

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Code Sections 301, 354, 356, 358, 368(a)(1)(E), and 1036.

New Pacific expects that it was a PFIC for the tax year including the effective date of the Arrangement and believes that it was a PFIC in prior tax years. As a result, the PFIC rules under Code Sections 1291-1298 may also apply to New Pacific shareholders. Shareholders should consult with their own tax advisors regarding the potential application of the PFIC rules.

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, income recognized should be reported by holders for the taxable year which includes November 18, 2020 (e.g., a calendar-year shareholder would report the distribution on his or her federal income tax return filed for the 2020 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ /s/ Jalen Yuan Date ▶ 10 December 2020

Print your name ▶ Jalen Yuan Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John D. Hollinrake Jr.</u>	<u>/s/ John D. Hollinrake Jr.</u>	<u>12/10/2020</u>		<u>P01568530</u>
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EXHIBIT A
NEW PACIFIC METALS CORP. IRS FORM 8937
PERTAINING TO SECTION 15

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that might apply to particular categories of shareholders.

Though it is not free from doubt, New Pacific believes, that (a) the renaming and redesignation of the Common Shares as Class A Shares and (b) the exchange by the New Pacific shareholders of the Class A Shares for New Common Shares and Spin-Out Shares, taken together, will properly be treated for U.S. federal income tax purposes, under the step-transaction doctrine or otherwise, as (i) a tax-deferred exchange by the New Pacific shareholders of their Class A Shares for New Common Shares, either under Section 1036 or Section 368(a)(1)(E) of the Code, combined with (ii) a distribution of the Spin-Out Shares to the New Pacific Shareholders under Section 301 of the Code. As a result, and subject to certain passive foreign investment company (“PFIC”) rules, New Pacific shareholders should have the same tax basis and holding period in such shareholder’s New Common Shares as such shareholder had in its Class A Shares exchanged therefor pursuant to the Arrangement.

A shareholder that receives a distribution from New Pacific will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of New Pacific, as computed for U.S. federal income tax purposes. New Pacific has not computed its current or accumulated earnings and profits under U.S. tax principles. As a result, shareholders may have to assume that the distribution of the Spin-Out Shares is ordinary dividend income equal to the fair market value of the Spin-Out Shares distributed. In addition, New Pacific expects that it was a Passive Foreign Investment Company (“PFIC”) under Code Section 1297 for the tax year including the effective date of the Arrangement and believes that it was a PFIC in prior tax years. As a result, the distribution of the Spin-Out Shares from New Pacific will not constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The dividend rules are complex, and each shareholder should consult its own tax adviser regarding the application of such rules.

Shareholders should review the Circular and consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.