Expected volatility	<b>95.89%</b>	-
Expected life of options in years	<b>2.75</b>	-
Expected dividend yield	-	-
Estimated forfeiture rate	<b>16.99%</b>	-

During the six months ended December 31, 2016, a total of 2,010,000 options with a life of five years were granted to officers and employees at an exercise price of CAD\$0.55 per share subject to a vesting schedule over a three-year term with 1/6 of the options vesting every six months from the date of grant.

For the three and six months ended December 31, 2016, a total of \$59,244 and \$82,156, respectively (three and six months ended December 31, 2015 - \$33,693 and \$79,437, respectively) were recorded as share-based compensation expense.

The following table summarizes information about stock options outstanding as at December 31, 2016:

	Exercise prices	Number of options outstanding as at 12/31/2016	Weighted average remaining contractual life (years)	Number of options exercisable as at 12/31/2016	Weighted average exercise price
\$	0.55	1,995,000	4.83	-	-
	0.57	410,000	1.73	307,500	0.57
	0.61	1,040,000	0.73	1,040,000	0.61
	0.62	615,000	1.26	538,125	0.62
	0.55-0.62	4,060,000	2.93	1,885,625	\$0.61

Subsequent to December 31, 2016, a total of 250,000 options with exercise prices of \$0.55 were cancelled.

### 11. NON-CONTROLLING INTEREST

	Qinghai Found
Balance, July 1, 2015	\$ 868,451
Share of net income	1,322
Share of impairment loss on RZY Project	(693,062)
Share of other comprehensive loss	(9,259)
Balance, June 30, 2016	\$ 167,452
Share of net loss	(7,094)
Share of other comprehensive income	(12,045)
<b>Balance, December 31, 2016</b>	<b>\$ 148,313</b>

As at December 31, 2016 and 2015, the non-controlling interest in Qinghai Found Mining Co. Ltd. was 18%.

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

### 12. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, credit risk and equity price risk in accordance with its risk management framework. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

#### (a) Fair Value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures ("IFRS 7").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The following table sets forth the Company's financial assets that are measured at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2016 and June 30, 2016 that are not otherwise disclosed. As required by IFRS 7, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Recurring measurements	Fair value as at December 31, 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 1,673,024	\$ -	\$ -	\$ 1,673,024
Bonds	17,125,184	-	-	17,125,184
Common shares <sup>(1)</sup>	7,462,884	-	335,675	7,798,559
Warrants	-	966,416	-	966,416

<sup>(1)</sup> Investment in Cozystay is a Level 3 financial instrument

Recurring measurements	Fair value as at June 30, 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 5,267,066	\$ -	\$ -	\$ 5,267,066
Bonds	17,201,630	-	-	17,201,630
Common shares <sup>(1)</sup>	3,375,120	-	325,225	3,700,345

<sup>(1)</sup> Investment in Cozystay is a Level 3 financial instrument

Fair value of other financial instruments excluded from the table above approximates their carrying amount as of December 31, 2016 and June 30, 2016, respectively.

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

There were no transfers into or out of level 3 during the periods.

### (b) Liquidity Risk

The Company has a history of losses and no operating revenues from its operations. Liquidity risk is the risk that the Company will not be able to meet its short term business requirements. As at December 31, 2016, the Company had a working capital position of \$18,194,708 and sufficient cash resources to meet the Company's short-term financial liabilities and its planned investment activities as well as exploration and development expenditures for the foreseeable future, for, but not limited to, the next 12 months.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	<b>December 31, 2016</b>	June 30, 2016
		Due within a year
Trade and other payables	\$ <b>682,534</b>	\$ 701,228
Due to related parties	<b>54,913</b>	6,112
	<b>\$ 737,447</b>	\$ 707,340

### (c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk when it undertakes transactions and holds assets and liabilities denominated in foreign currencies other than its functional currencies. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to foreign exchange risk is summarized as follows:

The amounts are expressed in CAD equivalents	<b>December 31, 2016</b>	June 30, 2016
United States dollars	\$ <b>20,588,423</b>	\$ 22,505,852
Chinese RMB	<b>201,507</b>	243,484
Financial assets in foreign currency	\$ <b>20,789,930</b>	\$ 22,749,336
Chinese RMB	\$ <b>79,823</b>	\$ 82,494
Financial liabilities in foreign currency	\$ <b>79,823</b>	\$ 82,494

As at December 31, 2016, with other variables unchanged, a 1% strengthening (weakening) of the U.S. Dollar against the CAD would have increased (decreased) net income by approximately \$206,000.

As at December 31, 2016, with other variables unchanged, a 1% strengthening (weakening) of the Chinese RMB against the CAD would have increased (decreased) net income by approximately \$1,200.

### (d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

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*(Expressed in Canadian dollars)*

term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of December 31, 2016. The Company also owns bonds that earn coupon payments at fixed rates to maturity. Fluctuation in market interest rates usually will have an impact on bond's fair value. An increase in market interest rates will generally reduce bond's fair value while a decrease in market interest rates will generally increase it. The Company monitors market interest rate fluctuations closely and adjusts the investment portfolio accordingly.

### *(e) Credit Risk*

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk primarily associated with cash and cash equivalents, bonds, and receivables. The carrying amount of financial assets included on the statement of financial position represents the maximum credit exposure.

The Company has deposits of cash equivalents that meet minimum requirements for quality and liquidity as stipulated by the Company's Board of Directors. Management believes the risk of loss to be remote, as majority of its cash and cash equivalents are held with major financial institutions. Bonds by nature are exposed to more credit risk than cash. The Company manages its risk associated with bonds by only investing in large globally recognized corporations from diversified industries. As at December 31, 2016, the Company has a receivables balance of \$111,013 (June 30, 2016 - \$115,146).

### *(f) Equity Price Risk*

The Company holds certain marketable securities that will fluctuate in value as a result of trading on global financial markets. As the Company's marketable securities holding are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio at December 31, 2016, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign exchange effects would have resulted in an increase (decrease) to net income of approximately \$870,000.

## **13. CAPITAL MANAGEMENT**

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal investing and operating requirement on an ongoing basis, continue the investment in high quality assets along with safeguarding the value of its development and exploration mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's overall strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirement as at December 31, 2016

# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

### 14. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, one being the investment segment focused on investing in other privately-held and publicly-traded corporations; the other being the mining segment focused on safeguarding the value of its exploration and development mineral properties. These reporting segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer, the chief operating decision maker.

(a) Segment information for assets and liabilities are as follow

	December 31, 2016			
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Cash and cash equivalents	\$ 1,304,806	\$ 3,252	\$ 364,966	\$ 1,673,024
Bonds	17,125,184	-	-	17,125,184
Equity investments	8,764,975	-	-	8,764,975
Plant and equipment	8,289	-	32,453	40,742
Mineral property interests	-	-	4,354,976	4,354,976
Other assets	26,086	15,203	107,733	149,022
<b>Total Assets</b>	<b>\$ 27,229,340</b>	<b>\$ 18,455</b>	<b>\$ 4,860,128</b>	<b>\$ 32,107,923</b>
<b>Total Liabilities</b>	<b>\$ (546,311)</b>	<b>\$ (111,313)</b>	<b>\$ (79,823)</b>	<b>\$ (737,447)</b>

  

	June 30, 2016			
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Cash and cash equivalents	\$ 4,849,953	\$ 18,231	\$ 398,882	\$ 5,267,066
Bonds	17,201,630	-	-	17,201,630
Equity investments	3,700,345	-	-	3,700,345
Plant and equipment	18,041	-	42,413	60,454
Mineral property interests	-	-	4,415,900	4,415,900
Other assets	26,023	15,672	111,927	153,622
<b>Total Assets</b>	<b>\$ 25,795,992</b>	<b>\$ 33,903</b>	<b>\$ 4,969,122</b>	<b>\$ 30,799,017</b>
<b>Total Liabilities</b>	<b>\$ (596,637)</b>	<b>\$ (111,209)</b>	<b>\$ (82,494)</b>	<b>\$ (790,340)</b>



# New Pacific Holdings Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

	Six months ended December 31, 2016			
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Gain on equity investments	\$ 677,826	\$ -	\$ -	\$ 677,826
Fair value change and interest earned on bonds	611,720	-	-	611,720
Dividend income	30,356	-	-	30,356
Interest income	1,330	-	-	1,330
	<b>1,321,232</b>	-	-	<b>1,321,232</b>
Salaries and benefits	237,659	-	20,236	257,895
Share-based compensation	82,156	-	-	82,156
Foreign exchange gain	(591,279)	-	(7,549)	(598,828)
Other operating expenses	239,674	45,551	26,978	312,203
Income (loss) before other income and expense	1,353,022	(45,551)	(39,665)	1,267,806
Other income	(78,496)	-	(256)	(78,752)
Net income (loss)	\$ 1,431,518	\$ (45,551)	\$ (39,409)	\$ 1,346,558
Attributed to:				
Equity holders of the Company	\$ 1,431,518	\$ (45,551)	\$ (32,315)	\$ 1,353,652
Non-controlling interests	-	-	(7,094)	(7,094)
Net income (loss)	\$ 1,431,518	\$ (45,551)	\$ (39,409)	\$ 1,346,558

	Six months ended December 31, 2015			
	Investment	Mining		Total
	Canada	Canada	China	
Loss on equity investments	\$ (127,598)	\$ -	\$ -	\$ (127,598)
Fair value change and interest earned on bonds	128,921	-	-	128,921
Interest income	45,959	-	54	46,013
	<b>47,282</b>	-	54	<b>47,336</b>
Salaries and benefits	184,951	2,016	11,438	198,405
Share-based compensation	79,437	-	-	79,437
Foreign exchange gain	(2,216,463)	-	(40,113)	(2,256,576)
Other operating expenses	185,059	47,843	41,458	274,360
Income before other income and expenses	1,814,298	(49,859)	(12,729)	1,751,710
Gain on disposal of plant and equipment	-	(53,605)	-	(53,605)
Other income	-	-	(277)	(277)
Net income	\$ 1,814,298	\$ 3,746	\$ (12,452)	\$ 1,805,592
Attributed to:				
Equity holders of the Company	\$ 1,814,298	\$ 3,746	\$ (10,201)	\$ 1,807,843
Non-controlling interests	-	-	(2,251)	(2,251)
Net income (loss)	\$ 1,814,298	\$ 3,746	\$ (12,452)	\$ 1,805,592