



## **NEXT GEN METALS INC. ACQUIRES OPTION TO 60% OF THE DESTINY GOLD PROJECT, QUÉBEC**

**August 8, 2011 - Vancouver, Canada.** Next Gen Metals Inc. (TSX.V:N) (“Next Gen” or the “Company”) is pleased to announce that subject to regulatory and shareholder approvals, it has entered into a letter agreement (“LA”) with Pacific North West Capital Corp. (“PFN”) (TSX:PFN, OTCQX:PAWEF, FSE:P7J) whereby Next Gen has been granted an option (“Option”) to acquire PFN’s 60% earn-in option interest (“Option Interest”) in the Destiny Gold project located in the Abitibi-Témiscamingue region of Québec, which option interest was granted to PFN pursuant to an agreement with Alto Ventures Ltd. (“Alto”) (TSX.V:ATV) dated July 28, 2009.

Next Gen management believes it has identified a property of merit in the Destiny Gold Project. The Destiny Gold Project is an NI 43-101 compliant resource estimate (see PFN’s news release dated [March 7, 2011](#)). By acquiring a project with a significant gold resource identified and with exploration potential for further increasing the resource, the Company will be well-positioned to take advantage of a rising gold market and investor interest. The project has a strong history of funding and a multi-phase exploration program is currently underway (see PFN’s news release dated [July 19, 2011](#)). The project is located nearby Next Gen’s Fate Gold Project in the Abitibi-Temiscamingue region of Québec which is a highly favourable mining jurisdiction. Alto is a highly experienced explorer and operator and Next Gen will benefit from the historical money and time spent by both Alto and PFN on the Destiny Gold Project.

Under the terms of the LA, PFN will grant to Next Gen an irrevocable right and option to acquire all right, title and interest of PFN in and to the Option Interest in the Destiny Gold Project, for an aggregate purchase price of (i) a total of \$675,000 in cash; (ii) 15,000,000 Next Gen common shares (“Shares”); and (iii) 4,000,000 Next Gen share purchase warrants (“Warrants”) exercisable into 4,000,000 common shares of Next Gen at varying prices for four years from the date of issuance; all of which is due as follows:

Cash: Next Gen paid \$50,000 to PFN on signing the LA and will make the cash payments to PFN in tranches of: (i) \$75,000 on or before the first anniversary of the LA; (ii) \$200,000 on or before the second anniversary of the LA; and (iii) \$350,000 on or before the third anniversary of the LA.

Next Gen Shares: The 15,000,000 Shares of Next Gen will be issued to PFN as fully paid and non-assessable common shares, in tranches, as to: (i) 4,550,000 Shares upon Next Gen's delivery to PFN of a notice of commencement of the Option no later than November 15, 2011; (ii) 5,225,000 Shares on or before the first anniversary of the LA; and (iii) 5,225,000 Shares on or before the second anniversary of the LA.

Warrants: The 4,000,000 Warrants to PFN shall be issued to PFN upon Next Gen's delivery to PFN of a notice of commencement of the Option no later than November 15, 2011, which Warrants are exercisable as follows: (i) 1,000,000 Warrants are exercisable at \$0.25 per share; (ii) 1,000,000 Warrants are exercisable at \$0.30 per share; (iii) 1,000,000 Warrants are exercisable at \$0.35 per share; and (iv) 1,000,000 Warrants are exercisable at \$0.50 per share.

In addition to the cash, Shares and Warrants payable by Next Gen, Next Gen shall also be responsible for all remaining cash payments and exploration expenditures due to be paid or incurred, as the case may be, under PFN's agreement with Alto, along with any costs and expenditures associated with any resultant joint venture that arises between Next Gen and Alto. PFN will continue to be responsible for issuances of common shares to Alto under its agreement with Alto until the date of exercise of the option and the transfer and registration of the option interest from PFN to Next Gen in accordance with the terms of the LA.

Under the terms of the initial option agreement between Alto and PFN, PFN would earn a 60% interest in the Destiny Gold Project by paying to Alto \$200,000 in cash (of which \$50,000 has been paid); issuing to Alto an aggregate of 250,000 common shares of PFN (of which 75,000 common shares have been issued); and incurring an aggregate of \$3,500,000 in exploration expenditures over a four-year period (of which \$1,355,311 has been incurred). Subsequent to the vesting of its Option Interest, PFN would form a joint venture with Alto to further develop the Destiny Gold Project. Certain claims comprising the property are subject to underlying net smelter return royalties ranging from 1% to 3.5%, with varying buy-back provisions.

The Option is subject to expiration, if not exercised on or before November 15, 2011, and to termination upon the occurrence of certain events of default by Next Gen or by PFN in the sole discretion of the non-defaulting party, as set out in the LA. Events of default include failure to make any payment or issue any Shares or Warrants when due; failure to deliver a notice of option commencement on or before November 15, 2011; failure by PFN to perform any term, covenant or condition of the initial option agreement with Alto; and failure to perform any material term, covenant or condition of the LA. All events of default are fully described in the LA, which has been filed by Next Gen on SEDAR and may be accessed at [www.sedar.com](http://www.sedar.com).

As Harry Barr, the President, CEO and a director of Next Gen is also the President, CEO and a director of PFN; Linda Holmes, the Corporate Secretary and a director of Next Gen, is also the Corporate Secretary and a director of PFN; John Londry, a director of Next Gen, is also a director of PFN, and John Oness is Vice President, Corporate Business Development for both Next Gen and PFN, this transaction is considered to be a non-arm's length transaction under TSX Venture Exchange policies. Messrs. Barr, Londry and Oness, and Ms. Holmes, collectively hold, directly or indirectly, an aggregate of 3,499,338 common shares of Next Gen, representing 16.28% of the outstanding common shares of Next Gen. PFN currently owns 1,216,667 common shares of Next Gen, representing 5.66% of the outstanding common shares of Next Gen. This transaction requires the majority of minority shareholder approval. The common shares of Next Gen held by Messrs. Barr, Londry and Oness, Ms. Holmes and PFN are not eligible to vote with respect to this transaction.

This transaction is subject to approval by the TSX Venture Exchange and the Toronto Stock Exchange, as well as by the shareholders of Next Gen and of PFN at the annual general and special meeting to be held by each of Next Gen and PFN, respectively, on September 7, 2011. Provided such approvals are obtained and the transaction closes, Next Gen plans to fund an aggressive multi-phase drill exploration program beginning in early November 2011 with the objective of expanding the known resource.

### **About Next Gen Metals Inc.**

Next Gen is a mineral exploration company whose current focus is on silver, gold and base metals projects in North America. The Company is presently developing the Silver Chalice Project, located in Alaska, and the Fate Gold Project located in the Abitibi Greenstone Belt of Northwest Québec, which is one of the most famous gold and base metals regions in the world. In addition, the Company is aggressively negotiating for additional advanced-stage silver, gold and base metal projects on an international scale.

Next Gen is the newest company to join the International Metals Group. The Board of Directors is comprised in part with directors from other companies within the International Metals Group ("IMG") ([www.internationalmetalsgroup.com](http://www.internationalmetalsgroup.com)) who, along with management, have a combined 150 years or more of experience in all aspects of managing public companies related to the resource industry.

On behalf of the Board of Directors

*"Harry Barr"*

Harry Barr  
**President & CEO**

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