



New Pacific Metals Corp.

TSX-V: NUAG | OTCQX: NUPMF

NEWS RELEASE

Trading Symbol: TSX-V: NUAG
OTCQX: NUPMF

NEW PACIFIC REPORTS FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2019

VANCOUVER, BRITISH COLUMBIA – May 27, 2019: New Pacific Metals Corp. (“New Pacific” or the “Company”) (TSX-V:NUAG) (OTCQX:NUPMF) today announced its unaudited condensed consolidated interim financial results for the three and nine months ended March 31, 2019.

This news release should be read in conjunction with the Company's management discussion & analysis, financial statements and notes to financial statements for the corresponding period, which have been posted under the Company's profile on SEDAR at www.sedar.com and are also available on the Company's website at www.newpacificmetals.com. All figures are expressed in Canadian dollars unless otherwise stated.

FINANCIALS

Net loss attributable to equity holders of the Company for the three months ended March 31, 2019 was \$359 or \$0.00 per share (three months ended March 31, 2018 - net loss of \$258,719 or \$0.00 per share). The Company's financial results were mainly impacted by the following: (i) income from investments of \$1,552,446 compared to loss of \$35,551 in the prior year quarter, (ii) operating expenses of \$1,128,183 compared to \$748,893 in the prior year quarter, and (iii) foreign exchange loss of \$431,492 compared to gain of \$474,432 in the prior year quarter.

For the nine months ended March 31, 2019, net loss attributable to equity holders of the Company was \$279,104 or \$0.00 per share compared to net loss of \$2,906,517 or \$0.02 per share for the nine months ended March 31, 2018.

Income from investments for the three months ended March 31, 2019 was \$1,552,446 (three months ended March 31, 2018 – loss of \$35,551). Within the income from investments, \$464,481 was gain on the Company's equity investments and \$1,064,994 was gain from fair value change and interest earned on bonds.

For the nine months ended March 31, 2019, income from investments was \$1,735,569 compared to loss of \$543,962 for the nine months ended March 31, 2018.

Operating expenses for the three and nine months ended March 31, 2019 were \$1,128,183 and \$2,318,178, respectively (three and nine months ended March 31, 2018 – \$748,893 and \$2,487,090, respectively).

Foreign exchange loss for the three months ended March 31, 2019 was \$431,492 (three months ended March 31, 2018 – gain of \$474,432). The Company holds a large portion of cash and cash equivalents and bonds in US dollars while the Company's functional currency is Canadian dollar. The fluctuation in exchange

rates between the US dollar and the Canadian dollar will impact the financial results of the Company. During the three months ended March 31, 2019, the US dollar depreciated by 2% against the Canadian dollar (from 1.3642 to 1.3363) while in the prior year period the US dollar appreciated by 2.8% against the Canadian dollar (from 1.2545 to 1.2894).

For the nine months ended March 31, 2019, foreign exchange gain was \$288,945 (nine months ended March 31, 2018 –\$64,763).

SILVER SAND PROPERTY

For the three and nine months ended March 31, 2019, total expenditures of \$1,040,108 and \$7,634,047, respectively (three and nine months ended March 31, 2018 - \$2,292,123 and \$3,646,522, respectively) were capitalized under the Silver Sand Property. These expenditures were mainly related to the 2018 drill program, site and camp preparation, maintaining a regional office in La Paz, and building a competent management team and workforce for the property. In April 2019, the Company commenced the 2019 drill program at the Silver Sand Property. The total budgeted metreage for 2019 drill program is approximately 55,000 metres of diamond core drilling. For further details of the 2019 drill program and acquisition of land to build an exploration camp for the Silver Sand Property, please refer to the Company's news release dated April 25, 2019.

Additionally, as previously announced in the Company's news release dated January 11, 2019, the Company entered into a mining production contract (the "MPC") with COMIBOL to explore the area adjoining the Silver Sand Property. The MPC remains subject to ratification by the Plurinational Legislative Assembly of Bolivia.

WARRANTS EXERCISE

On May 22, 2019, the Company raised gross proceeds of \$19,950,000 as a result of 9,500,000 previously issued common share purchase warrants (the "Warrants") being exercised (the "Warrant Exercise") by Pan American Silver Corp. ("Pan American") and Silvercorp Metals Inc. ("Silvercorp").

The Warrants were issued in connection with the Company's strategic private placement of units completed in November 2017 pursuant to which Pan American subscribed for 16,000,000 units and Silvercorp subscribed for 3,000,000 units. Each unit was comprised of one common share of the Company (a "Common Share") and one half of one Warrant. Each whole Warrant was exercisable into one Common Share at an exercise price of \$2.10 per Common Share. For further details of the Warrant Exercise, please refer to the Company's news release dated May 22, 2019.

ABOUT NEW PACIFIC

New Pacific is a Canadian exploration and development company which owns the Silver Sand Project in the Potosí Department of Bolivia, the Tagish Lake gold project in Yukon, Canada and the RZY Project in Qinghai Province, China. Its largest shareholders are Silvercorp Metals Inc., and Pan American Silver Corp., one of the world's largest primary silver producers, which operates ten mines, including the San Vicente mine located in the Potosí Department of Bolivia.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements and information in this news release constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “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 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: fluctuating equity prices, bond prices, commodity prices; calculation of resources, reserves and mineralization, foreign exchange risks, interest rate risk, foreign investment risk; loss of key personnel; conflicts of interest; dependence on management and others.

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, 2018 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 or information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this news release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements or 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 or information.