



NEWS RELEASE

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NEW PACIFIC REPORTS HIGH RECOVERY OF SILVER ACHIEVED FOR SULPHIDES AND TRANSITIONAL MINERALIZED MATERIALS FROM SILVER SAND, BOLIVIA

VANCOUVER, British Columbia – February 7, 2019 – New Pacific Metals Corp. (TSX-V:NUAG) (OTCQX:NUPMF) (the “Company”) is pleased to announce the preliminary results of the first metallurgical test work for its Silver Sand project in Potosi, Bolivia. Metallurgical sampling and test work commenced in September 2018 – the flotation recovery and bottle roll leaching test works for the transition and sulphide mineralized materials have been completed and test work on the oxides is under way. All tests, including column leaching test works, are expected to be completed by the end of April 2019. Positive recovery results have been achieved in the extraction of silver by the processes of flotation and direct cyanidation from the initial metallurgical test work.

HIGHLIGHTS OF THE PRELIMINARY RESULTS OF COMPLETED TEST WORKS

- Sulphide materials have reported **96.0%** silver recovery by rougher-scavenger flotation and the high silver extraction of **96.7%** when leached in a bottle-roll with cyanide solution.
- Transition materials achieved **86.8%** recovery of silver by flotation and the high extraction of **97.0%** by cyanidation in bottle roll test.
- Test results indicate that the sulphide and transition type mineralized materials are **non-refractory** as per the high silver recoveries achieved during the direct cyanidation at atmospheric pressure.
- The mineralized materials were measured to be mostly in the **soft to-medium competent level** and **abrasion from low-to medium values**. Consequently, a lower capital expenditure and operating cost would be required for the comminution circuit.

PROGRAMS OF METALLURGICAL TESTS

Half drilled core samples of oxides, transition and sulphides, representing naturally heterogeneous distribution of oxidation degree, silver grades and lithology of the mineralized materials at the Silver Sand minerals deposit, were collected to produce different composite samples. Four geo-metallurgical test work programs (Mineral Characterization, Comminution, Flotation and Leaching) were developed on these samples. Six metallurgical domains (MET1 to MET6) were identified for the flotation and leaching test work and also six geological domains (GEO1 to GEO6) were branded for the comminution test work. This study methodology has allowed creating ore-specific test works that are producing high silver recovery results at this first stage of the metallurgical program.

Flotation

The test works of flotation were completed by SGS del Peru. Half drilled-core samples were collected to produce three-master composite samples: oxides, transition and sulphides. The flotation program was composed of rougher-scavenger tests at different sizes, a mixture of collectors, collector amount and pH. Collectors from the chemical family of Xanthates, Hydroxamates and Dithiophosphates were tested. They were: PAX (potassium amyl xanthate), SIPX (sodium isopropyl xanthate), DANA468, and OX100.

Eighteen rougher-scavenger flotation tests for the transition (FLOATMET 5 composite) and sulphide (FLOATMET 6 composite) types have been completed. Some of the results are presented in Table 1. Figure 1 shows the flotation cells when transition and sulphide types were processing. Table 1 presents silver and sulphide recoveries after floating for 20 minutes the sulphide and transition materials at specific process conditions. The flotation for the oxide materials is under way.



Figure 1. Froth Formation for Silver Extraction from Transition and Sulphide Materials

The best silver recoveries to the rougher-scavenger concentrate were achieved using PAX as the main collector for both sulphide and transition materials. The silver recovery of 96% was the best result for sulphides materials and 86.8% was for the transition materials. Results so far suggest the use OX100 as a secondary collector to improve silver extraction from transition materials. Similar recoveries were obtained at natural pH and the higher pH of 9. Though the flotation results are promising, they can be optimized at the second stage of the metallurgical test work program.

Table 1. Partial Results for Rougher-Scavenger Test Work

Type of Materials	Head Assay		Flotation conditions			Recovered to Concentrate	
	Ag, g/t	S _{sulphide} , %	P80, μm	Collector	pH	Ag, %	S _{sulphide} , %
Sulphide (FLOATMET 6)	123	1.63	74	PAX, 45g/t	9	96.0	98.4
			74	PAX, 45g/t	natural	95.5	97.2
			74	PAX, 30g/t SIPX, 15g/t	natural	94.9	97.3
			74	PAX, 30g/t OX100, 15g/t	natural	94.8	97.3
Transition (FLOATMET 5)	123	1.01	74	PAX, 30g/t OX100, 15g/t	natural	86.8	94.8
			74	PAX, 45g/t	natural	85.1	92.4
			74	PAX, 45g/t	9	85.2	94.8
			74	PAX, 30g/t DANA468, 15g/t	natural	85.2	93.4

It is worth mentioning that similar silver recoveries were obtained for the sulphide materials at the particle size of P80 105µm and 74µm; being 92.8% at the biggest material size and 93.8% at 74µm for the flotation of 12 minutes long. These results suggest that the silver minerals seem to be already liberated at the size of 105µm which would give the opportunity to use a smaller comminution circuit.

Bottle Roll Leaching

Four master composite samples were prepared from half drilled cores for the execution of leaching tests with sodium cyanide solution (NaCN) of which one composite sample comprises cores of sulphide materials (LEACHMET 6), the other is made of transition materials (LEACHMET 5) and two composites were composed of oxide materials (LEACHMET 1 and LEACHMET 4).

Direct cyanidation leaching in bottle-roll under conventional and intense conditions has been completed for the sulphide and transition materials. Nineteen tests were carried out considering different materials sizes, cyanide solution strength, air or oxygen sparging and different temperatures. Each bottle roll test was conducted at atmospheric pressure during 72 hours. Some of these leach test results are presented in Table 2.

Bottle roll leaching of oxides is underway at SGS del Peru.

Table 2. Partial Results for Cyanidation Bottle-Roll Leaching

Type of Materials	Head Assay			Leaching conditions				Ag Recovery, %
	Ag, g/t	S _{sulphide} , %	Cu, %	P80, µm	Cyanide Solution Strength, %w/v of NaCN	Temperature, °C	Air or Oxygen Sparged	
Sulphide (LEACHMET 6)	124	2.12	0.03	50	0.3	57.4	Oxygen	96.7
				74	0.4	29.4	Oxygen	94.0
				50	0.3	26.1	Oxygen	93.6
				74	0.3	29.4	Oxygen	92.8
Transition (LEACHMET 5)	157	1.45	0.04	50	0.3	56.0	Oxygen	97.0
				50	0.3	25.6	Oxygen	94.0
				74	0.3	28.1	Oxygen	93.5
				74	0.4	29.8	Oxygen	93.3

High silver extractions of up to 97% were achieved for sulphide and transition materials by intense cyanidation in bottle-rolls using oxygen at 56 – 57°C, as shown in Table 2. None of the samples were pre-treated before the cyanidation; which is an indication of the liberation of the silver grains at the tested materials size and/or low-amount encapsulation in pyrite. Therefore, it can be claimed that the mineralized materials at Silver Sand are **non-refractory**. The texture and liberation will be confirmed with the QEMSCAN assays that are under way. These leaching results are very encouraging and they could be further improved in the next stage of the metallurgical program.

Column Leaching

The test works of column leaching are in progress at SGS del Peru and are expected to be completed by the end of April 2019.

Comminution

The test works of comminution were completed by SGS del Peru. Four geological domains were tested for Crushing Work Index (CWi), Ball Work Index (BWi) and Abrasion Index (Ai). These domains represent the different rock lithology, type and intensity of alteration and material type that exist at the current drilled area of the Silver Sand deposit.

Twenty-one samples were tested. CWi reported the energy consumption between 4.8 and 11.3kWh/t and the BWi measurements were from 4.8 to 15.9kWh/t, with only one sample above 14 KW/t. Thus, the majority of the samples fell in the category of **soft and medium competency level for crushing and grinding**. Consequently, a relatively low capital expenditure and operating cost could be expected for the comminution circuit. The Ai reported values between 0.0595 and 0.5363. Oxides and transition materials produced values below 0.3, which corresponds to **low abrasion**. Sulphide materials reported the highest values in the range of medium abrasion behaviour.

Mineral Characterization

The test works of mineral characterization are being executed by the Research Centre for Mining and Metallurgy (CIMM) and Oruro Technical University (UTO), Bolivia. The mineral characterization and Sink & Float tests are to assess the mineral response to gravity separation. The tests are expected to be complete by the end of February 2019.

The Company is very pleased with the positive results achieved so far from the completed test works. The results suggest that the mineralized materials from Silver Sand project could be amenable for extraction of silver by conventional flotation or direct-intense cyanidation at atmospheric pressure at large scale. This is just the first stage of the metallurgical test work program and silver extraction rates can still be improved by further tuning the parameters of test works.

Technical information contained in this news release and the test programs have been designed and prepared by Mr. Alberto Galvez, an independent consulting metallurgist and a registered member of the Australasian Institute of Mining and Metallurgy (AusIMM) and reviewed and approved by Alex Zhang, P.Geol., Vice President of Exploration of the Company, who is a Qualified Person for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”).

ABOUT NEW PACIFIC

New Pacific is a Canadian exploration and development company which owns the Silver Sand Project in 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 six mines, including the San Vicente mine located in the Potosí Department of Bolivia.

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