

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

#### **Item 1 – Security and Reporting Issuer**

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

The designation of securities to which this report relates is common shares (“**Common Shares**”) in the capital of New Pacific Metals Corp. (“**New Pacific**”).

New Pacific Metals Corp.  
Suite 1378 - 200 Granville Street  
Vancouver, BC V6C 1S4

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The transaction was completed through the facilities of the TSX Venture exchange.

#### **Item 2 – Identity of the Acquiror**

- 2.1 State the name and address of the acquiror.

Pan American Silver Corp. (“**Pan American**”)  
Suite 1500 – 625 Howe Street  
Vancouver, BC V6C 2T6

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Pan American sold 8,000,000 Common Shares of New Pacific on May 19, 2020, for CDN\$5.90 per Common Share pursuant to a block trade completed through the facilities of the TSX Venture exchange. The block trade was completed contemporaneously with a proposed bought deal financing of Common Shares of New Pacific between New Pacific and BMO Capital Markets (the “**Bought Deal Financing**”).

2.3 State the names of any joint actors.

Not applicable.

**Item 3 – Interest in Securities of the Reporting Issuer**

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Pan American sold 8,000,000 Common Shares of New Pacific on May 19, 2020, for CDN\$5.90 per Common Share pursuant to a block trade completed through the facilities of the TSX Venture exchange. Immediately prior to the transaction, Pan American held 22,724,068 Common Shares of New Pacific, representing approximately 15.37% of the total number of issued and outstanding Common Shares of New Pacific on a non-diluted basis, and approximately 14.74% of the issued and outstanding Common Shares of New Pacific on a fully-diluted basis. Immediately following the transaction, Pan American directly owned 14,724,068 Common Shares, representing approximately 9.96% of the total number of issued and outstanding Common Shares of New Pacific on a non-diluted basis, and approximately 9.55% of the issued and outstanding Common Shares of New Pacific on a fully-diluted basis.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Pan American sold 8,000,000 Common Shares of New Pacific on May 19, 2020, for CDN\$5.90 per Common Share pursuant to a block trade completed through the facilities of the TSX Venture exchange.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately prior to the transaction, Pan American held 22,724,068 Common Shares of New Pacific, representing approximately 15.37% of the total number of issued and outstanding Common Shares of New Pacific on a non-diluted basis, and approximately 14.74% of the issued and outstanding Common Shares of New Pacific on a fully-diluted basis. Immediately following the transaction,

Pan American directly owned 14,724,068 Common Shares, representing approximately 9.96% of the total number of issued and outstanding Common Shares of New Pacific on a non-diluted basis, and approximately 9.55% of the issued and outstanding Common Shares of New Pacific on a fully-diluted basis.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Pan American directly owns 14,724,068 Common Shares of New Pacific, representing approximately 9.96% of the total number of issued and outstanding Common Shares of New Pacific on a non-diluted basis, and approximately 9.55% of the issued and outstanding Common Shares of New Pacific on a fully-diluted basis.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Pan American sold the 8,000,000 Common Shares of New Pacific for CDN\$5.90 per Common Share, for gross proceeds to Pan American of CDN\$47,200,000.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

#### **Item 5 – Purpose of the Transaction**

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

Pan American's sale of the New Pacific Common Shares was made for investment purposes and it may, in the future, dispose of additional Common Shares of New Pacific, or acquire ownership and control over additional Common Shares of New Pacific for investment purposes.

The disposition of Common Shares by Pan American to BMO Capital Markets occurred contemporaneously with the Bought Deal Financing. The Common Shares are expected to be made available for resale to the public by BMO Capital Markets.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Under the terms of the subscription agreement dated November 20, 2017, between New Pacific and Pan American, pursuant to which the original Common Shares were acquired, for so long as Pan American retained a certain shareholding percentage of

New Pacific, (i) Pan American was entitled to appoint one nominee for election to the board of directors of New Pacific; and (ii) New Pacific would not allot or issue any Common Shares or other equity securities (collectively, “**Securities**”) for the purpose of raising capital (an “**Equity Financing**”), unless such Securities were first offered for allotment and issuance on the same terms and conditions to Pan American in sufficient numbers so as to permit Pan American to maintain immediately following the closing of the Equity Financing, its *pro rata* shareholding in the issued and outstanding Common Shares (calculated on a fully-diluted basis) as at the time immediately prior to the closing of the Equity Financing. Pan American ownership of New Pacific Common Shares is below the required threshold percentage.

**Item 7 – Change in Material Fact**

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

There are no changes in any material facts.

**Item 8 – Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

**Item 9 – Certification**

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

May 21, 2020

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Date

*/s/ Delaney Fisher*

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Signature

Delaney Fisher, VP Associate General Counsel & Corporate Secretary

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Name/Title