

Gold Newsletter

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NEW PACIFIC METALS

NUX.V
604-633-1368
newpacificmetals.com

New Pacific is the “gold” play of the uber-successful group behind Silvercorp Metals (SVM.TO). Basically, the gold projects this team comes across in China go into NUX, while Silvercorp continues to get the silver properties. NUX was originally spun out of Silvercorp, which retains a 27% interest.

While Silvercorp has been flying high, New Pacific and its 56-square-kilometer HNK property is still cruising under the market’s radar, despite very encouraging results from high-grade veins that, although of relatively narrow widths, are being revealed to have large extents.

Like many other gold properties in China, artesian miners riddled the HNK property with small pits and tunnels before these small operations were shutdown by local authorities 10 years ago. Over the last several months, NUX geologists mapped and sampled 166 old tunnels, identifying 15 gold-bearing veins ranging in length from 100 meters to 1,000 meters with widths of 0.1 meters to 1.5 meters. These veins cover a prospect area measuring some 5.0 kilometers by 2.5 kilometers. Four of these veins were high priority targets for a 10-hole, 3,500-meter drilling program that, thanks to encouraging results so far,

has been expanded by 15 holes, or 4,800 meters.

NUX enjoyed success with an initial drill test of the polymetallic V109 vein. The first hole, ZK11801, cut 1.11 meters grading 11.07 g/t gold, 331 g/t silver, 2.25% lead and 4.5% zinc. Two subsequent holes missed the vein, but a fourth attempt, Hole ZK11902, a 200-meter step out, intersected 5.9 g/t gold, 341 g/t silver, 2.52% lead and 0.99% zinc over 0.42 meters interval from 54.4 meters to 54.82 meters.

Meanwhile, the NUX is using a second drill rig to define the steeply dipping V9 vein, where Hole ZK0002 cut 12.91 g/t gold over 1.23 meters, from 213.99 meters to 215.22 meters. This intersection is about 80 meters above an intersection grading of 13.50 g/t gold over 3.1 meters in Hole ZK0001, which was drilled from the same location but at a deeper angle.

More results for deeper tests of the V9 vein are expected soon. As are further tests of the V18 vein, which has been traced over a 520 meter strike length.

In central China, NUX is also exploring several prospects in a large, 813-square-kilometer property within the Panxi rift, a geological feature associated with nickel-platinum and copper deposits. The company is exploring several prospects here.

Bottom line: New Pacific has the cash, the contacts and the potential to generate newsworthy results as it pushes forward on its projects. It’s a buy at current levels, but purchase carefully, as the stock is thinly traded and typically held by strong hands.

New Pacific Metals Corp.

Recent Share Price:C\$1.50
Shares Outstanding:31.4 million
Market Cap:C\$47.1 million
Shares Outstanding
Fully Diluted:36.6 million
Market Cap
Fully Diluted:.....C\$54.9 million

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