

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor. Please see “Questions and Answers About the Offer” on page 7 of this Offer.*

*This offer has not been approved or disapproved by any securities regulatory authority in Canada or the United States nor has any securities regulatory authority in Canada or the United States passed upon the fairness or merits of such transaction or upon the accuracy or adequacy of the information contained in this document. Any representation to the contrary is an offence. Shareholders in the United States should read the “Notice to Shareholders in the United States” on page 3 (continuation of the cover page) of this Offer.*

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.*

March 10, 2021

**TRC CAPITAL INVESTMENT CORPORATION**  
**OFFER TO PURCHASE**  
**up to 2,500,000 of the outstanding**  
**Common Shares of**  
**PAN AMERICAN SILVER CORP.**  
**at a price of**  
**\$37.25 per Share**

The Offer by TRC Capital Investment Corporation (the “Offeror”) to purchase up to 2,500,000 of the outstanding Common Shares (“Shares”) of Pan American Silver Corp. will be open for acceptance until 12:01 a.m. (Toronto time) on April 9, 2021, unless withdrawn or extended.

**The Offer is not conditional on any minimum number of Shares being deposited. The Offer is subject to certain conditions, described in Section 5 of the Offer to Purchase, “Conditions of the Offer” including provisions relating to proration, described in Section 7 of the Offer, “Take Up and Payment for Deposited Shares,” any or all of which may be waived by the Offeror in its sole discretion. In the event that the number of Shares tendered in acceptance of the Offer is greater than 2,500,000, the Offeror shall take up and pay for, on a *pro rata* basis, only 2,500,000 Shares, disregarding fractions, according to the number of Shares deposited by each Shareholder.**

As of the date hereof, neither the Offeror nor any of its affiliates beneficially owns, directly or indirectly, any Shares. The Shares are listed on the Toronto Stock Exchange (the “TSX”) and the Nasdaq Global Select Market (the “NASDAQ”) under the symbol “PAAS”. The closing price of the Shares on March 9, 2021 was \$38.94 on the TSX and US\$30.82 on the NASDAQ. The Offer Price represents a discount of approximately 10.31% and a discount of 10.58%, respectively, to the volume weighted average trading price of the Shares on the TSX and the NASDAQ, respectively, for the 30 trading days preceding the date of the Offer. **The offer price represents a discount of approximately 4.34% and 4.34%, respectively, to the closing prices of the Shares on the TSX and the NYSE (based on the Bank of Canada exchange rate on March 9, 2021 of Canadian \$1.00 = United States \$0.7915) on March 9, 2021.**

Shareholders should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Shares during the Offer Period, as permitted by applicable Canadian securities laws or regulations.

Shareholders wishing to accept the Offer must properly complete and duly execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, together with certificate(s) or a Direct Registration System Statement (“DRS Advice”) representing their Shares and all other documents required by the Letter of Transmittal, at the office of the Depositary and Information Agent in Toronto, Ontario, prior to the Expiry Time and all in accordance with the transmittal instructions in the Letter of Transmittal. The Offer may also be validly accepted by following the procedures for book-entry transfer set forth in Section 3 of the Offer, “Manner of Acceptance – Book-Entry Transfer.”

Alternatively, a Shareholder wishing to deposit Shares and whose certificate(s) or DRS Advice for such Shares are not immediately available or whose certificate(s) or DRS Advice for such Shares and all other required documents cannot be delivered to the Depository prior to the Expiry Time, or who cannot comply with the procedures for delivery by book-entry transfer on a timely basis, may deposit such Shares by following the procedures for guaranteed delivery set forth in Sections 2 and 3 of the Offer, "Time for Acceptance" and "Manner of Acceptance" using the accompanying Notice of Guaranteed Delivery (printed on PINK paper) or a manually executed facsimile thereof.

**Shareholders whose Shares are registered in the name of an investment dealer, stockbroker, bank, trust company, or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders should instruct their brokers or other nominees promptly if they wish to tender.**

The Offer is denominated in Canadian dollars. Unless otherwise indicated on the Letter of Transmittal or Notice of Guaranteed Delivery, all payments for Shares tendered under the Offer will be made in Canadian dollars. Shareholders may elect to receive payment in United States dollars by indicating this on a validly executed Letter of Transmittal or Notice of Guaranteed Delivery. Payments in United States funds will be made at the exchange rate negotiated between the Offeror and its bank or other financial institution on the date on which funds are provided to the Depository and Information Agent to pay for Shares at the time they are to be taken up under the Offer. That rate will generally be somewhat lower than the rate posted by the Bank of Canada, reflecting currency exchange fees or commissions charged by such bank or other financial institution to the Offeror to effect such exchange. Shareholders electing to receive payment in United States dollars acknowledge and agree that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Shareholder.

Questions and requests for assistance may be directed to the Depository and Information Agent and additional copies of this document, the Letter of Transmittal and Notice of Guaranteed Delivery may be obtained without charge on request from the Depository and Information Agent at the office shown on the Letter of Transmittal.

The Offer is made only for Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer should exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Shares and deposit such share certificates in accordance with the Offer.

The tax consequences to holders of Convertible Securities of Pan American of exercising, exchanging or converting their Convertible Securities are not described in this Offer. Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise, exchange or convert their Convertible Securities.

Shareholders wishing to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein.

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.*

**THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION NOR HAS ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

#### **NOTICE TO FOREIGN SHAREHOLDERS**

The distribution of this offer may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Offer should seek advice on and observe any such restrictions. The Offeror assumes no responsibility for any violation of securities laws of any of those countries. The Offer does not constitute an offer or a solicitation to any person in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction.

## NOTICE TO SHAREHOLDERS IN THE UNITED STATES

Shareholders should be aware that a tender of Shares under the Offer by them, or the acquisition by the Offeror of Shares from a holder of Shares may have tax consequences both in Canada and the United States. Such consequences for Shareholders who are United States Persons as defined in section 7701(a)(30) of the *Internal Revenue Code of 1986*, as amended, may not be fully described herein and such Shareholders are urged to consult their tax advisors. See Section 23 of the Offer, "Certain Canadian Federal Income Tax Considerations" and Section 24 of the Offer, "Certain United States Federal Income Tax Considerations."

Shareholders should be aware that the Offeror, its affiliates or its associates, directly or indirectly, may bid for or make purchases of Shares during the Offer Period (as hereinafter defined), as permitted by applicable laws or regulations of the provinces or territories of Canada. See Section 13 of the Offer, "Market Purchases."

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation, other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or the Depositary and Information Agent.

In order to avoid backup withholding (currently 24%) U.S. Shareholders are generally required to complete, sign and return the Substitute Form W-9 provided with the Letter of Transmittal. If U.S. Shareholders fail to provide the Depositary and Information Agent with the information solicited on a Substitute Form W-9, or fail to certify that they are not subject to U.S. backup withholding, the Depositary and Information Agent may be required to withhold U.S. income tax from the payments of cash made to U.S. Shareholders. U.S. Shareholders are solely responsible for determining the tax consequences applicable to their particular circumstances and are urged to consult their tax advisors concerning the Offer. See Instruction 9 of the Letter of Transmittal for further information concerning backup withholding.

## FORWARD LOOKING STATEMENTS

Certain statements contained in the Offer are "forward-looking statements" and are prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Often but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "intends", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in the Offer are based on the Offeror's beliefs and opinions at the time the statements are made, and there should be no expectation that these forward-looking statements will be updated or supplemented as a result of new information, changing circumstances, future events or results or otherwise, and the Offeror disavows and disclaims any obligation to do so.

## CURRENCY

All dollar amounts set forth herein are expressed in Canadian dollars, except where otherwise indicated. On March 9, 2021, the rate of exchange as reported by the Bank of Canada was Canadian \$1.00 = United States \$0.7915. Although the Offer price per share of \$37.25 will not vary, subject to the terms herein, the U.S. dollar equivalent thereof will vary with the Canadian to U.S. dollar exchange rate.

The payments to shareholders under the Offer will be in Canadian dollars. However, a Shareholder can also elect to receive payment in United States dollars by checking the appropriate box in the Letter of Transmittal or Notice of Guaranteed Delivery, in which case such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in United States dollars will be based on the exchange rate available to the Offeror at its typical banking institution on the date the funds are converted. **Shareholders electing to have the payment for their Shares paid in United States dollars will have further acknowledged and agreed that any change in the Canadian dollar/United States dollar exchange rate will be at the sole risk of the Shareholder.**

See Section 7, "Take Up and Payment For Deposited Shares."

### **INFORMATION CONCERNING PAN AMERICAN SILVER CORP.**

The information concerning Pan American contained in the Offer has been taken from or is based upon publicly available documents and records on file with Securities Regulatory Authorities, and other public sources available at the time of the Offer and has not been independently verified by the Offeror. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to Pan American taken from or based upon such documents, records and sources are untrue or incomplete, neither the Offeror nor any of its officers or directors assume any responsibility for the accuracy or completeness of the information relating to Pan American taken from or based upon such documents, records and sources, for any failure by Pan American to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Offeror. The Offeror has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from Pan American's publicly available information, documents or records or whether there has been any failure by Pan American to disclose events that may have occurred or may affect the significance or accuracy of any information. Unless otherwise indicated, information concerning Pan American is given as of March 9, 2021.

As of the date of this Offer, the Offeror has not had access to the non-public books and records of the Company and the Offeror is not in a position to independently assess or verify certain of the information in the Company's publicly filed documents, including its financial statements. The Company has not reviewed the Offer and has not confirmed the accuracy and completeness of the information in respect of the Company contained herein. As a result, all historical information regarding the Company included herein has been derived, by necessity, from the Company's public reports and securities filings as of March 9, 2021. While the Offeror has no reason to believe that such publicly filed information is inaccurate or incomplete, the Offeror does not assume any responsibility for the accuracy or completeness of any such information. None of the Company's public reports or securities filings are or have been incorporated by reference into this Offer.

### **MISCELLANEOUS**

No person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, that information or representation must not be relied upon as having been authorized by the Offeror.

The information contained in this document speaks only as of the date of this document. The Offeror does not undertake to update any such information except as required by applicable Law.

Shareholders should not construe the contents of this Offer as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection therewith.

Certain figures herein may not add due to rounding.

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## QUESTIONS AND ANSWERS ABOUT THE OFFER

*The questions and answers below are not meant to be a substitute for the more detailed description and information contained in this Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery. You are urged to read each of these documents carefully prior to making any decision regarding whether or not to tender your Shares. For ease of reference, cross-references are provided in this section to other sections of this Offer where you will find more complete descriptions of the topics mentioned below. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Glossary.*

*Unless otherwise indicated, the information concerning Pan American contained herein has been taken from or based upon publicly available documents and records on file with the Securities Regulatory Authorities and other public sources. Although the Offeror has no knowledge that would indicate any statements contained herein and taken from or based on such information are untrue or incomplete, none of the Offeror or any of its officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Pan American to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror.*

### **Who is offering to purchase my Shares?**

We are TRC Capital Investment Corporation, a corporation under the laws of the Province of Ontario, Canada. We are a private investment company whose principal business is identifying, researching, analyzing and investing in publicly traded securities. We are offering to purchase, on the terms and subject to the conditions of the Offer, up to 2,500,000 issued and outstanding Shares. See Section 17 of the Offer, “Information Concerning The Offeror”.

### **What would I receive in exchange for my Shares?**

Upon acceptance of the Offer, each Shareholder whose Shares are taken up and paid for by the Offeror will be entitled to receive, in respect of all of his, her or its Shares, \$37.25 per Share (referred to herein as the “**Offer Price**”).

### **What does the Company Board think of the Offer?**

We have not asked the board of directors of the Company to approve the tender offer or provide a recommendation with respect to the tender offer. Under applicable law, no approval or recommendation by the Company’s board is necessary for us to commence or complete this tender offer. The approval of the Company’s board of directors is not required for shareholders to tender their Shares or for the Offeror to consummate the Offer.

### **What discount does the Offer Price represent?**

The closing price of the Shares on March 9, 2021 was \$38.94 on the TSX and US\$30.82 on the NASDAQ. The Offer Price represents a discount of approximately 10.31% and a discount of 10.58%, respectively, to the volume weighted average trading price of the Shares on the TSX and the NASDAQ, respectively, for the 30 trading days preceding the date of the Offer. **The offer price represents a discount of approximately 4.34% and 4.34%, respectively, to the closing prices of the Shares on the TSX and the NASDAQ (based on the Bank of Canada exchange rate on March 9, 2021 of Canadian \$1.00 = United States \$0.7915) on March 9, 2021.** If the market price of the Shares at the Expiry Time is equal to or more than \$37.25, shareholders may receive more cash by selling their Shares on the TSX than by tendering into the Offer. However, we can give no assurance as to the price at which a Company shareholder may be able to sell his, her or its Shares in the future.

We encourage you to obtain a recent quotation for the Shares when deciding whether to tender your Shares. See Section 18 of the Offer, “Information Concerning Pan American – Price Range and Trading Volume of Shares.”

### **How long do I have to decide whether to accept the Offer?**

There is limited time to accept the offer. **The Offer is open for acceptance until 12:01 a.m. (Toronto time) on April 9, 2021 (the “Expiry Time”), unless the Offer is extended or withdrawn.** See Section 4 of the Offer, “Extension and Variation of the Offer.”

### **Can the Offer be otherwise extended and, if so, under what circumstances?**

Yes. The Offeror may elect, in its sole discretion, to extend the Offer from time to time. Under certain circumstances, the Offeror may be required to extend the Offer under applicable Laws. If the Offeror elects or is required to extend the Offer, the Offeror will notify the Depositary and Information Agent and publicly announce such extension. See Section 5 of the Offer, “Extension and Variation of the Offer”.

### **How do I tender my Shares to the Offer?**

If you are a registered Shareholder you may accept the Offer by delivering to the Depositary and Information Agent a properly completed and executed Letter of Transmittal, in the form accompanying the Offer (printed on YELLOW paper), or a manually signed facsimile thereof, and depositing it along with, if applicable, the certificate(s) or a DRS Advice representing your Shares and any other required documents, at or prior to 12:01 a.m. (Toronto time) on April 9, 2021, unless the Offer is extended or withdrawn by the Offeror, in accordance with the instructions in the Letter of Transmittal. See Section 3 of the Offer, “Manner of Acceptance – Acceptance by Letter of Transmittal.”

If you are a registered Shareholder and wish to accept the Offer but the certificate(s) or a DRS Advice representing your Shares are not immediately available or you cannot provide the certificate(s) or a DRS Advice or other required documents to the Depositary by the Expiry Time, you may validly deposit your Shares under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually signed facsimile thereof. Brokers, nominees and CDS or DTC participants may also follow LOG options. For the deposit to be valid, however, the Depositary must receive the missing items by 5:00 p.m. (Toronto time) on the second trading day on the TSX after the Expiry Time, either through physical means or LOG guaranteed delivery procedures. See Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

You may also accept the Offer by following the procedures for book-entry transfer detailed in this Offer to Purchase and have your Shares tendered by your intermediary through CDS or DTC, as applicable, provided such procedures are completed prior to the Expiry Time.

**If you are a non-registered Shareholder (meaning your Shares are held on your behalf, or for your account, by a stockbroker, investment dealer, bank, trust company or other intermediary), you should contact such intermediary directly if you wish to accept the Offer. Intermediaries may establish tendering cut-off times that are prior to the Expiry Time. As a result, non-registered Shareholders wishing to tender their Shares should promptly and carefully follow the instructions provided to them by their stockbroker, investment dealer, bank, trust company or other intermediary. See Section 3 of the Offer, “Manner of Acceptance”.**

### **Will I have to pay any fees or commissions?**

You will not have to pay any fee or commission if you tender your Shares to the Offer directly to the Depositary and Information Agent. However, a broker or nominee or other intermediary through which you own Shares may charge a fee to tender Shares on your behalf. You should consult your broker or nominee or other intermediary to determine whether any charges will apply.

### **How will the Offer affect my Options?**

The Offer is made only for Shares and is not made for any Convertible Securities. Holders of Convertible Securities who wish to accept the Offer with respect to the underlying Shares should, to the extent permitted by the terms of the Convertible Securities and applicable Laws, exercise the rights under such Convertible Securities to acquire



Shares and tender the underlying Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that Shares will be available for tender at or prior to the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, "Manner of Acceptance".

**What if I have lost my Share certificate(s) but wish to tender my Shares to the Offer?**

You should complete your Letter of Transmittal as fully as possible and state in writing the circumstances surrounding the loss and forward the documents to the Depository and Information Agent, CNRA Financial Services Inc. The Depository and Information Agent will advise you of replacement requirements which must be completed and returned before the Expiry Time. See Section 3 of the Offer, "Manner of Acceptance."

**Will I be able to withdraw previously tendered Shares?**

Any Shares tendered in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the Shares have been taken up and paid for by the Offeror. To be effective, a withdrawal must be completed in accordance with the procedures outlined in Section 6 of the Offer, "Right to Withdraw Deposited Shares." Once tendered Shares have been taken up and paid for by the Offeror, such Shares may no longer be withdrawn by or on behalf of the depositing Shareholder.

Withdrawals completed in accordance with the procedures of Section 9 of the Offer will take effect only upon actual receipt by the Depository and Information Agent of the properly completed and executed written or facsimile notice of withdrawal.

**If I accept the Offer, when will I receive the Offer Price?**

If all of the conditions of the Offer are satisfied or waived by the Offeror, the Offeror will take up Shares tendered to the Offer (and not withdrawn) within ten calendar days after the Expiry Time and will pay for the Shares taken up as soon as possible, but in any event not later than three Business Days after taking up the Shares. Any Shares tendered to the Offer after the first date on which Shares have been taken up by the Offeror will be taken up and paid for not later than ten calendar days after such tender. See Section 7 of the Offer, "Take Up and Payment for Deposited Shares."

**If I decide not to tender, how will my Shares be affected?**

Shareholders who choose not to tender will own the same percentage ownership of the Company's outstanding Shares following the consummation of the Offer. Shareholders who do not tender their Shares pursuant to the Offer will continue to be owners of Pan American. As a result, such shareholders will continue to participate in the future performance of Pan American and to bear the attendant risks associated with owning Shares. Shareholders that do not tender their Shares pursuant to the Offer may be able to sell their Shares in the future on the TSX or otherwise at a net price higher or lower than the Offer Price. We can give no assurance, however, as to the price at which a Shareholder may be able to sell his, her or its Shares in the future.

**What are some of the significant conditions to the Offer?**

The offer is subject to a number of conditions including, among other things, the following:

- no action, suit or proceeding having been threatened or taken, and no law having been proposed, enacted, promulgated or applied, to cease trade or impose material limitations or conditions on the purchase by or sale to the Offeror of the Shares;
- Pan American shall not have taken certain action that might make it inadvisable for the Offeror to proceed with the Offer and/or to take up and pay for Shares deposited under the Offer;

- the Offeror shall have determined, in its sole discretion, that there shall not exist and there shall not have occurred or been publicly disclosed since the date of this Offer any change, circumstance, event or effect (or condition, circumstance, event or development involving a prospective change or effect) in respect of Pan American or any of its Subsidiaries which, when considered either individually or in the aggregate, might have a material adverse effect on Pan American; and
- the Offeror not having become aware of any misrepresentation in any document filed by or on behalf of Pan American with any securities commission or similar securities regulatory authority which the Offeror shall have determined in its sole discretion constitutes a material adverse effect on Pan American.

The Offeror reserves the right to withdraw the Offer and not take up and pay for any Shares deposited under the Offer unless the conditions described in Section 5 of the Offer, “Conditions of the Offer,” are satisfied or waived by the Offeror prior to the Expiry Time. The conditions of the Offer are for the exclusive benefit of the Offeror and may be waived by it, in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time without prejudice to any of the rights that the Offeror may have. For a complete description of the conditions of the Offer see Section 5 of the Offer, “Conditions of the Offer.”

The Offer is also conditional upon the Offeror obtaining financing in an amount necessary to consummate the transactions contemplated by the Offer on terms satisfactory to the Offeror in its reasonable discretion. See Section 11 of the Offer, “Financing of the Offer.”

**Does the Offeror own any Shares?**

No, the Offeror does not currently own any Shares.

**What will happen if the conditions to the Offer are not satisfied?**

If the conditions to the Offer are not satisfied or waived by the Offeror, the Offeror will not be obligated to take up, accept for payment, or pay for any Shares tendered to the Offer. Subject to applicable Law, the Offeror reserves the right to withdraw or extend the Offer and to not take up and pay for any Shares deposited under the Offer unless each of the conditions of the Offer is satisfied or waived by the Offeror at or prior to the Expiry Time.

**Do I have dissenters’ or appraisal rights in connection with the Offer?**

No. Shareholders will not have dissenters’ or appraisal rights in connection with the Offer.

**What are the Canadian federal income tax consequences of accepting the Offer?**

Generally, a Shareholder resident in Canada who holds Shares as capital property and who sells such Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Shares.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax in Canada in respect of any capital gain realized on the sale of Shares to the Offeror under the Offer, unless those shares constitute “taxable Canadian property” to such Shareholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

The foregoing is a brief summary of Canadian federal income tax consequences only and is qualified by the description of Canadian federal income tax considerations in Section 23 of the Circular, “Certain Canadian Federal Income Tax Considerations.” **Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Shares pursuant to the Offer.**

### **What are the U.S. federal income tax consequences of accepting the Offer?**

Subject to the application of the PFIC rules, a Shareholder who is a citizen or resident of the United States for tax purposes, who holds Shares as capital assets and who disposes of Shares to the Offeror under the Offer, will generally recognize a gain or loss in an amount equal to the difference, if any, between (i) the U.S. dollar value of any cash received and (ii) the adjusted tax basis of the Shareholder in the Shares disposed of to the Offeror. In addition, application of the PFIC rules could result in additional tax liability with respect to all gain realized for a Shareholder who is a citizen or resident of the United States for tax purposes.

The foregoing is a brief summary of U.S. federal income tax consequences only and is qualified by the description of U.S. federal income tax considerations in Section 24 of the Offer, “Certain United States Federal Income Tax Considerations.” Tax matters are very complicated, and the tax consequences of the Offer to a particular Shareholder will depend in part on such Shareholder’s circumstances. **Accordingly, Shareholders are urged to consult their own U.S. tax advisors for a full understanding of the tax consequences of the Offer to them, including the applicability of U.S. federal, state, local and non-U.S. income and other tax Laws.**

### **Who can I call with questions about the Offer or for more information?**

Questions and requests for assistance concerning the Offer may be directed to the Depositary and Information Agent (CNRA Financial Services Inc.) at 1-416-861-9446.

## SUMMARY

*The following is a summary only and is qualified by the detailed provisions contained elsewhere in the Offer. Shareholders should read the Offer in its entirety. Certain capitalized and other terms used in this Summary where not otherwise defined herein, have the meaning set out in the accompanying Glossary unless the context otherwise requires. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.*

*Unless otherwise indicated, the information concerning the Company contained herein has been taken from or is based upon publicly available documents or records on file with Securities Regulatory Authorities and other public sources. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to the Company taken from or based upon such documents and records are untrue or incomplete, neither the Offeror, nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to the Company taken from or based upon such documents, records and sources, or for any failure by the Company to disclose events that may have occurred or may affect the significance or accuracy of any such information but that are unknown to the Offeror.*

### **The Offer**

The Offeror is offering, upon the terms and subject to the conditions of the Offer, to purchase up to 2,500,000 Shares at a price of \$37.25 per Share. **The Offer is not conditional upon any minimum number of Shares being deposited.**

The Offer is open for acceptance until, but not later than, the Expiry Time unless withdrawn or extended by the Offeror.

**The Offer is made only for Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer should exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Shares and deposit such share certificates in accordance with the Offer.**

The obligation of the Offeror to take-up and pay for Shares pursuant to the Offer is subject to certain conditions. See Section 5, "Conditions of the Offer."

**The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror or its respective agents may, in their sole discretion, take such action as they may deem necessary to extend the Offer to Shareholders in any such jurisdiction.**

Based solely on information contained in Pan American's management's discussion and analysis for the year ended December 31, 2020, as at February 17, 2021, there were 210,261,535 Shares outstanding. As of the date hereof, neither the Offeror nor any of its affiliates beneficially own, directly or indirectly, any Shares.

If more than 2,500,000 Shares are deposited at the Expiry Time, the Shares to be purchased under the Offer will be taken up and paid for on a *pro rata* basis, disregarding fractions, according to the number of Shares deposited by each Shareholder.

### **The Offeror**

The Offeror is TRC Capital Investment Corporation, a corporation under the laws of the Province of Ontario, Canada. We are a private investment company whose principal business is identifying, researching, analyzing and investing in publicly traded securities. The Offeror exists under the OBCA and its registered and head office is located at 801 Eglinton Avenue West, Suite 400, Toronto, Ontario M5N 1E3.

## **Pan American Silver Corp.**

Pan American is principally engaged in the operation and development of, and exploration for, silver and gold producing properties and assets. The Company's principal products are silver and gold. Pan American also produces and sells zinc, lead, and copper.

Pan American's head office and registered office are located at 1440 – 625 Howe Street, Vancouver, British Columbia V6C 2T6 and its telephone number at that location is (604) 684-1175. Additional information regarding Pan American is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company maintains a website at [www.panamericansilver.com](http://www.panamericansilver.com). See Section 18 of the Offer, "Information Concerning Pan American."

### **Reasons to Accept the Offer**

The Offeror believes that Shareholders will enjoy the following significant benefits from the Offer:

- ***Monetize Investment.*** The Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in Pan American, should they desire liquidity, in quantities which might not otherwise be available in the market without incurring brokerage fees or commissions (subject to any fees or commissions that non-registered Shareholders may be charged by the nominee holding their Shares on their behalf) which might otherwise be payable on a sale of their Shares on the TSX or the NASDAQ.
- ***Realize Immediate Value.*** The all-cash consideration provides Shareholders with the opportunity to realize an immediate and certain value for their Shares **while removing financing, market, regulatory, and execution risks to Shareholders.**
- ***No Commission Charge.*** Shareholders can dispose of their Shares without paying a commission if they are registered Shareholders and deposit Shares directly with the Depositary and Information Agent.

### **Stock Exchange Listing and Market Prices of Shares**

The Shares are listed on the Toronto Stock Exchange (the "TSX") and the Nasdaq Global Select Market (the "NASDAQ") under the symbol "PAAS". The Offer Price represents a discount of approximately 10.31% and a discount of 10.58%, respectively, to the volume weighted average trading price of the Shares on the TSX and the NASDAQ, respectively, for the 30 trading days preceding the date of the Offer. The closing price of the Shares on March 9, 2021 was \$38.94 on the TSX and US\$30.82 on the NASDAQ. The offer price represents a discount of approximately 4.34% and 4.34% respectively, to the closing prices of the Shares on the TSX and the NYSE (based on the Bank of Canada exchange rate on March 9, 2021 of Canadian \$1.00 = United States \$0.7915) on March 9, 2021.

### **Conditions of the Offer**

The Offeror reserves the right to withdraw the Offer and not take up and pay for any Shares deposited under the Offer unless the conditions described in Section 5 of the Offer, "Conditions of the Offer," are satisfied or waived by the Offeror prior to the Expiry Time. The conditions of the Offer are for the exclusive benefit of the Offeror and may be waived by it, in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time without prejudice to any of the rights that the Offeror may have. For a complete description of the conditions of the Offer see Section 5 of the Offer, "Conditions of the Offer."

The Offer is also conditional upon the Offeror obtaining financing in an amount necessary to consummate the transactions contemplated by the Offer on terms satisfactory to the Offeror in its reasonable discretion. See Section 11 of the Offer, "Financing of the Offer."

### **Time for Acceptance**

The Offer is open for acceptance until, but not later than, the Expiry Time, or such later time or times and date or dates to which the Offer may be extended from time to time, by the Offeror in accordance with Section 4 of the Offer, "Extension and Variation of the Offer," unless withdrawn by the Offeror.

### **Manner of Acceptance**

A Shareholder wishing to accept the Offer must deposit Share certificates, together with a properly completed Letter of Transmittal (printed on YELLOW paper), or a signed facsimile thereof, at the office of the Depositary and Information Agent specified in the Letter of Transmittal at or prior to the Expiry Time. Instructions are contained in the Letter of Transmittal which accompanies the Offer. If a Shareholder wishes to deposit Shares pursuant to the Offer and the certificates representing the Shares are not immediately available, or such person cannot deliver the certificates and all other required documents to the Depositary at or prior to the Expiry Time, such Shares may nevertheless be deposited in compliance with the procedures for guaranteed delivery. See Section 3 of the Offer, "Manner of Acceptance."

If a Shareholder wishes to deposit Shares pursuant to the Offer and the certificate(s) or DRS Advice representing such Shareholder's Shares is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depositary at or prior to the Expiry Time, such Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on PINK paper). See Section 3 of the Offer, "Manner of Acceptance – Procedure for Guaranteed Delivery".

If the Letter of Transmittal is executed by a person other than the registered holder(s) of the Shares deposited therewith, and in certain other circumstances as set forth in the Letter of Transmittal, then the certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder(s), with the signature(s) on the endorsement panel or securities transfer power of attorney guaranteed by an Eligible Institution.

The deposit of Shares pursuant to the procedures set forth in this Offer will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer.

**Persons whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

Shareholders will not be required to pay any fee or commission if they accept the Offer by transmitting their Shares directly to the Depositary.

### **Withdrawal of Deposited Shares**

Any Shares deposited in acceptance of the Offer may be withdrawn at any time before 12:01 a.m. (Toronto time) on April 9, 2021, and except as provided in Section 6 of the Offer, "Right to Withdraw Deposited Shares," or as otherwise required by applicable law, all deposits of Shares are irrevocable.

In order for any withdrawal to be made, notice of the withdrawal must be made in writing (which includes a telegraphic communication or notice by electronic means that produces a printed copy), and must be actually received by the Depositary and Information Agent at the place of deposit of the applicable Shares (or Notice of Guaranteed Delivery in respect thereof) or by facsimile transmission to the office of the Depositary and Information Agent, Toronto, Ontario within the period permitted for withdrawal. Any such notice of withdrawal must (i) be signed by or on behalf of the person who signed the Letter of Transmittal that accompanied the Shares (or Notice of

Guaranteed Delivery in respect thereof) to be withdrawn, and (ii) specify the number of Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Shares to be withdrawn.

### **Payment**

Upon the terms and conditions of the Offer, the Offeror will accept for payment, and will take up Shares and pay for Shares validly deposited and not withdrawn as permitted by Section 6, “Right to Withdraw Deposited Shares,” as soon as practicable and, in any event, no later than the earlier of (a) ten calendar days after the Expiry Time and (b) three Business Days after taking-up such Shares. Any Shares taken up will be paid for as soon as possible, but in any event not later than three Business Days after they are taken up. If more than 2,500,000 Shares are deposited at the Expiry Time, the Shares to be purchased under the Offer will be taken up and paid for on a *pro rata* basis, disregarding fractions, according to the number of Shares deposited by each Shareholder. See Section 7 of the Offer, “Take Up and Payment for Deposited Shares.”

### **Canadian Federal Income Tax Considerations**

A Shareholder who is resident in Canada, who holds Shares as capital property and who sells such shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Shares.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax in Canada in respect of any capital gain realized on the sale of Shares to the Offeror under the Offer, unless those shares constitute “taxable Canadian property” to such Shareholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

The foregoing is a very brief summary of certain Canadian federal income tax consequences. See Section 23 of the Circular, “Certain Canadian Federal Income Tax Considerations” for a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Shares pursuant to the Offer. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.

### **United States Federal Income Tax Considerations**

Generally, a U.S. Shareholder who owns Shares as capital assets and who disposes of such Shares pursuant to the Offer will realize a taxable gain or loss for U.S. federal income tax purposes. The U.S. federal income tax treatment of such gain or loss to a U.S. Shareholder will depend, in part, upon whether Pan American is or was a PFIC for any taxable year in which such U.S. Shareholder has held Shares and whether such U.S. Shareholder has made any election under the PFIC rules.

**The foregoing is a brief summary of certain United States federal income tax consequences of the Offer and is qualified in its entirety by Section 24 of the Circular, “Certain United States Federal Income Tax Considerations”, which provides a summary of certain material United States federal income tax considerations generally applicable to U.S. Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Shares pursuant to the Offer. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.**

### **Regulatory Matters**

Based upon an examination of the information available to the Offeror, the Offeror believes that the Offer is not subject to pre-merger notification under Part IX of the *Competition Act* (Canada).

See Section 15 of the Offer, "Regulatory Matters."

### **Depositary and Information Agent**

The Offeror has engaged CNRA Financial Services Inc. to act as the Depositary and Information Agent to receive deposits of certificates representing Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal and to provide information to Shareholders in connection with the Offer. In addition, the Depositary and Information Agent will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required, and for making payment for all Shares purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Shares. See Section 3 of the Offer, "Manner of Acceptance," and Section 29 of the Circular, "Depositary and Information Agent."

The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses. Questions and requests for assistance may be directed to the Depositary and Information Agent at 1-416-861-9446.

### **Soliciting Dealers**

The Offeror will pay to each soliciting dealer whose name appears in the Letter of Transmittal a fee of \$0.35 for each Share deposited and taken up by the Offeror under the Offer. The aggregate amount payable with respect to any single depositing holder of Shares will be not more than \$2,450. See Section 31 of the Offer to Purchase, "Soliciting Dealers."



## GLOSSARY

*This Glossary forms a part of the Offer. In the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:*

“**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario), as amended, except as otherwise provided;

“**ATOP**” means the Automated Tender Offer Program system operated by DTC;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as amended from time to time;

“**Board of Directors**” means the board of directors of Pan American appointed or elected from time to time;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Shareholder’s Shares into the Depository’s account at CDS or DTC, as applicable;

“**Business Day**” means any day, other than a Saturday or Sunday or a statutory or civic holiday observed in Toronto, Ontario and/or any day other than a Saturday, Sunday or federal holiday in the United States, as applicable;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**CNRA**” means CNRA Financial Services Inc.;

“**Convertible Securities**” means Options, warrants and any other securities exercisable for, convertible into or exchangeable for Shares;

“**Commissioner**” means the Commissioner of Competition appointed under the Competition Act;

“**Competition Act**” means the *Competition Act* (Canada), as amended;

“**Covid-19**” means the novel coronavirus (Covid-19) or any evolution thereof;

“**Covid-19 Measures**” means any measures required to comply with any quarantine, “stay at home”, social distancing, travel restrictions or any other similar directives issued by a Governmental Entity or any Law in response to the COVID-19 pandemic;

“**CRA**” means Canada Revenue Agency;

“**Depository and Information Agent**” means CNRA at the office specified on the last page of this Offer and in the Letter of Transmittal, as described in Section 29 of the Offer, “Depository and Information Agent”;

“**DRS Advice**” means a statement evidencing Shares issued under the name of the applicable Shareholder and registered electronically in Pan American’s records;

“**DTC**” means The Depository Trust Company or its nominee, which at the date hereof is Cede & Co.;

“**Effective Time**” has the meaning ascribed thereto in “Manner of Acceptance – Power of Attorney” in Section 3 of the Offer;

**“Eligible Institution”** means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada (IIROC), members of the Financial Industry Regulatory Authority (FINRA) or banks and trust companies in Canada or the United States;

**“Expiry Date”** means April 9, 2021, or such other later date or dates as may be fixed by the Offeror from time to time pursuant to Section 4 of the Offer, “Extension and Variation of the Offer”;

**“Expiry Time”** means 12:01 a.m., (Toronto time), on April 9, 2021, or such other time and date or times and dates as may be fixed by the Offeror from time to time pursuant to Section 4 of the Offer, “Extension and Variation of the Offer”, unless the Offer is withdrawn by the Offeror;

**“Governmental Entity”** means: (a) any multinational, supranational body or organization (such as the European Union), nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission (including any Securities Regulatory Authorities), instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing; (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; (c) any self-regulatory organization or stock exchange, including, without limitation, the TSX and the NASDAQ; and (d) any corporation or other entity owned, controlled, or directed by, directly or indirectly, through stock or capital ownership or otherwise, by any of such entities or other bodies;

**“Government Official”** means: (i) any person qualifying as a public official or public employee under the Laws of Canada, the United States or the Laws of any other jurisdiction in which Pan American or any of its Subsidiaries carries on business including, but not limited to: (a) a person holding an official position, such as an employee, officer or director, with any Governmental Entity or state-owned or controlled enterprise; (b) any individual “acting in an official capacity”, such as a delegation of authority, from a Governmental Entity to carry out official responsibilities; and (c) an official of a public international organization such as the United Nations, the World Bank, the International Monetary Fund, or regional development banks, such as the Asian Development Bank and the African Development Bank; and (ii) any other person who would constitute a “foreign public official” under the *Corruption of Foreign Public Officials Act* (Canada); a “foreign official” under the U.S. *Foreign Corrupt Practices Act* or any individual who would constitute a “foreign official” under the provisions of similar Laws in any other jurisdiction prohibiting corruption, bribery or money laundering, including without limitation, under the U.K. *Bribery Act* 2010;

**“Law”** or **“Law(s)”** means all applicable laws, statutes, by-laws, rules, regulations, orders, codes, policies, notices and directions and judicial, arbitral, administrative, ministerial or departmental judgments, awards, or other requirements of any Governmental Entity, court or other authority having jurisdiction over the applicable party;

**“Letter of Transmittal”** means the Letter of Transmittal in the form accompanying the Offer (printed on YELLOW paper) or an originally signed facsimile thereof;

**“LOG”** has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”;

**“LOG option”** has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”;

**“material”** means a fact, asset, liability, transaction or circumstance concerning the business, assets, liabilities, operations or financial condition of Pan American and its Subsidiaries, taken as a whole, that would reasonably be considered important to a reasonable investor in making an investment decision with respect to Pan American, or that would prevent or materially delay the completion of the Offer;

“**misrepresentation**” shall have the meaning ascribed thereto under the *Securities Act* (Ontario);

“**NASDAQ**” means the Nasdaq Global Select Market;

“**Non-Resident Holder**” has the meaning ascribed thereto in Section 23 of the Offer, “Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada”;

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery in the form accompanying the Offer (printed on PINK paper), or an originally signed facsimile thereof;

“**OBCA**” means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as amended from time to time;

“**Offer**” means the offer to purchase up to 2,500,000 issued and outstanding Shares made hereby to the Shareholders pursuant to the terms set out herein;

“**Offeror**” means TRC Capital Investment Corporation, a corporation governed by the OBCA;

“**Offer Period**” means the period commencing on the date hereof and ending at the Expiry Time;

“**Offer Price**” means the consideration offered per Share under the Offer, which shall be an amount equal to \$37.25 cash;

“**Options**” means the options to acquire Shares issued pursuant to Pan American’s stock-based compensation plans, as amended from time to time, or any other plan, agreement or arrangement which provides for the issuance of options to acquire Shares;

“**ordinary course**” means, with respect to an action taken by the Company or any of its Subsidiaries, that such action is taken in the ordinary course of the normal operations of the Company or such Subsidiary;

“**Person**” means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, government or any other entity, whether or not having legal status;

“**Person of Concern**” means: (a) a Government Official; (b) a political party, an official of a political party (including any member of an advisory council or executive council of a political party), or a candidate for political office; (c) an immediate family member, such as a parent, spouse, sibling, or child of a person in category (a) or (b) above; or (d) an agent or intermediary of any person in the foregoing categories;

“**PFIC**” has the meaning ascribed thereto in Section 24 of the Offer, “Certain United States Federal Income Tax Considerations”;

“**Regulations**” has the meaning ascribed thereto in Section 23 of the Offer, “Certain Canadian Federal Income Tax Considerations”;

“**Securities Regulatory Authorities**” means all applicable securities regulatory authorities, including the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada and the United States;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, a filing system developed for the Securities Regulatory Authorities and accessible at [www.sedar.com](http://www.sedar.com);

“**Set Off Distributions**” means any cash dividends, distributions and payments in respect of which Shareholders agree, by accepting the Offer, to make a payment, which payment the Offeror is entitled to set off against the

purchase price for the Deposited Shares pursuant to Section 3 of the Offer, “Manner of Acceptance—Dividends and Distributions”;

“**Shareholders**” means the holders of Shares and “**Shareholder**” means any one of them;

“**Shares**” means the issued and outstanding common shares in the capital of Pan American, including common shares that may become issued and outstanding after the date of the Offer upon the conversion, exchange or exercise of Options or other securities of Pan American that are convertible into or exchangeable or exercisable for common shares in the capital of Pan American;

“**Subsidiary**” or “**Subsidiaries**” means, in respect of a Person, a Person that is controlled directly or indirectly by that Person, and includes a subsidiary of a Subsidiary. For the purposes of the Summary and Offer to Purchase, a Person (the first Person) is deemed to control another Person (the second Person):

- (a) if the first Person or company, directly or indirectly, beneficially owns or exercises control or direction over securities of the second Person or company carrying votes which, if exercised, would entitle the first Person or company to elect a majority of the directors of the second Person or company, unless the first Person or company holds the voting securities only to secure an obligation;
- (b) if the second Person or company is a partnership, other than a limited partnership, and the first Person or company holds more than 50% of the interests of the partnership; or
- (c) if the second Person or company is a limited partnership and the general partner of the limited partnership is the first Person or company;

“**take up**”, in reference to Shares, means to take up Shares for payment by giving oral or written notice of such acceptance to the Depository and Information Agent, and “**take up**”, “**taking up**” and “**taken up**” shall have corresponding meanings;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended;

“**Tax Proposals**” has the meaning ascribed thereto in Section 23 of the Offer, “Certain Canadian Federal Income Tax Considerations”;

“**trading day**” means any day on which trading occurs on the TSX;

“**TSX**” means the Toronto Stock Exchange;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Shareholder**” has the meaning ascribed thereto in Section 24 of the Offer, “Certain United States Federal Income Tax Considerations”; and

“**U.S. Treaty**” means the Convention between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended.

# OFFER TO PURCHASE

March 10, 2021

*The Letter of Transmittal and Notice of Guaranteed Delivery are incorporated into and form part of the Offer and contain important information that should be read carefully before making a decision with respect to the Offer. Capitalized terms used in the Offer but not otherwise defined herein are defined in the section titled “Glossary.” All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.*

**TO: THE HOLDERS OF COMMON SHARES OF PAN AMERICAN SILVER CORP.**

## **1. The Offer**

TRC Capital Investment Corporation (the “Offeror”) offers to purchase, on and subject to the terms and conditions hereinafter specified up to 2,500,000 of the issued and outstanding common shares (“Shares”) of Pan American Silver Corp. at \$37.25 per Share. **The Offer is not conditional on any minimum number of Shares being deposited. The Offer is subject to certain conditions, described in Section 5 of the Offer, “Conditions of the Offer”, including provisions relating to proration, described in Section 7 of the Offer, “Take Up and Payment for Deposited Shares,” any or all of which may be waived by the Offeror in its sole discretion. In the event that the number of Shares tendered in acceptance of the Offer is greater than 2,500,000, the Offeror shall take up and pay for, on a *pro rata* basis, only 2,500,000 Shares, disregarding fractions.** The Offeror’s determination as to proration shall be final and binding on all parties.

The Offer is made only for Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must to the extent permitted by the terms of the Convertible Securities and subject to applicable Laws, exercise, convert or exchange the Convertible Securities sufficiently in advance of the Expiry Time in order to obtain certificate(s) representing Shares and deposit those Shares pursuant to the Offer. Any such exercise, conversion or exchange must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificate(s) or a DRS Advice representing the Shares received on such exercise, conversion, or exchange available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery.”

If any holder of Convertible Securities does not exercise such Convertible Securities at or prior to the Expiry Time, such Convertible Securities will remain outstanding in accordance with their terms and conditions, including with respect to term, expiry, vesting and exercise prices.

The Shares are listed on the TSX and the NASDAQ under the symbol “PAAS”. The Offer Price represents a discount of approximately 10.31% and a discount of 10.58%, respectively, to the volume weighted average trading price of the Shares on the TSX and the NASDAQ, respectively, for the 30 trading days preceding the date of the Offer. The closing price of the Shares on March 9, 2021 was \$38.94 on the TSX and US\$30.82 on the NASDAQ. **The offer price represents a discount of approximately 4.34% and 4.34%, respectively, to the closing prices of the Shares on the TSX and the NYSE (based on the Bank of Canada exchange rate on March 9, 2021 of Canadian \$1.00 = United States \$0.7915) on March 9, 2021.**

The Offer is denominated in Canadian dollars. Unless otherwise indicated on the Letter of Transmittal or Notice of Guaranteed Delivery, all payments for Shares tendered under the Offer will be made in Canadian dollars. Shareholders may elect to receive payment in United States dollars by indicating this on a validly executed Letter of Transmittal or Notice of Guaranteed Delivery. Payments in United States funds will be made at the exchange rate negotiated between the Offeror and its bank or other financial institution on the date on which funds are provided to the Depository to pay for Shares at the time they are to be taken up under the Offer. That rate will generally be somewhat lower than the rate posted by the Bank of Canada, reflecting currency exchange fees or commissions charged by such bank or other financial institution to the Offeror to effect such exchange. Shareholders electing to

receive payment in United States dollars acknowledge and agree that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Shareholder.

Based solely on information contained in Pan American's management's discussion and analysis for the year ended December 31, 2020, as at February 17, 2021, there were 210,261,535 Shares outstanding. As of the date hereof, the Offeror and its affiliates beneficially own no Shares.

Depositing Shareholders will not be obligated to pay brokerage fees or commissions if they accept the Offer by depositing their Shares directly with the Depositary and Information Agent. See Section 29 of the Offer, "Depositary and Information Agent" and Section 31 of the Offer, "Soliciting Dealers."

All currency amounts expressed in this Offer to Purchase are expressed in Canadian dollars unless otherwise indicated.

The obligation of the Offeror to take-up and pay for Shares pursuant to the Offer is subject to certain conditions. See "Conditions of the Offer" in Section 5 of the Offer.

Shareholders who deposit their Shares will not be entitled to any right of dissent or appraisal in connection with the Offer.

Shareholders should contact the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing Shares with the Depositary and Information Agent. The Information Agent and Depositary can be contacted at 1-416-861-9446.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

**Persons whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

## **2. Time for Acceptance**

The Offer is open for acceptance until 12:01 a.m. (Toronto time) on April 9, 2021, or until such later time or times and date or dates to which the Offer may be extended from time to time by the Offeror, in accordance with Section 4 of the Offer, "Extension and Variation of the Offer," unless withdrawn by the Offeror.

## **3. Manner of Acceptance**

### ***Acceptance by Letter of Transmittal***

The Offer may be accepted by delivering the following documents to the Depositary and Information Agent at the office listed in the Letter of Transmittal accompanying the Offer so as to arrive there not later than the Expiry Time:

- (a) the certificate(s) or a DRS Advice representing the Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer, or a manually signed facsimile thereof, duly completed and executed as required by the instructions set forth in such Letter; and
- (c) any other relevant documents required by the instructions set forth in the Letter of Transmittal.

Participants in CDS or DTC should contact the depository with respect to the deposit of their Shares under the Offer. The Offeror understands that CDS and DTC will be issuing instructions to their participants as to the method of depositing such Shares under the terms of the Offer.

Except as otherwise provided in the instructions and rules set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution

If a Letter of Transmittal in respect of deposited Shares is executed by a person other than the registered holder of the Shares represented by the certificates deposited therewith, or if certificates representing unpurchased Shares are to be issued to a person other than the registered holder, then the certificates must be endorsed, or accompanied by appropriate share transfer powers duly and properly completed by the registered holder, with the signature on the endorsement or share transfer power guaranteed by an Eligible Institution.

### ***Signature Guarantee***

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depository and Information Agent (except that no guarantee is required for the signature of a depositing Shareholder which is an Eligible Institution) if it is signed by a person other than the registered owner(s) of the Shares being deposited, or if the Shares not purchased are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of Pan American, or if payment is to be issued in the name of a person other than the registered owner(s) of the Shares being deposited. If a Letter of Transmittal is executed by a person other than the registered holder of the Shares represented by the certificate(s) or DRS Advice deposited therewith, then the certificate(s) or DRS Advice must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

### ***Book-Entry Transfer***

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depository intends to establish an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Shares into the Depository's account in accordance with CDS procedures for such transfer. Delivery of Shares to the Depository by means of a book-entry transfer will constitute a valid deposit of such Shares under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depository are considered a valid deposit under and in accordance with the terms of the Offer.

Shareholders may also accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message (as described below) in respect thereof or a properly completed and executed Letter of Transmittal (including signature guarantee if required) and all other required documents, are received by the Depository at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depository has established an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC may cause DTC to make a book-entry transfer of a Shareholder's Shares into the Depository's account in accordance with DTC's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at DTC, either an Agent's Message in respect thereof, or a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and executed (including signature guarantee if required), and all other required documents, must, in any case, be received by the Depository, at its office in Toronto, Ontario at or prior to the Expiry Time. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depository. Such documents or Agent's Message should be sent to the Depository.

The term “Agent’s Message” means a message, transmitted by DTC to, and received by, the Depository and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the participant in DTC depositing the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal as if executed by such participant and that the Offeror may enforce such agreement against such participant.

### ***Other Methods of Accepting the Offer***

The Offeror reserves the right to permit the Offer to be accepted, and the payment of the Offer Price pursuant to the Offer to be made, in a manner other than as set forth in this Section 3, or in Section 3 of the Offer to Purchase, “Procedure for Guaranteed Delivery,” and subject to any required extensions and announcements if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with all applicable Laws.

### ***Procedure for Guaranteed Delivery***

If a Shareholder wishes to deposit Shares pursuant to this Offer and:

- (a) the certificate(s) or DRS Advice representing such Shares is (are) not immediately available;
- (b) the Shareholder cannot complete the procedure for book-entry transfer of the Shares on a timely basis;
- or
- (c) such person cannot deliver the certificates or DRS Advice and all other required documents to the Depository and Information Agent prior to the Expiry Time, such Shares may nevertheless be deposited provided that all of the following conditions are met:
  - (i) such deposit is made by or through an Eligible Institution;
  - (ii) a properly completed and duly executed Notice of Guaranteed Delivery in the appropriate form enclosed herewith or a facsimile thereof, is received by the Depository and Information Agent at its office in Toronto prior to the Expiry Time; and
  - (iii) the certificates or DRS Advice representing deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal or facsimile thereof in the appropriate form covering such Shares and any other documents required by such Letter of Transmittal, are received at the office of the Depository and Information Agent in Toronto within two TSX trading days after the date of execution of the Notice of Guaranteed Delivery. Delivery to any office other than the office of the Depository and Information Agent in Toronto does not constitute delivery for the purpose of satisfying a guaranteed delivery.

Shareholders through their respective CDS or DTC participants, who utilize CDS or DTC through a book-entry transfer (see “Book-Entry Transfer” above), may also have the option of tendering the Notice of Guaranteed Delivery through CDSX or ATOP Online Letter of Guarantee (“LOG”) option the (“LOG option”). Participants tendering through LOG options in CDSX or ATOP are deemed to have completed the Notice of Guaranteed Delivery and such instructions are considered valid with the terms of the Offer.

If the securities are not available in the CDS or DTC participant’s account, by the second trading day on the TSX after the Expiry Time or as specified on the LOG option, the CDS or DTC participant may be liable for failure of delivery for the value of the full tender or part thereof.

THE NOTICE OF GUARANTEED DELIVERY MAY BE DELIVERED BY LOG OPTION, HAND OR COURIER OR TRANSMITTED BY FACSIMILE OR MAILED TO THE DEPOSITARY AND INFORMATION AGENT AT ITS OFFICE SPECIFIED IN THE NOTICE OF GUARANTEED DELIVERY AND RECEIVED AT OR PRIOR TO THE EXPIRY TIME AND MUST INCLUDE A GUARANTEE BY AN ELIGIBLE INSTITUTION IN THE FORM SET OUT IN THE NOTICE OF GUARANTEED DELIVERY. DELIVERY OF THE NOTICE OF GUARANTEED DELIVERY AND THE LETTER OF TRANSMITTAL AND ACCOMPANYING CERTIFICATE(S) OR DRS ADVICE REPRESENTING SHARES AND ALL OTHER



REQUIRED DOCUMENTS TO AN ADDRESS OR TRANSMISSION BY FACSIMILE TO A FACSIMILE NUMBER OTHER THAN THOSE SPECIFIED IN THE NOTICE OF GUARANTEED DELIVERY DOES NOT CONSTITUTE DELIVERY FOR PURPOSES OF SATISFYING A GUARANTEED DELIVERY.

### ***Currency of Payment***

The Offer is denominated in Canadian dollars. Unless otherwise indicated on the Letter of Transmittal or Notice of Guaranteed Delivery, all payments for Shares tendered under the Offer will be made in Canadian dollars.

Shareholders may elect to receive payment in United States dollars by indicating this on a validly executed Letter of Transmittal or Notice of Guaranteed Delivery. Payments in United States funds will be made at the exchange rate negotiated between the Offeror and its bank or other financial institution on the date on which funds are provided to the Depositary and Information Agent to pay for Shares at the time they are to be taken up under the Offer. That rate will generally be somewhat lower than the rate posted by the Bank of Canada, reflecting currency exchange fees or commissions charged by such bank or other financial institution to the Offeror to effect such exchange. Shareholders electing to receive payment in United States dollars acknowledge and agree that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Shareholder.

Although the Offer price of \$37.25 per Share is fixed, the amount you would receive in United States dollars with respect to your Shares will vary with the Canadian dollar to U.S. dollar exchange rate obtained by the Offeror, which may be higher or lower than the above rate at the time of exchange. There can be no assurance as to the exchange rate available to the Offeror at the time it is to purchase Shares to be taken up under the Offer. However, it is anticipated that the Offeror should be able to obtain a more favourable rate of exchange than that available to Shareholders who hold a small number of Shares.

If a Shareholder wishes to receive cash payable in United States dollars, Block E captioned "Currency of Payment" in the Letter of Transmittal and, if applicable in the Notice of Guaranteed Delivery, must be completed. Otherwise, cash payable under this Offer will be paid in Canadian dollars.

### ***Dividends and Distributions***

Subject to the terms and conditions of the Offer and subject, in particular, to Shares being validly withdrawn by or on behalf of a depositing Shareholder, by accepting the Offer pursuant to the procedures set out herein and in the Letter of Transmittal, a Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Shares covered by the Letter of Transmittal or Book-Entry Transfer, as applicable, (collectively, the "**Deposited Shares**") and in and to all rights and benefits arising from such Deposited Shares including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**").

### ***Power of Attorney***

The execution and delivery of a Letter of Transmittal (or, in the case of Shares deposited by Book-Entry Transfer by the making of a Book-Entry Transfer) irrevocably constitutes and appoints, effective on and after the time (the "**Effective Time**") that the Offeror takes up and pays for the Deposited Shares, each director or officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of the holder of the Deposited Shares (which Deposited Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the "**Purchased Securities**"), with respect to the Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer or cancellation of Purchased Securities consisting of securities on the appropriate registers maintained by or on behalf of Pan American;

- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to Laws), as and when requested by the Offeror (by whom such Deposited Securities are purchased), any instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof) of holders of relevant securities of Pan American);
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of the Shareholder;
- (d) to exercise any rights of a Shareholder with respect to such Purchased Securities, all as set forth in the Letter of Transmittal; and
- (e) to execute all such further and other documents, transfers or other assurances as may be necessary or desirable in the sole judgment of the Offeror to effectively convey the Purchased Securities and Distributions to the Offeror.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by Book-Entry Transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Securities or any Distributions. The Shareholder accepting the Offer agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted by or on behalf of the depositing Shareholder with respect to the Deposited Securities or any Distributions unless the Deposited Securities are not taken-up and paid for under the Offer or are withdrawn in accordance with Section 6 of the Offer, "Right to Withdraw Deposited Shares."

A Shareholder accepting the Offer also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournment thereof) of holders of relevant securities of Pan American and not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto. The Offer does not constitute a solicitation of proxies by the Offeror or the Depositary and Information Agent for any meeting of Shareholders, which would be made by the Offeror or the Depositary and Information Agent on the Offeror's behalf only pursuant to separate proxy material complying with the requirement of applicable Laws.

The authority conferred in the Letter of Transmittal, coupled with an interest, is not intended to be a continuing power of attorney within the meaning of and governed by the *Substitute Decisions Act* (Ontario), or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of the Letter of Transmittal shall not terminate any such CPOA granted by the person signing the Letter of Transmittal and shall not be terminated by the execution by the person signing the Letter of Transmittal in the future of the CPOA, and the person signing the Letter of Transmittal agrees not to take any action in the future which results in the termination of the authority conferred in the Letter of Transmittal

### **Further Assurances**

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Shares and any Deposited Securities to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred is, to the extent permitted by law,

irrevocable and may be exercised during any subsequent legal incapacity of such holder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such holder.

### ***Depositing Shareholders' Representations and Warranties***

All Shareholders depositing Shares under the Offer must have full capacity, power and authority to sell, assign and transfer the Shares to the Offeror. Shareholders depositing Shares under the Offer must have good title to their Shares, free and clear of all liens, restrictions, charges, encumbrances, claims, equities, hypothecs and rights of third parties of any nature whatsoever. The acceptance of the Offer pursuant to the procedures set forth herein will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representations and warranties that (i) such Shareholder has full capacity and power and sufficient authority to deposit, sell, assign and transfer without restriction the Shares (and distributions consisting of securities) being deposited and has not sold, assigned, or transferred or agreed to sell, assign or transfer any of such Shares (or distributions consisting of securities) to any other person, (ii) such Shareholder depositing Shares, or on whose behalf such Shares are being deposited, has good title to and is the beneficial owner of the Shares (and distributions consisting of securities) being deposited within the meaning of applicable securities laws, (iii) the deposit of such Shares (and distributions consisting of securities) complies with applicable securities laws and (iv) when such Shares are taken up and paid for by the Offeror, the Offeror will acquire good and marketable title thereto free and clear of all liens, restrictions, charges, encumbrances, claims, equities, hypothecs and rights of third parties of any nature whatsoever.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Shares deposited pursuant to this Offer will be determined by the Offeror in its sole discretion, and depositing holders of Shares agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that, in the opinion of counsel, may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defect or irregularity in the deposit of any Shares. There shall be no obligation on the Offeror or the Depositary and Information Agent to give notice of any defects or irregularities in any deposit and no liability shall be incurred by either of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of this Offer (including the Letters of Transmittal) will be final and binding.

### ***Backup Withholding***

Under the "backup withholding" provisions of U.S. federal income tax law, the Depositary and Information Agent may be required to withhold from the amount of any payments made pursuant to this Offer. In order to prevent backup withholding with respect to payments to certain Shareholders of the purchase price for Shares purchased pursuant to the Offer, each Shareholder (other than a corporation) that is a United States person for U.S. federal income tax purposes (a "U.S. Shareholder") must provide the Depositary and Information Agent with such U.S. Shareholder's correct taxpayer identification number ("TIN") and certify that it is not subject to backup withholding by completing the Form W-9 in the Letter of Transmittal. If a U.S. Shareholder does not provide its correct TIN or fails to provide the certification described above, the Internal Revenue Service may impose a penalty on such U.S. Shareholder and payment of cash to such U.S. Shareholder pursuant to this Offer may be subject to backup withholding. Shareholders that are not U.S. Shareholders and certain other Shareholders (including, among others, corporations) are not subject to backup withholding. All U.S. Shareholders depositing Shares pursuant to this Offer should complete and sign the Form W-9 included in the Letter of Transmittal to provide the information necessary to avoid backup withholding. Non-U.S. Shareholders should complete and sign a Form W-8BEN — Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding in order to avoid backup withholding. See Instruction 9 of the Letter of Transmittal. Backup withholding is not an additional tax. The amount of any backup withholding will be refunded (or allowed as a credit against the U.S. federal income tax liability of the U.S. Shareholder) provided that the required information is furnished to the Internal Revenue Service.

## **General**

In all cases, payment for Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository and Information Agent of certificate(s) or DRS Advice representing beneficial ownership of Shares, a properly completed and duly executed Letter of Transmittal or facsimile thereof covering such Shares and any other required documents.

If a share certificate has been lost, stolen or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss and a contact telephone number, to the Depository and Information Agent at its office specified in the Letter of Transmittal. The Depository will forward a copy to the transfer agent for the Shares and such transfer agent will advise you of the replacement requirements, which must be properly completed and returned before the Expiry Time.

**The method of delivery of certificates or a DRS Advice representing Shares and all other required documents is at the option and risk of the person depositing the same. The Offeror recommends that such documents be delivered by hand to the Depository and Information Agent and a receipt be obtained or, if mailed, that registered mail, properly insured, be used with an acknowledgement of receipt requested.**

**Persons whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

The Offeror reserves the right to permit the Offer to be accepted in any manner other than set forth above.

#### **4. Extension and Variation of the Offer**

This Offer is open for acceptance until, but not after, the Expiry Time.

The Offeror expressly reserves the right, in its sole discretion, at any time and from time to time while this Offer is open for acceptance, to extend the period of time during which this Offer is open, or to vary this Offer, by giving oral or written notice of such extension or variation to the Depository and Information Agent at its office in Toronto. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depository and Information Agent at its office in Toronto.

Notwithstanding the foregoing, the Offer may not be extended by the Offeror if all the terms and conditions of the Offer, except those waived by the Offeror have been complied with, unless the Offeror first takes up and pays for all Shares validly deposited under the Offer and not withdrawn.

If there is a variation in the terms of this Offer, other than a variation consisting solely of the waiver of a condition of this Offer, the period during which Shares may be deposited pursuant to this Offer shall not expire before 10 days after the notice of variation has been delivered. If the Offeror makes a change in the offer price and/or the number of Shares being sought, a minimum of ten (10) Business Days may be required to allow adequate dissemination and investor response. The requirement to extend the Offer will not apply to the extent that the number of Business Days remaining between the occurrence of the change and the then-scheduled Expiry Date equals or exceeds the minimum extension period that would be required because of such amendment.

During any such extension or in the event of a variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to Section 6 of the Offer, "Right to Withdraw Deposited Shares." An extension of the Offer from the date hereof and ending at the Expiry Time or variation of the Offer does not constitute a waiver by the Offeror of its rights under Section 5 of the Offer, "Conditions of the Offer."

If the consideration being offered for the Shares under the Offer is increased or decreased, the increased or decreased consideration, as applicable, will be paid to all depositing Shareholders whose Shares are taken up under the Offer.

## **5. Conditions of the Offer**

Notwithstanding any other provision of the Offer, the Offeror shall have the right to withdraw this Offer and not take up and pay for any Shares deposited under the Offer unless each of the following conditions is satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or by any private person in Canada, the United States or elsewhere, whether or not having the force of law, and no law, regulation or policy (including applicable tax laws and regulations in those jurisdictions where Pan American or any of its Subsidiaries carries on business) shall have been proposed, enacted, promulgated, amended or applied which in either case:
  - (i) has the effect or may have the effect to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by, or the sale to, the Offeror of the Shares or the right of the Offeror to own or exercise full rights of ownership of the Shares;
  - (ii) has had, or if the Offer was consummated could, in the sole judgment of the Offeror, have a material adverse effect on Pan American and its Subsidiaries, taken as a whole;
  - (iii) has the effect of requiring divestiture by the Offeror, directly or indirectly, of any Shares; or
  - (iv) might materially interfere with the Offeror's ability to proceed with the Offer and/or the taking up and paying for Shares under the Offer, as determined by the Offeror, acting reasonably.
- (b) Pan American or the Board of Directors will have taken no defensive actions or measures that limit the ability of the Offeror to complete the transactions contemplated in the Offer or that render such transactions more onerous to the Offeror or that would have a material adverse effect on Pan American or the Offeror;
- (c) the Offeror shall have determined in its reasonable discretion that no shareholder rights plan or similar plan exists, or any such plan that does exist does not and will not adversely affect the Offer or the Offeror either before, on or after consummation of the Offer;
- (d) there will not have occurred any change or effect in or on the business, operations, results of operations, affairs, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, financial condition, licenses, permits, rights, liabilities, privileges or prospects, whether contractual or otherwise, of Pan American or any of its Subsidiaries which, individually or in the aggregate has materially and adversely affected, or could reasonably be expected to materially and adversely affect the business, operations or financial condition of Pan American and its Subsidiaries taken as a whole or to the value of the Shares to the Offeror;
- (e) neither Pan American nor any of its Subsidiaries shall have authorized or proposed, or announced an intention to effect, or shall have entered into any agreement, arrangement, or understanding with respect to any matter which would have a material adverse effect on Pan American and its Subsidiaries taken as a whole, including, without limiting the generality of the foregoing, any action with respect to any agreement, proposal, offer or understanding relating to any sale, disposition or other dealing with any of the assets of Pan American or any of its Subsidiaries (other than any such sale, disposition or other dealing between Pan American and any wholly-owned Subsidiary of Pan American), any issue of Shares (other than in accordance with the current terms of stock options outstanding as of the date of the Offer), options or other securities of Pan American to any person other than a wholly-owned Subsidiary of Pan American, any

- acquisition from a third party of assets or securities by Pan American or any of its Subsidiaries, or any takeover bid, merger, amalgamation, statutory arrangement, capital reorganization (including, without limitation, any division, combination, reclassification, consolidation, conversion or other change in any of the Shares or its capitalization), business combination or similar transaction involving Pan American or any of its Subsidiaries, or any capital expenditure by Pan American or any of its Subsidiaries not in the ordinary course of business and consistent with past practice;
- (f) the Offeror shall have determined in its reasonable judgement that no covenant, term or condition exists in any instrument or agreement to which Pan American or any of its Subsidiaries is a party or to which any of their properties or assets are subject which might make it inadvisable for the Offeror to proceed with the Offer and/or with the taking up and paying for the Shares under the Offer;
  - (g) the Offeror shall not have become aware of any adverse claim, impairment, right, interest, limitation or other restriction of any kind whatsoever not specifically and publicly disclosed by Pan American prior to March 10, 2021, in respect of any of the properties or assets of Pan American or its affiliates or Subsidiaries;
  - (h) the Offeror shall have determined in its reasonable judgment (i) that there has not occurred any change in the compensation paid or payable by Pan American or its Subsidiaries to their directors, officers or employees including the granting of additional shares, stock options or bonuses; and (ii) that Pan American has publicly disclosed as required by applicable law all material terms of any agreement or arrangement with its directors, officers or employees with respect to change of control or severance arrangements, including the amount of any severance or termination payments payable thereunder; and (iii) that Pan American has not entered into or amended any new or existing arrangements or agreements with any of its directors, officers or employees;
  - (i) there shall not have occurred any actual or threatened change of any nature whatsoever (including any proposal by the Minister of Finance (Canada) to amend the Tax Act or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective change) that, in the sole judgment of the Offeror, directly or indirectly, has or may have a material adverse significance with respect to the business or operations of Pan American or its Subsidiaries taken as a whole, or with respect to the regulatory regime applicable to their businesses and operations;
  - (j) there shall not have occurred, developed or come into effect or existence after the date hereof: (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) any change relating to global, national or regional political conditions (including strikes, lockouts, riots or facility takeover for emergency purposes); (iv) any natural disaster, commencement of a war (whether or not declared), acts of sabotage, military action or police action, armed hostilities, natural disaster, or other international or national calamity directly or indirectly involving Canada, the United States or any jurisdiction in which Pan American operates its business or any of their territories, respectively, including but not limited to an attack or an outbreak or an act of terrorism or any outbreak of hostilities or war or declaration of a national emergency, (v) a material change (or development or threatened development involving a prospective material change) in United States dollar or any other currency exchange rates or a suspension of, or limitation on, the markets therefor, (vi) any natural disaster, including but not limited to, earthquakes, hurricanes, tsunamis, tornadoes, floods, mud slides, wild fires, epidemics, public health crises, pandemics, disease outbreak including the Covid-19 pandemic, terrorist attacks or similar incidents to affect the United States, its territories and possessions, a member of the European Union or Canada, (vii) any Covid-19 Measures or other similar law, directive or guidance promulgated by any governmental authority or any change in Covid-19 Measures (or the interpretation thereof); (viii) the default by any member of the European Union in payment of, or the inability of any such member to pay, any of its debts as they become due or the withdrawal (or announcement of an intent to withdraw) by any member of the European Monetary Union therefrom or any such member otherwise ceasing (or announcing its intent to cease) to maintain the Euro as its official currency, (ix) any limitation by any government or Governmental Entity or regulatory or administrative agency or any other event that, in the sole

judgement of the Offeror, might affect the extension of credit by banks or other lending institutions, (x) the declaration of a global pandemic by the World Health Organization, or (xi) in the case of any of the foregoing existing as of the date of the Offer, a material acceleration or worsening thereof;

- (k) the Offeror shall have determined in its reasonable judgment that none of Pan American or any of its Subsidiaries shall have disclosed a previously undisclosed action, event or change, or shall have taken any action or failed to take any action since the date of this Offer, or authorized, recommended, proposed or announced the intention to take any action, that prevents, adversely affects or materially delays the Offeror from acquiring Shares, or makes it inadvisable for the Offeror to proceed with the Offer and/or take up and pay for Shares under the Offer, or would reasonably be expected to have any such effect, including, without limiting the generality of the foregoing:
- (i) acquiring or otherwise causing a reduction in the number of, or authorizing or proposing the acquisition or other reduction in the number of, outstanding Shares or other securities of Pan American or any of its Subsidiaries;
  - (ii) declaring, paying, authorizing or making any payment, distribution or dividend on any of Pan American's securities, except for regularly quarterly dividends having usual record and payment dates;
  - (iii) altering or proposing to alter any term of any outstanding Pan American securities;
  - (iv) issuing or selling, or authorizing or proposing the issuance or sale of, any debt securities or otherwise incurring, authorizing, committing to incur or proposing the incurrence of any debt or the making of any loans or advances or guaranteeing or becoming otherwise responsible for any liabilities or obligations of any other person;
  - (v) announcing, entering into or consummating any purchase, licence, lease or other acquisition of an interest in assets or securities that, individually or in the aggregate, is material to Pan American and its Subsidiaries on a consolidated basis;
  - (vi) taking any action with respect to, or entering into any agreement, proposal, offer or understanding relating to, any sale, disposition, licence, lease, pledge, earn-in, joint venture, spin-out, offtake agreement, streaming agreement or otherwise dealing with any of the assets of Pan American or any of its Subsidiaries, other than any such sale, disposition, licence, lease, pledge, earn-in, joint venture, spin-out, offtake, streaming agreement or other dealing between Pan American and any entity which is a wholly-owned Subsidiary of Pan American or that, individually or in the aggregate, is not material to Pan American and its Subsidiaries on a consolidated basis;
  - (vii) making or committing to make, or otherwise incurring any obligation in respect of, any capital expenditure that, individually or in the aggregate, is material to Pan American and its Subsidiaries on a consolidated basis, other than such commitments or obligations in respect of which Pan American has entered into legally binding agreements prior to the date of the Offer that have been publicly disclosed prior to the date of the Offer;
  - (viii) waiving, releasing, relinquishing, impairing, exercising, granting, transferring or amending any rights of material value under or in respect of, or terminating any material contract, license, lease, permit, authorization, private land, mineral lease, mining claim, concession, agreement, instrument or other document, other than in the ordinary course of business consistent with past practice and only if so doing would not adversely affect Pan American and its Subsidiaries on a consolidated basis; or
  - (ix) making, proposing, authorizing or permitting any change to the constating documents of Pan American or any of its Subsidiaries.
- (k) neither Pan American nor any of its Subsidiaries shall have: (i) offered, promised, paid or authorized, or taken any act in furtherance of any offer, promise, payment or authorization of any payment, contribution or gift of anything of value (including, without limitation any expense or entertainment), directly or indirectly, to any Government Official or Person of Concern for the purpose of securing discretionary action or inaction or a decision of any Government Official, influence over discretionary action of any Government Official, or any improper advantage; or (ii)

- taken any action which is otherwise inconsistent with or prohibited by the substantive prohibitions or requirements of the *Corruption of Foreign Public Officials Act* (Canada), the US *Foreign Corrupt Practices Act*, as amended, or similar applicable Laws of any other jurisdiction prohibiting corruption, bribery or money laundering in connection with any of their business;
- (l) there shall not have occurred, developed or come into effect or existence any event, action, state, condition or financial occurrence of national or international consequence or any law, regulation, action, governmental regulation, inquiry or other occurrence of any nature whatsoever which, in the sole judgment of the Offeror, acting reasonably, materially adversely affects or involves, or may adversely affect or involve, the general economic, financial, currency exchange, securities, financial or commodity markets in Canada, the United States or elsewhere or other markets relevant to the business of Pan American or any of its Subsidiaries or which makes it inadvisable for the Offeror to proceed with the Offer and/or taking up and paying for Shares deposited under the Offer;
  - (m) the Offeror has been unable to enter into a credit facility satisfactory to the Offeror and receive the proceeds thereof to provide the financing necessary to consummate the Offer, (See Section 11 – “Financing of the Offer”);
  - (n) there shall not have occurred (i) any decrease in the market price of the Shares since the close of business on March 9, 2021, (ii) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on Pan American’s business, operations or prospects or the trading in, or value of the Shares, (iii) any decline in any of the Dow Jones Industrial Average or the Standard and Poor’s Composite Index of 500 Industrial Companies or the Nasdaq Composite Index or the Nasdaq Global Market Composite Index or the Nasdaq Global Select Market Composite Index or the NYSE Composite Index or the Nasdaq Commodity Gold Index ER or the Nasdaq Commodity Silver Index ER or the WSJ US Precious Metals Index or the Philadelphia Gold/Silver Sector Index or the Dow Jones Precious Metals Index or the Dynamic Basic Materials Sector Intellidex Index or the NYSE Arca Gold Bugs Index or the Materials Select Sector Index or the John Hancock Dimensional Materials Index or the NYSE U.S. Pure Exposure Basic Materials Sector Index or the NYSE U.S. Market Basic Materials Sector Index or the S&P Metals and Mining Select Index or the StrataQuant Metals Index or the Natural Resources Sub Sector Index or the S&P 500 Materials Sector Index or the S&P/TSX Composite Index or the S&P/TSX Composite Dividend Index or the S&P/TSX Global Gold Index or the S&P/TSX Equal Weight Global Gold Index or the S&P/TSX Global Mining Index by an amount in excess of 10% measured from the close of business on March 9, 2021; (iv) a negative change in the outlook or in the credit rating(s) in any of Pan American’s securities by a major credit rating agency, (v) any decrease in the market price of silver since the close of business on March 9, 2021, or (vi) any increase in the interest rate, distribution rate or other change in the terms for debt security offerings in the United States or Canada;
  - (o) the Offeror shall have determined in its sole judgment, acting reasonably, that neither Pan American nor any of its Subsidiaries, nor any of their respective directors or officers has taken or proposed to take any action, or publicly disclosed that it intends to take any action, and the Offeror shall not have otherwise learned of any action taken by Pan American which had not been publicly disclosed prior to the date of the Offer, that might make it inadvisable for the Offeror to proceed with the Offer or that would be materially adverse to the business of Pan American including, without limiting the generality of the foregoing, (i) any action with respect to any agreement, proposal, offer or understanding relating to any material sale, disposition or other dealing with any of the assets of Pan American or any of its Subsidiaries, (ii) any issue of shares, options or other securities of Pan American; (iii) incurring, authorizing or committing to incur or proposing the incurrence of any material hedge or similar obligations outside of the ordinary course of business consistent with past practice; (iv) the commencement of proceedings under the *Companies’ Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) in respect of Pan American or any of its Subsidiaries; (v) any material acquisition of assets or securities by Pan American or any of its Subsidiaries, or (vi) any material capital expenditure by Pan American not in the ordinary course of business; or
  - (p) the Offeror shall not have after the date of this Offer become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary



to make a statement not misleading in the light of the circumstance in which it was made and at the date it was made (after giving effect to all subsequent filings available on SEDAR in relation to all matters covered in earlier filings), in any document filed by or on behalf of Pan American with any securities commission or any securities regulatory authority or other governmental regulatory authority in any of the provinces or territories of Canada or in the United States, including, without limitation, any prospectus, annual information form, financial statements, material change report, management proxy circular, press release or in any document so filed or released by Pan American to the public, which the Offeror shall have determined in its reasonable judgment is adverse or makes it inadvisable for the Offeror to proceed with the Offer or the taking up and paying for the Shares under the Offer.

The foregoing conditions are for the exclusive benefit of the Offeror. The Offeror may assert any of the foregoing conditions at any time, regardless of the circumstances giving rise to such assertion (including without limitation any action or inaction by the Offeror giving rise to any such assertions). The Offeror may waive any of the foregoing conditions in its sole discretion, in whole or in part, at any time and from time to time, both prior to and after the Expiry Time, without prejudice to any other rights which the Offeror may have. Each of the foregoing conditions is independent of and in addition to each other of such conditions and may be asserted irrespective of whether any other of such conditions may be asserted in connection with any particular event, occurrence or state of facts or otherwise. The failure by the Offeror at any time to exercise or assert any of the foregoing rights shall not be deemed to constitute a waiver of any such right, the waiver of any such right with respect to particular facts or circumstances shall not be deemed to constitute a waiver with respect to any other facts or circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time by the Offeror. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties.

Any waiver of a condition or the withdrawal of this Offer shall be effective upon oral or written notice being given by the Offeror to that effect to the Depositary and Information Agent, at its office in Toronto, Ontario. If the Offer is withdrawn, the Offeror shall not be obligated to take up, accept for payment or pay for any Shares deposited under this Offer and the Depositary and Information Agent will return all certificates and any DRS Advice for deposited Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited. See Section 8, "Return of Shares."

## **6. Right to Withdraw Deposited Shares**

Except as otherwise provided in this Section 6, all deposits of Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable law, any Shares deposited in acceptance of the Offer may be withdrawn at the place of deposit by or on behalf of the depositing Shareholder:

- (a) at any time before the Shares have been taken up by the Offeror under the Offer;
- (b) if the Shares have not been paid for by the Offeror within two (2) Business Days after having been taken up; or
- (c) at any time before the expiration of ten (10) days from the date upon which either:
  - (i) a notice of change relating to a change which has occurred in the information contained in the Offer, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
  - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase or decrease in the consideration offered for the Shares where the Expiry Time is not extended for more than ten (10) days),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or Securities Regulatory Authorities) and only if such deposited Shares have not been taken up by the Offeror at the date of the notice.

Withdrawal of Shares deposited must be effected by notice of withdrawal, which must be made by or on behalf of the holder by whom or on whose behalf such Shares were deposited and must be actually received by the Depository at the office at which such Shares were deposited. Any such notice of withdrawal must:

- (a) be made by a method, including telegraphic communication, that provides the Depository with a written or printed copy;
- (b) be signed by or on behalf of the person who signed the Letter of Transmittal accompanying the Shares that are being withdrawn;
- (c) specify such person's name, the number of Shares to be withdrawn, the name of the registered holder of the Shares to be withdrawn and the certificate number shown on each certificate evidencing the Shares to be withdrawn; and
- (d) be actually received by the Depository and Information Agent within the time specified above.

Any signature on the withdrawal notice must be guaranteed by an Eligible Institution, except in the case of Shares deposited for the account of an Eligible Institution. None of the Offeror, the Depository and Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal, or will incur any liability for failure to give such information.

If the Offeror is delayed in its acceptance for payment of or payment for Shares or is unable to accept for payment or pay for Shares for any reason, then, without prejudice to the Offeror's other rights, Shares deposited hereunder may be retained by the Depository and Information Agent on behalf of the Offeror and such Shares may not be withdrawn except to the extent that depositing holders of Shares are entitled to withdrawal rights as set forth in this section 6.

If Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, "Manner of Acceptance —Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

**A withdrawal of Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depository and Information Agent of the properly completed and executed written notice of withdrawal.**

**Investment advisors, stockbrokers, banks, trust companies or other nominees may set out deadlines for the withdrawal of Shares deposited under the Offer that are earlier than those specified above. Shareholders whose Shares are registered under the name of an investment dealer, stockbroker, bank, trust company or other nominee should contact such nominee for assistance.**

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be determined by the Offeror in its sole discretion, and such determination shall be final and binding. There shall be no duty or obligation on the Offeror, the Depository and Information Agent or any other person acting on behalf of the Offer to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notice

Any Shares withdrawn will be deemed not to be validly deposited for the purposes of the Offer, but may be redeposited at any subsequent time prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance."

## 7. Take Up and Payment for Deposited Shares

Upon the terms and subject to the conditions of the Offer (including but not limited to the conditions specified in Section 5 of the Offer, “Conditions of the Offer” and Section 11 of the Offer, “Financing of the Offer”), the Offeror will take up Shares validly deposited under the Offer and not withdrawn promptly following the Expiry Time, but in any event not later than 10 calendar days after the Expiry Time. Any Shares taken up will be paid for as soon as possible and in any event not later than the earlier of (a) the tenth day after the Expiry Time, and (b) three Business Days after taking-up such Shares. Notwithstanding the immediately preceding sentence and subject to the terms and conditions of the Offer, the Offeror also expressly reserves the right to delay payment for Shares in order to comply in whole or in part with applicable laws. If more than 2,500,000 Shares are tendered, the Shares will be taken up and paid for, as nearly as may be *pro rata*, disregarding fractions, according to the number of Shares deposited by each depositing shareholder, with fractional Shares rounded down to the nearest whole Share.

**In the event of proration of Shares deposited pursuant to the Offer, the Offeror will take up and pay for that number of each Shareholder’s validly deposited Shares equal to the number determined by multiplying 2,500,000 by a fraction, the numerator of which is the number of Shares validly deposited by such Shareholder and the denominator of which is the total number of Shares validly deposited by all Shareholders, disregarding fractions. The Offeror will then pay for those Shares accepted for payment as soon as practicable after the Expiry Time. However, the Offeror does not expect to be able to announce the final results of any such proration until approximately two trading days after the Expiry Time.**

The Offeror reserves the right, in its sole discretion, to delay taking up and paying for any Shares or to terminate this Offer and not take up and pay for any Shares upon the non-satisfaction of any condition specified in section 5 of this Offer that is not waived by the Offeror, by giving written notice thereof or other communication to the Depositary and Information Agent. The Offeror also expressly reserves the right in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares, in order to comply, in whole or in part, with any applicable law.

The Offeror will be deemed to have taken up, accepted for payment Shares validly deposited and not withdrawn if and when the Offeror gives oral or written notice or other communication to the Depositary and Information Agent of its acceptance for payment and taking up of such Shares pursuant to this Offer.

The Offeror will pay for Shares validly deposited pursuant to this Offer and not withdrawn by providing the Depositary and Information Agent with sufficient funds (by bank transfer or other means satisfactory to the Depositary and Information Agent) for transmittal to holders of Shares. Under no circumstances will interest accrue or be paid by the Offeror on the purchase price of the Shares purchased by the Offeror, regardless of any delay in making such payment. The Depositary and Information Agent will act as the agent of persons who have deposited Shares in acceptance of this Offer for the purposes of receiving payment from the Offeror and transmitting payment to such persons.

Settlement will be made by the Depositary and Information Agent issuing or causing to be issued a cheque payable in Canadian funds. Unless otherwise directed in the Letter of Transmittal, the cheque will be issued in the name of the registered holder of Shares so deposited. Unless the person who deposits Shares instructs the Depositary and Information Agent to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, cheques will be forwarded by first-class mail to such person at the address specified in the Letter of Transmittal. If no address is therein specified, a cheque will be held at the office of the Depositary and Information Agent for such Shareholder.

If any deposited Shares are not accepted for payment pursuant to the terms and conditions of this Offer for any reason, or if certificates are submitted for more Shares than are deposited, certificates for unpurchased Shares will be returned, without expense, to the depositing holder as soon as is practicable following the Expiry Time or withdrawal and early termination of this Offer.

All cash payments made under the Offer will be made in Canadian dollars. However, a Shareholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal or Notice

of Guaranteed Delivery, in which case such Shareholder will have acknowledged and agreed that, in respect of the cash payment under the Offer, the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Offeror at its typical banking institution on the date the funds are converted. **Shareholders electing to have the payment for their Shares paid in United States dollars will have further acknowledged and agreed that any change in the Canadian dollar/United States dollar exchange rate will be at the sole risk of the Shareholder.**

Pursuant to the rules of the Canadian Payments Association, a \$25 million ceiling has been established on cheques, bank draft and other paper-based payments processed through Canada's clearing system. As a result, any payment to a Shareholder in excess of \$25 million will be effected by the Depositary and Information Agent by wire transfer in accordance with the Large Value Transfer System Rules established by the Canadian Payments Association. Accordingly, settlement with a Shareholder involving a payment in excess of \$25 million will be made only in accordance with wire transfer instructions provided by the Shareholder to the Depositary and Information Agent in writing. In the event wire transfer instructions are required as set out above, the Depositary and Information Agent will contact the Shareholder promptly following the Expiry Time for the purposes of obtaining wire transfer instructions. Any delay in payment by the Depositary and Information Agent resulting from the provision by the Shareholder of wire transfer instructions will not entitle the Shareholder to interest or other compensation in addition to the amounts to which the Shareholder is entitled pursuant to the Offer.

No fee or commission will be payable by any holder of Shares who transmits his, her or its Shares directly to the Depositary and Information Agent. Transfer taxes, if any, on the purchase of Shares pursuant to this Offer will be paid by the Offeror.

## **8. Return of Shares**

If any deposited Shares are not taken up pursuant to the terms and conditions of the Offer for any reason or if certificates are submitted for more Shares than are deposited, certificates or any DRS Advice representing Shares (and other relevant documents) that are not purchased will be returned, at the expense of the Offeror, to the depositing Shareholder by first class mail to the address of the depositing Shareholder specified in the Letter of Transmittal as promptly as practicable following the Expiry Time or withdrawal or termination of the Offer, or in the case of Shares deposited by Book-Entry Transfer into the Depositary and Information Agent's account, such Shares will be credited to the depositing holder's account.

## **9. Mail Service Interruption**

Notwithstanding the provisions of this Offer and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery, cheques issued by the Depositary and Information Agent for the purchase price for Shares purchased pursuant to this Offer will not be mailed if the Offeror determines that delivery thereof by mail may be delayed, including a delay caused by or in direct relation to the Covid-19 pandemic. Persons entitled to cheques that are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary and Information Agent at which the deposited certificate(s) or DRS Advice for Shares in respect of which the cheque is being issued were deposited, upon application to the Depositary and Information Agent, until such time as the Offeror has determined that delivery by mail will no longer be delayed. Cheques not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing holder at the office of the Depositary and Information Agent.

## **10. Changes in Capitalization, Distributions and Liens**

If, on or after the date of this Offer, Pan American should subdivide, consolidate, combine or otherwise change any of the Shares or its capitalization, or shall disclose that it has taken any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 5 of the Offer, "Conditions of the Offer," make such adjustments as it considers appropriate to the purchase price and other terms of this Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such subdivision, consolidation, combination or other change.

Shares acquired pursuant to the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims, equities, hypothecs and rights of third parties of any nature whatsoever, but together with all rights and benefits arising therefrom, including the right to any and all dividends, distributions, payments, securities, rights, assets or other interests (collectively, "Interests") which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on, or in respect of the Shares. If, notwithstanding, any such acquisition of Shares by the Offeror pursuant to the Offer, any Interests are received by or made payable to or to the order of a depositing Shareholder, such Interests will be received and held by the depositing Shareholder for the account and benefit of the Offeror and will be forthwith remitted and transferred by the depositing Shareholder to the Depositary for the account and benefit of the Offeror, together with all necessary assignments and endorsements in respect thereof. Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such Interest, and may withhold the entire purchase price payable by the Offeror pursuant to this Offer or deduct from the purchase price payable by the Offeror pursuant to this Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

If, on or after the date of the Offer, Pan American should declare, set aside or pay any dividend or declare, make or pay any other Distribution or payment on, or declare, allot, reserve or issue any securities, rights or other interests with respect to any Share which is or are payable or distributable to Shareholders on a record date that is prior to the date of transfer into the name of the Offeror or its nominee or transferee on the register of Shareholders maintained by or on behalf of Pan American in respect of Shares accepted for purchase under the Offer, then (and without prejudice to its rights under "Conditions of the Offer" in Section 5 of the Offer):

- (a) in the case of any such cash dividend, Distribution or payment that in the aggregate amount does not exceed the cash consideration payable per Share, the amount of the dividends, Distributions or payments will be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such Deposited Shares and the purchase price per Deposited Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, Distribution or payment; and
- (b) in the case of any such cash dividend, Distribution or payment that in the aggregate amount exceeds the cash consideration payable per Deposited Share, or in the case of any other non-cash dividend, Distribution, payment, right or other interest, the whole of any such dividend, Distribution, payment, right or other interest (and not simply the portion that exceeds the purchase price per Deposited Share payable by the Offeror under the Offer), will be received and held by the depositing Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Shareholder to the Depositary and Information Agent for the account of the Offeror, accompanied by appropriate documentation of transfer.

Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, Distribution, payment, right or other interest and may withhold the entire amount of cash and share consideration payable by the Offeror pursuant to the Offer or deduct from the cash and share consideration payable by the Offeror pursuant to the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not discussed under "Certain Canadian Federal Income Tax Considerations" in Section 23 of the Offer or "Certain United States Federal Income Tax Considerations" in Section 24.

## **11. Financing of the Offer**

The Offer is conditioned upon receipt of all financing necessary to fund the Offeror's financial obligations arising from the Offer. The Offeror will obtain the necessary funds through available cash on hand and through proceeds of debt financing in an amount necessary to consummate the transactions contemplated by the Offer on terms satisfactory to the Offeror, as described below.

The Offeror has received a commitment letter for a \$93.125 million non-revolving term loan upon the terms and conditions described in the commitment letter. The purpose of the credit facility is to assist the Offeror in the acquisition of the Shares.

The interest rate applicable to the credit facility is LIBOR, or London InterBank Offered Rate, plus a margin of 2.5%. The credit facility is payable upon demand. The Offeror will pledge the Shares acquired as collateral for the credit facility. The commitment in respect of the credit facility is contingent upon the negotiation and execution of a definitive financing agreement on terms reasonably satisfactory to the lender and the Offeror. The final loan agreement is expected to contain customary representations and warranties, covenants and conditions usual in commercial lending transactions of this kind. These conditions largely reflect the conditions of the Offer. The following is a summary of the conditions to the credit facility: (i) except as otherwise disclosed, no material adverse change in the business, operations, property, condition (financial or otherwise) or prospects of the Offeror or Pan American, since March 9, 2021, shall have occurred; (ii) the lender shall not have become aware of any information affecting the Offeror or Pan American that is inconsistent in a material adverse manner with any information disclosed prior to March 10, 2021; (iii) the absence of any litigation which, if successful, would have a material adverse impact on the Offeror or Pan American, their respective businesses or on their ability to repay the loans, or which would challenge the Offer; (iv) the absence of a material increase in the liabilities, liquidated or contingent, of the Offeror or Pan American; (v) the negotiation, execution and delivery on or before April 9, 2021 of definitive documentation with respect to the credit facility; (vi) no law or regulation shall have been adopted, and no order, judgment or decree of any Governmental Entity shall have been issued which purports to enjoin, prohibit or restrain, or which imposes or results in the imposition of any material adverse condition upon, the making or repayment of the credit facility or the consummation of any portion of the acquisition of the Shares by the Offeror, and no suit shall have been brought which is intended to accomplish the foregoing; and (vii) any change in loan syndication, financial or capital market conditions generally that in the lender's judgment would impair syndication of the financing.

The foregoing summary is based on the terms of the commitment letter and does not purport to be complete. The terms of the credit facility are subject to change and subject to preparation, negotiation and completion of a definitive agreement. There are currently no other financing arrangements or alternative financing plans in place. The Offer is conditioned upon, among other things, satisfaction or waiver of the financing condition described herein.

## **12. Delivery**

This Offer and the Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered holders of Shares upon request and the Offeror will use its reasonable efforts to furnish such documents to brokers, investment dealers, banks and similar persons and to those who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares, when such listings are received.

Wherever this Offer calls for documents to be delivered to the Depositary and Information Agent, those documents will not be considered delivered unless and until they have been physically received at the address noted for the Depositary and Information Agent in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

## **13. Market Purchases**

The Offeror has does not intend to acquire, or make or enter into any agreement, commitment or understanding to acquire beneficial ownership of Shares other than under the terms of this Offer. However, the Offeror reserves the right to and may acquire beneficial ownership of Shares by making purchases through the facilities of the TSX, subject to applicable law, at any time or from time to time prior to the Expiry Time. In no event will the Offeror make any such purchases of Shares through the facilities of the TSX until the second clear trading day following the date of this Offer. The aggregate number of Shares acquired by the Offeror through facilities of the TSX during the Offer Period shall not exceed 5% of the outstanding Shares as of the date of the Offer.

Although the Offeror has no present intention to sell Shares taken up and paid for under the Offer, it reserves the right, subject to applicable laws, to make or to enter into an arrangement, commitment or understanding at or prior to the Expiry Time to sell any of such Shares after the Expiry Time. It may also grant pledges of such Shares to its lenders or others.

## **14. Effect of the Offer on Market and Listings**

The purchase of Shares by the Offeror pursuant to the Offer will not reduce the number of Shares that might otherwise trade publicly and will not adversely affect the liquidity and market value of the remaining Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the delisting of the Shares from such exchange. Among such criteria are the number of holders of Shares, the number of Shares publicly held and the aggregate market value of the Shares publicly held. Notwithstanding the number of Shares to be purchased pursuant to the Offer, the Offeror believes that the Shares will continue to meet the criteria for continued listing on the TSX.

## **15. Regulatory Matters**

### ***Competition Act***

The Competition Act requires pre-merger notification to the Commissioner of transactions that exceed certain financial thresholds and, in the case of share acquisitions, that exceed an additional voting interest threshold. Specifically, pre-merger notification is generally required with respect to transactions in respect of which the parties and their affiliates, in aggregate, have assets in Canada, or annual gross revenues from sales in, from or into Canada, in excess of \$400 million and which involve the direct or indirect acquisition of assets of an operating business in Canada or a voting interest in a corporation that carries on an operating business in Canada, of which the value of the Canadian assets, or the annual gross revenues from sales in or from Canada generated from such assets, exceeds \$70 million. In the case of an acquisition of voting shares of a corporation that has publicly-traded voting shares, the transaction must also result in the acquiror, or acquirors, together with its or their affiliates, owning voting shares which carry more than 20% of the outstanding votes attached to all outstanding voting shares of the corporation (or more than 50%, if the acquiror(s) already hold(s) 20% or more).

Based upon an examination of information available to the Offeror relating to Pan American, the Offeror believes that none of these thresholds is met in this case and no pre-merger notification to the Commissioner is required for this transaction.

### ***Hart-Scott-Rodino Antitrust Improvements Act of 1976 (United States)***

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (the “HSR Act”) and the rules and regulations that have been issued by the Federal Trade Commission (the “FTC”), certain acquisition transactions may not be completed unless certain information and documentary material has been furnished to the Antitrust Division of the Department of Justice (the “Antitrust Division”) and the Premerger Notification Office of the FTC and certain waiting period requirements have been satisfied. The initial waiting period for an all cash tender offer is 15 days from the date the acquiring party makes its filing, but this period may be shortened if the reviewing agency grants “early termination” of the waiting period, or it may be lengthened if the reviewing agency determines that an investigation is required and asks the filing person voluntarily to withdraw and refile to allow a second 15-day waiting period, or issues a formal request for additional information and documentary material.

Based upon an examination of publicly available information and other information relating to the businesses in which the Company is engaged, we believe that the purchase of Shares in the Offer would not violate applicable antitrust laws. Nevertheless, we cannot be certain that a challenge to the Offer on antitrust grounds will not be made, or, if such challenge is made, cannot be certain what the result will be.

### ***Other Antitrust Approvals***

Pan American and its subsidiaries transact business in a number of countries outside of the United States. Under the antitrust statutes or regulations of certain of these foreign countries, certain acquisition transactions require the filing of information with, or the obtaining of the approval of, antitrust or competition authorities therein.

However, based on our examination of the relevant information and materials, we do not believe that the purchase of Shares by us in the Offer is subject to such requirements.

### ***General***

The Offeror is not aware of any material licenses or regulatory permits held by Pan American which might be adversely affected by the Offer, or of any authorization, consent or material approval of or filing with or other action by any federal, provincial, state or foreign government or administrative or regulatory agency that would be required to be obtained prior to the Expiry Time. In the event that the Offeror becomes aware of such a requirement, the Offeror will take all reasonable steps to obtain such approval prior to the Expiry Time, as such time may be extended.

To the knowledge of the Offeror, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Offeror for the consummation of the transactions contemplated by the Offer. In the event that the Offeror becomes aware of other requirements, it will make reasonable commercial efforts to obtain such approval at or prior to the Expiry Time, as such time may be extended.

### **16. Commitments to Acquire Securities of Pan American**

To the knowledge of the Offeror, after reasonable inquiry, no securities of Pan American are subject to any commitments to acquire made by the Offeror or any person holding more than 10% of any class of securities of Pan American, the directors or senior officers of the Offeror, any associate or affiliate of any of the foregoing or by any person or company acting jointly or in concert with the Offeror.

### **17. Information Concerning the Offeror**

The Offeror is a private investment company that together with its affiliates has been in business for over twenty-one years. The Offeror specializes in identifying, researching, analyzing and investing in publicly traded securities of companies across a diverse array of industries. The Offeror is a company existing under the OBCA. The principal office of the Offeror is located at 801 Eglinton Avenue West, Suite 400, Toronto, Ontario M5N 1E3 and its telephone number is (416) 304-1932. The Offeror is a privately held entity.

### **18. Information Concerning Pan American**

#### ***Pan American Silver Corp.***

Pan American is principally engaged in the operation and development of, and exploration for, silver and gold producing properties and assets. The Company's principal products are silver and gold. Pan American also produces and sells zinc, lead, and copper.

Pan American Silver's head office and registered office are located at 1440 – 625 Howe Street, Vancouver, British Columbia V6C 2T6 and its telephone number at that location is (604) 684-1175. Additional information regarding Pan American is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company maintains a website at [www.panamericansilver.com](http://www.panamericansilver.com). The website addresses referred to in this paragraph are inactive text references only and are not intended to be actual links to the websites.

Pan American is subject to the information and reporting requirements of the securities laws of the various provinces of Canada and the rules of the TSX. In accordance therewith, Pan American is required to file reports, financial statements and other information with certain Securities Regulatory Authorities in Canada, including the TSX, relating to its business, financial condition and other matters. Information as of particular dates concerning Pan American's directors and officers, their remuneration, stock options granted to them, the principal holders of Shares and any material interests of such persons in transactions with Pan American and other matters is required to be disclosed in proxy circulars distributed to Shareholders and filed with certain of such Securities Regulatory Authorities, including with the TSX, and may be inspected at the offices or through the facilities of such Securities Regulatory Authorities. In addition, certain of the reports, financial statements (including interim financial



statements), proxy circulars and other information may be accessed through the website maintained through SEDAR at www.sedar.com. All references in this document to internet sites are for informational purposes only and the contents of such internet sites are not incorporated by reference herein.

### *Authorized and Outstanding Capital*

The authorized share capital of Pan American consists of 400,000,000 common shares.

Based solely on information contained in Pan American’s management’s discussion and analysis for the year ended December 31, 2020, as at February 17, 2021, there were 210,261,535 Shares outstanding.

### *Dividends*

The following table lists the dividends declared by the Board of Directors over the past three years:

<b>Year</b>	<b>Declaration Date</b>	<b>Amount Per Share</b>	
2020	November 4	US\$	0.07
	August 5	US\$	0.05
	May 6	US\$	0.05
	February 19	US\$	0.05
2019	November 6	US\$	0.035
	August 7	US\$	0.035
	May 8	US\$	0.035
	February 20	US\$	0.035
2018	November 6	US\$	0.035
	August 8	US\$	0.035
	May 9	US\$	0.035
	February 20	US\$	0.035

On February 17, 2021, the Company announced that the Board of Directors approved a cash dividend of US\$0.07 per common share, payable on or about March 11, 2021, to holders of record of Pan American’s common shares as of the close on March 1, 2021.

### *Price Range and Trading Volumes of Shares*

Pan American’s common shares are listed on the Toronto Stock Exchange (“TSX”) and the Nasdaq Global Select Market (“NASDAQ”) under the symbol “PAAS”. The following tables set forth the reported monthly high and low sales prices and monthly trading volumes of the Shares of Pan American on the TSX and the NYSE for the periods indicated:

<b>Month 2021</b>	<b>TSX</b>			<b>NASDAQ</b>		
	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>	<b>High (US\$)</b>	<b>Low (US\$)</b>	<b>Volume</b>
January	49.13	35.81	12,921,482	38.69	27.95	74,492,935
February	50.70	38.70	10,967,423	39.62	30.20	80,654,566
March <sup>(1)</sup>	43.27	37.20	3,440,894	34.14	29.30	22,200,480

<sup>(1)</sup> From March 1 to March 9.

Month 2020	TSX			NYSE		
	High (\$)	Low (\$)	Volume	High (US\$)	Low (US\$)	Volume
January	31.23	27.30	10,529,866	24.02	20.91	56,990,900
February	34.79	24.71	12,068,042	26.20	18.37	63,292,000
March	30.66	14.22	27,731,177	22.94	10.61	135,377,500
April	32.16	19.85	13,906,872	22.90	14.02	76,723,000
May	41.22	28.60	30,383,887	29.90	20.35	88,560,900
June	41.40	33.86	18,458,590	30.59	24.82	74,161,100
July	52.64	39.14	15,848,590	39.33	28.81	88,271,600
August	53.30	42.30	12,339,783	40.11	31.84	69,257,900
September	48.78	39.77	12,318,216	37.11	29.63	50,990,700
October	45.47	39.90	8,961,317	34.68	29.81	44,976,100
November	48.57	36.79	12,029,299	37.28	28.33	45,223,000
December	44.76	36.80	9,664,266	35.08	28.82	46,700,900

The Offer Price represents a discount of approximately 10.31% and discount of 10.58%, respectively, to the volume weighted average trading price of the Shares on the TSX and the NYSE for the 30 trading days preceding the date of the Offer. **The closing price of the Shares on March 9, 2021 was \$38.94 on the TSX and US\$30.82 on the NYSE. The offer price represents a discount of approximately 4.34% and 4.34%, respectively, to the closing prices of the Shares on the TSX and the NYSE (based on the Bank of Canada exchange rate on March 9, 2021 of Canadian \$1.00 = United States \$0.7915) on March 9, 2021.** SHAREHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

## 19. Reasons to Accept the Offer

The Offeror believes that Shareholders will enjoy the following significant benefits from the Offer:

- **Monetize Investment.** The Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in Pan American, should they desire liquidity, in quantities which might not otherwise be available in the market without incurring brokerage fees or commissions (subject to any fees or commissions that non-registered Shareholders may be charged by the nominee holding their Shares on their behalf) which might otherwise be payable on a sale of their Shares on the TSX or the NASDAQ.
- **Realize Immediate Value.** The all-cash consideration provides Shareholders with the opportunity to realize an immediate and certain value for their Shares **while removing financing, market, regulatory, and execution risks to Shareholders.**
- **No Commission Charge.** Shareholders can dispose of their Shares without paying a commission if they are registered Shareholders and deposit Shares directly with the Depositary and Information Agent.

**The foregoing list of factors is not intended to be exhaustive. Shareholders should consider the Offer carefully and come to their own conclusions as to whether to accept or reject the Offer. Shareholders who are in doubt as to how to respond should consult with their own investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor. Shareholders are advised that acceptance of the Offer may have tax consequences and they should consult their own professional tax advisors. See Section 23 of the Offer, “Certain Canadian Federal Income Tax Considerations” and Section 24, “Certain United States Federal Income Tax Considerations.”**

## **20. Benefits from the Offer**

To the knowledge of the Offeror, there are no direct or indirect benefits of accepting or refusing to accept the Offer that will accrue to any director or senior officer of Pan American, to any associate of a director or senior officer of Pan American, to any person or company holding more than 10% of any class of equity securities of Pan American or to any person or company acting jointly or in concert with the Offeror, other than those that will accrue to Shareholders generally.

## **21. Arrangements, Agreements or Understandings**

There are no contracts, arrangements, agreements or understandings, formal or informal, between the Offeror and any security holder of Pan American with respect to the Offer or between the Offeror and any person or company with respect to any securities of Pan American in relation to the Offer.

## **22. Material Changes and Other Information**

The Offeror is not aware of any information which indicates any material change in the financial position, prospects or affairs of Pan American since the date of the last published financial statements of Pan American, other than has been publicly disclosed by Pan American. The Offeror has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer. Other than information publicly disclosed by Pan American, the Offeror has no knowledge of any material facts that are likely to affect the value or market price of the securities of Pan American.

## **23. Certain Canadian Federal Income Tax Considerations**

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (as amended from time to time, the “**Tax Act**”), as of the date hereof, generally applicable to a Shareholder who sells Shares pursuant to the Offer and who, for purposes of the Tax Act and at all relevant times holds the Shares as capital property, deals at arm’s length with Pan American and the Offeror and is not affiliated with Pan American or the Offeror (a “**Holder**”). Generally, the Shares will be capital property to a Holder provided the Holder does not hold such shares in the course of carrying on a business of trading or dealing in securities and has not acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Shareholder (i) that is a “financial institution” as defined in the Tax Act for the purposes of the “mark-to-market” rules, (ii) that is a “specified financial institution” as defined in the Tax Act, (iii) an interest in which is a “tax shelter investment” as defined in the Tax Act, (iv) that has elected to report its “Canadian tax results,” as defined in the Tax Act, in a currency other than Canadian Dollars, (v) that has entered or will enter into a “derivative forward agreement,” as such term is defined in the Tax Act, or (vi) that holds Shares as part of a “dividend neutral arrangement” as defined in the Tax Act, or (vii) who acquired Shares on the exercise of an employee stock option. All such Shareholders are advised to consult with their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by it prior to the date hereof. This summary takes into account all specific proposals (the “**Tax Proposals**”) to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, although there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. This summary does not otherwise take into account or anticipate any changes in Law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may materially differ from the Canadian federal income tax considerations described herein.

This summary assumes that any Person that held or holds at any time options, warrants or other conversion or exchange rights to acquire Shares will have exercised them and acquired Shares. Accordingly, this summary does

not address Persons who hold such rights and such Persons should consult their own tax advisors for advice regarding the income tax consequences to them of the expiry or exercise thereof, of the continued holding thereof, or replacement thereof, after the Expiry Time and of the acquisition, holding and disposing of Shares or any other securities acquired on exercise thereof, which may differ materially from the discussion about income tax considerations set forth in this summary.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Shareholder to whom the Offer is made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors for advice concerning the income tax consequences to them of disposing of their Shares under the Offer and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax Laws, and under foreign tax Laws, having regard to their own particular circumstances.**

### *Holders Resident in Canada*

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a “**Resident Holder**”).

Certain Resident Holders whose Shares might not otherwise be considered capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Shares, and all other “Canadian securities” as defined in the Tax Act owned by such Resident Holder in the taxation year in which such election is made, and in all subsequent taxation years, deemed to be capital property. Resident Holders contemplating making a subsection 39(4) election should consult their own tax advisors.

### *Disposition of Shares Pursuant to the Offer*

A Resident Holder whose Shares are taken up and paid for under the Offer will be considered to have disposed of such Shares for purposes of the Tax Act. Generally, a Resident Holder whose Shares are disposed of will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition received by the Resident Holder for such Shares, less any reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base to the Resident Holder of such Shares immediately before the disposition.

### *Capital Gains and Capital Losses*

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of any capital gain (a “**taxable capital gain**”) realized by it in that year. Subject to and in accordance with the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a particular year generally may be carried back and deducted against taxable capital gains realized in any of the three preceding taxation years or carried forward and deducted in any following taxation year, to the extent and under the circumstances specified in the Tax Act.

In general, the amount of any capital loss realized by a Resident Holder which is a corporation on the disposition of Shares may be reduced by the amount of any dividends previously received or deemed to have been received on such Shares (or on a share for which such Share is substituted or exchanged), subject to and in the circumstances specified in the Tax Act. Similar rules may also apply in other circumstances, including where a corporation, trust or partnership is a member of a partnership or a beneficiary of a trust that owns Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” as defined in the Tax Act may be liable for an additional refundable tax of 10% on certain investment income for the year, including taxable capital gains. Capital gains realized by individuals or trusts, other than certain specified

trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

### ***Holders Not Resident in Canada***

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). This portion of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or that are “authorized foreign banks” as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors.

#### *Disposition of Shares Pursuant to the Offer*

A Non-Resident Holder who disposes of Shares to the Offeror pursuant to the Offer will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Shares unless such Shares are (or are deemed to be) “taxable Canadian property,” as defined in the Tax Act, of the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided that the Shares are listed on a “designated stock exchange” (which currently includes the TSX) at the time of disposition, the Shares generally will not be “taxable Canadian property” of a Non-Resident Holder at the time of disposition, unless at any time during the 60-month period immediately preceding the disposition the following two conditions have been met concurrently: (i) the Non-Resident Holder, Persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or a Person with whom the Non-Resident Holder does not deal at arm’s length, hold a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with all such Persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Pan American; and (ii) more than 50% of the fair market value of the Share was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada; (b) “Canadian resource property” as defined in the Tax Act; (c) “timber resource property” as defined in the Tax Act; and (d) options in respect of, or interests in, or for civil law rights in, property in (a) to (c) whether or not such property exists.

Notwithstanding the foregoing, in certain circumstances as set out in the Tax Act, the Shares could be deemed to be “taxable Canadian property” of the Non-Resident Holder.

Even if the Shares are “taxable Canadian property” of a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Shares will not be included in computing the Non-Resident Holder’s income for purposes of the Tax Act provided that the Shares constitute “treaty-protected property” as defined in the Tax Act. Shares will generally be “treaty-protected property” to a Non-Resident Holder at the time of the disposition if the gain from the disposition of such Shares would, because of an applicable income tax convention to which Canada is a signatory, be exempt from tax under the Tax Act. Non-Resident Holders should consult their own tax advisors with respect to the availability of any relief under the terms of an applicable income tax convention in their particular circumstances.

In the event that the Shares constitute taxable Canadian property but not treaty-protected property to a particular Non-Resident Holder on the disposition thereof pursuant to the Offer, such Non-Resident Holder will realize a capital gain (or capital loss) generally computed in the manner described above under the subheading “– Holders Resident in Canada — Disposition of Shares Pursuant to the Offer.” The Non-Resident Holder may be subject to tax under the Tax Act in respect of any such capital gain realized on the disposition and the Non-Resident Holder may be required to file a Canadian income tax return for the year in which the disposition (or any deemed disposition) occurs (unless the disposition is an “excluded disposition” as defined in the Tax Act).

**Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of disposing of their Shares under the Offer.**

## 24. Certain United States Federal Income Tax Considerations

The following sets forth the material U.S. federal income tax consequences of the disposition of the Shares by a U.S. Holder (as defined below) pursuant to the Offer. This discussion applies only to U.S. Holders. This summary is based upon U.S. federal income tax Laws, including the U.S. Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed Treasury Regulations under the Code, published rulings and court decisions, and the Canada – United States Tax Convention (1980), as amended. All of the preceding authorities are subject to change, possibly with retroactive effect, which may result in U.S. federal income tax consequences different from those discussed below. The Offeror has not requested, and will not request, a ruling from the Internal Revenue Service (the “IRS”), with respect to any of the U.S. federal income tax consequences described below. As a result, there can be no assurance that the IRS or a court considering these issues will not disagree with or challenge any of the conclusions we have reached and described below.

The following summary is not a complete analysis or description of all potential U.S. federal income tax consequences to a particular U.S. Holder. It does not address all U.S. federal income tax considerations that might be relevant to all categories of U.S. Holders, certain of which (such as banks or other financial institutions, regulated investment companies, real estate investment trusts, insurance companies, dealers or traders in securities, tax-exempt entities, Persons holding the Shares as part of a “straddle,” “hedge,” conversion or other integrated transaction, holders whose “functional currency” is not the U.S. dollar, partnerships or other pass-through entities for U.S. federal income tax purposes or Persons holding the Shares through a partnership or other pass-through entity, U.S. expatriates, individual holders liable for alternative minimum tax, U.S. Holders that hold Shares other than as a capital asset within the meaning of Section 1221 of the Code, and U.S. Holders that own, or have owned, directly, indirectly or constructively, 10% or more of the voting securities of Pan American) are subject to special tax treatment. This summary does not address estate and gift tax consequences or any non-U.S., state or local tax consequences of a disposition of the Shares.

As used herein, a “**U.S. Holder**” means a beneficial owner of Shares that is, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or a resident alien of the United States as determined for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. Persons have the authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. Person.

If a partnership (or other pass-through entity for U.S. federal income tax purposes) holds Shares, the tax treatment of a partner in or owner of the partnership or pass-through entity will generally depend upon the status of the partner or owner and the activities of the entity. A partner in or owner of a partnership or other pass-through entity that is considering a disposition of Shares should consult its own tax advisor regarding the tax consequences of disposing of the Shares.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of Shares, and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder or prospective holder is given.

U.S. Holders should consult their own tax advisors concerning the application of the following rules to their particular situations, as well as the estate and gift tax consequences and the tax consequences to them under the laws of any other taxing jurisdiction.

### ***Disposition of Shares Pursuant to the Offer***

Subject to the discussion below under “—Passive Foreign Investment Company Considerations,” a U.S. Holder generally will recognize capital gain or loss on the disposition of Shares pursuant to the Offer as currently contemplated equal to the difference between the amount of cash received (determined in U.S. dollars as described below) and such U.S. Holder’s adjusted tax basis in such Shares. Such gain or loss generally will constitute income or loss from sources within the U.S. for foreign tax credit limitation purposes, and will be long-term capital gain or loss if the Shares have been held for more than one year. Preferential tax rates may apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Deductions for capital losses are subject to complex limitations.

In the case of a cash-basis U.S. Holder that receives Canadian dollars in connection with the sale of Shares pursuant to the Offer, the amount realized will be based on the U.S. dollar value of the Canadian dollars received with respect to such Shares, as determined on the settlement date of such disposition. If a U.S. Holder is an accrual-basis taxpayer, such U.S. Holder may elect the same treatment required of cash-basis taxpayers with respect to a disposition of Shares pursuant to the Offer, provided the election is applied consistently from year to year. The election may not be changed without the consent of the IRS. If a U.S. Holder is an accrual-basis taxpayer and does not elect to be treated as a cash-basis taxpayer for this purpose, such U.S. Holder may have a foreign currency gain or loss for U.S. federal income tax purposes (in addition to any gain or loss realized on the disposition of Shares pursuant to the Offer) equal to the difference between the U.S. dollar values of the Canadian dollars received on the date of such disposition and on the date of payment (i.e., the settlement date). Any such foreign currency gain or loss would be treated as ordinary income or loss and generally would be income or loss from U.S. sources for foreign tax credit purposes. If foreign currency is converted into U.S. dollars on the date received by the U.S. Holder, a cash-basis or electing accrual-basis U.S. Holder should not recognize any foreign currency gain or loss upon such conversion. U.S. Holders should consult their own independent tax advisors regarding the U.S. tax consequences of acquiring, holding, and disposing of Canadian dollars.

### ***Passive Foreign Investment Company Considerations***

Special, generally adverse rules apply to the ownership and disposition of the stock of a passive foreign investment company (“**PFIC**”). A non-U.S. entity treated as a corporation for U.S. federal income tax purposes is a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to certain “look through” rules, either (a) at least 75% of its gross income is “passive” income or (b) at least 50% of the average value of its assets is attributable to assets that produce passive income or are held for the production of passive income. “Passive income” generally includes, among other things, dividends, interest, certain royalties, rents, and gains from commodities and securities transactions and from the disposition of property that gives rise to passive income.

The Offeror has made no independent determination as to whether Pan American is or has been classified as a PFIC. Because the determination of PFIC status is fundamentally factual in nature, depends on the application of complex U.S. federal income tax rules which are subject to differing interpretations, and generally cannot be determined until the close of the taxable year in question, no assurance can be provided that Pan American is not and has not been classified as a PFIC for any taxable year during which a U.S. Holder held Shares.

If Pan American is or was a PFIC during a U.S. Holder’s period of ownership of Shares and such U.S. Holder has not made any election under the PFIC rules with respect to its Shares, then any gain recognized by such holder on the disposition of the Shares pursuant to the Offer generally would be allocated rateably to each day of such holder’s holding period for the Shares. The amount of any such gain allocated to the taxable year of the disposition (or to a year prior to the first year in which Pan American was a PFIC) would be treated for U.S. federal income tax purposes as ordinary income. The amounts allocated to any other taxable year would be subject to U.S. federal income tax at the highest rate of tax applicable to ordinary income in each such year, and an interest charge

would be imposed on the tax liability for each such year, calculated as if such tax liability had been due for each such year.

The tax consequences described in the preceding paragraph could differ for any U.S. Holder that has made an election under the PFIC rules to treat Pan American as a “qualified electing fund” or that has made a mark-to-market election with respect to such holder’s Shares. In order for a U.S. Holder to have made a “qualified electing fund” election, Pan American must have issued a PFIC Annual Information Statement to such U.S. Holder, setting forth certain information required for purposes of such U.S. Holder’s tax reporting. The Offeror has made no independent determination as to whether Pan American will issue, or has issued, a PFIC Annual Information Statement with respect to a taxable year (if any) during which Pan American was a PFIC, and no assurance can be provided that Pan American will issue, or has issued, a PFIC Annual Information Statement for any such taxable year. Each U.S. Holder should consult an independent tax advisor regarding the application of the PFIC rules to such holder in connection with the Offer, including the effect of any “qualified electing fund” or mark-to-market election, if available, under the PFIC rules.

### ***Currency Translation***

A U.S. Holder using the cash method of accounting who tenders and sells its Shares in exchange for cash and who receives payment in Canadian dollars will be considered to have realized an amount equal to the U.S. dollar value of such Canadian dollars determined at the spot Canadian dollar/U.S. dollar rate on the date payment is made. In the case of a U.S. Holder using the accrual method of accounting, the amount realized for United States federal income tax purposes will equal the U.S. dollar value of the Canadian dollars to which such U.S. Holder becomes entitled on the date its Shares are accepted for purchase by the Offeror, determined at the relevant spot exchange rate in effect on that date. Taxable dividends with respect to Shares that are paid in Canadian dollars and Canadian dollars received upon the sale, exchange or other taxable disposition of Shares will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of such Canadian dollars, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally would be U.S. source income or loss for foreign tax credit purposes. U.S. Holders are urged to consult their own tax advisors concerning the U.S. tax consequences of acquiring, holding and disposing of Canadian dollars.

### ***Foreign Tax Credit***

A U.S. Holder who pays (whether directly or through withholding) Canadian or other foreign income tax with respect to the Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian or other foreign income tax paid. Generally, a credit will reduce a U.S. Holder’s U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder’s income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder’s U.S. federal income tax liability that such U.S. Holder’s “foreign source” taxable income bears to such U.S. Holder’s worldwide taxable income. In applying this limitation, a U.S. Holder’s various items of income and deduction must be classified, under complex rules, as either “foreign source” or “U.S. source”. In addition, the limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.



### ***Medicare Tax***

A U.S. Holder of Shares that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax (the “**Medicare Tax**”), is subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. Holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000, \$200,000 or \$250,000, depending on the individual’s circumstances). A U.S. Holder’s net investment income generally includes its net gains recognized upon a sale of Shares pursuant to the Offer, unless such net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder of Shares that is an individual, estate or trust you are urged to consult your tax advisor regarding the applicability of the Medicare Tax to gains in respect of the sale of Shares pursuant to the Offer.

### ***Backup Withholding Tax and Information Reporting Requirements***

U.S. Holders may be subject to information reporting and backup withholding with respect to amounts received pursuant to the exchange of Shares for cash. In general, a U.S. Holder will be subject to backup withholding if such holder receives a reportable payment and (a) fails to furnish such U.S. Holder’s correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) the payor of such reportable payment is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding, or (d) fails to certify, under penalties of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding. However, certain exempt Persons, such as corporations, generally are excluded from these information reporting and backup withholding rules. Any amounts withheld under the U.S. backup withholding tax rules generally will be allowed as a credit against a U.S. Holder’s U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

## **25. Previous Distributions**

To the Offeror’s knowledge, based on publicly available information and except as otherwise disclosed by Pan American, there have been no distributions of Shares effected by Pan American, other than distributions made pursuant to any warrant exercise, stock option plan, reinvestment plan or similar plan, for the period commencing January 1, 2021 to the date hereof.

## **26. Ownership of Securities of Pan American**

As of the date hereof, the Offeror does not beneficially own, or exercise control or direction over, any Shares.

None of (a) the Offeror or an associate or affiliate of the Offeror, or (b) any of the directors and officers of the Offeror, or (c) to the knowledge of the Offeror after reasonable enquiry, (i) each associate or affiliate of an insider of the Offeror, (ii) an insider of the Offeror (other than a director or officer of the Offeror), and (iii) any person or company acting jointly or in concert with the Offeror beneficially owns, directly or indirectly, or controls or exercises direction over any securities of Pan American.

## **27. Trading in Securities of Pan American**

No securities of Pan American have been traded by the Offeror or any director or officer of the Offeror or, to the knowledge of the directors and senior officers of the Offeror after reasonable inquiry, by any associate or affiliate of the Offeror, by any associate of any director or officer of the Offeror, by any person or company who beneficially owns, directly or indirectly, more than 10% of any class of equity securities of the Offeror or by any person or company acting jointly or in concert with the Offeror, during the six months preceding the date hereof.

Although the Offeror has no present intention to sell Shares taken up under the Offer, it reserves the right to make or enter into an arrangement, commitment or understanding at or prior to the Expiry Time to sell Shares after the Expiry Time.

## **28. Acceptance of the Offer**

The Offeror has no knowledge whether any Shareholders will accept the Offer. See Section 21, “Arrangements, Agreements or Understandings.”

## **29. Depositary and Information Agent**

The Offeror has retained CNRA to act as Depositary and Information Agent for the Offer. The Depositary and Information Agent (i) will receive deposits of certificates and any DRS Advice representing Shares and accompanying Letters of Transmittal at the office specified in the Letters of Transmittal, (ii) will receive Notices of Guaranteed Delivery at the office specified in the Notices of Guaranteed Delivery, (iii) will be responsible for giving certain notices, if required, and disbursing payment for Shares purchased by the Offeror under the Offer, and (iv) will assist with Shareholder identification and communication in respect of the Offer. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with its role as Depositary and Information Agent for the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under applicable securities laws.

Questions and requests for assistance concerning the Offer should be made directly to the Depositary and Information Agent at 1-416-861-9446. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained without charge from the Depositary and Information Agent at its address shown on the last page of this document.

## **30. Financial Advisors**

The Offeror has not retained a financial advisor with respect to the Offer.

## **31. Soliciting Dealers**

No person or company has been retained by or on behalf of the Offeror to make solicitations in respect of the Offer.

The Offeror will pay to each soliciting dealer whose name appears in the appropriate space in the Letter of Transmittal accompanying a deposit of Shares, a fee of \$0.35 for each Share deposited and taken up and paid for by the Offeror under the Offer. The aggregate amount payable to a soliciting dealer with respect to any single depositing beneficial owner of Shares will be not more than \$2,450. For greater certainty, no solicitation fee will be paid if the Offer is withdrawn or terminated and no Shares are taken up thereunder. The Offeror may require any soliciting dealer to furnish evidence of beneficial ownership satisfactory to the Offeror at the time of deposit. When a single beneficial owner deposits Shares, all such securities shall be aggregated in determining whether the maximum fee applies and the Offeror will not be required to pay a fee to more than one soliciting dealer in respect of one beneficial owner of Shares.

Except as set forth above, the Offeror will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer.

## **32. Other Terms**

The Offer and all contracts resulting from acceptance hereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of this Offer unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario and the courts of appeal therefrom.

In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.

**No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Offeror other than as contained in the Offer to Purchase, and, if any such information or representation is given or made, it must not be relied upon as having been authorized. No broker, investment dealer or other Person shall be deemed to be the agent of the Offeror or the Depositary and Information Agent for the purposes of the Offer.**

The provisions of the cover pages, Glossary, Questions and Answers About the Offer, the Summary, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions and rules contained therein, as applicable, form part of the terms and conditions of the Offer and should be read carefully and in their entirety before making a decision with respect to the Offer.

**The Offeror shall, in its sole discretion, be entitled to make a final and binding determination of all questions relating to the interpretation of this Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of the acceptance of this Offer and, the validity of any withdrawals of Shares, including without limitation, the satisfaction or non-satisfaction of any condition, the validity, time and effect of any deposit of Shares or notice of withdrawal of Shares and the due completion and execution of the Letters of Transmittal and Notices of Guaranteed Delivery.**

The Offeror reserves the right to waive any defect in acceptance with respect to any particular Shares or any particular Shareholder. There shall be no obligation on the Offeror, the Depositary and Information Agent or any other person to give notice of any defects or irregularities in acceptance and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to transfer or assign to one or more affiliated companies the right to purchase all or any portion of the Shares deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Shares to receive payment for Shares validly deposited and accepted for payment pursuant to the Offer.

**This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of any such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.**

Where the Offer provides that the time for the taking of any action, the doing of any thing or the end of any period, expires or falls upon a day that is not a Business Day, the time shall be extended and action may be taken, the thing may be done or the period shall end as the case may be, on the next Business Day.

Dated: March 10, 2021

**TRC CAPITAL INVESTMENT CORPORATION**

By: (Signed) Lorne H. Albaum  
President and Chief Executive Officer

Manually executed photocopies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each depositing Shareholder of Pan American or his stockbroker, investment dealer, commercial bank, trust company or other nominee to the Depositary and Information Agent at the address set forth below:

**The Depositary and Information Agent for the Offer is:**

**CNRA FINANCIAL  
SERVICES INC.**

**By Mail, Hand or Courier**

Corporate Actions Department  
801 Eglinton Avenue West, Suite 400  
Toronto, Ontario  
M5N 1E3

Telephone: (416) 861-9446  
Facsimile: (416) 781-3318

**Any questions or requests for assistance may be directed to the Depositary and Information Agent at the telephone number and location set out above.**