



**PAN AMERICAN**  
— SILVER —

NEWS RELEASE

# Pan American Silver Completes the Sale of La Arena

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VANCOUVER, British Columbia--(BUSINESS WIRE)-- **Pan American Silver Corp.** (NYSE: PAAS) (TSX: PAAS) (“**Pan American**”) yesterday completed the previously announced divestment of its 100% interest in La Arena S.A. (“La Arena”), which owns the La Arena gold mine as well as the La Arena II project in Peru, to Jinteng (Singapore) Mining Pte. Ltd., a subsidiary of Zijin Mining Group Co., Ltd. (collectively, “Zijin”).

Under the terms of the agreement, Zijin paid US\$245 million in cash consideration and granted Pan American a life-of-mine gold net smelter return royalty of 1.5% for the La Arena II project. Upon commencement of commercial production from the La Arena II project, the agreement provides for an additional contingent payment from Zijin of US\$50 million in cash.

As part of the approval received from the Government of Canada under the Investment Canada Act, Pan American and La Arena entered into an offtake agreement in respect of the La Arena II project, which will enable Pan American to secure up to 60% of the future copper concentrate supply from the La Arena II project on commercial terms for sale in North American markets, following the commencement of commercial production.

## About Pan American Silver

Pan American Silver is a leading producer of silver and gold in the Americas, operating mines in Canada, Mexico, Peru, Brazil, Bolivia, Chile and Argentina. We also own the Escobal mine in Guatemala that is currently not operating, and we hold interests in exploration and development projects. We have been operating in the Americas for three decades, earning an industry-leading reputation for sustainability performance, operational excellence and prudent financial management. We are headquartered in Vancouver, B.C. and our shares trade on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “PAAS”.



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## Cautionary Note Regarding Forward-Looking Statements and Information

Certain of the statements and information in this news release constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of applicable Canadian provincial securities laws. All statements, other than statements of historical fact, are forward-looking statements or information. Forward-looking statements or information in this news release relate to, among other things: the anticipated commencement of production from the La Arena II project, if any; the potential receipt of the future contingent payment and the realization of any value in respect of the gold net smelter return royalty granted in connection with the transaction; and the amount of copper concentrates available from the La Arena II project, if any, and Pan American’s ability to secure and complete future sales of any such copper concentrates within North American markets.

These forward-looking statements and information reflect Pan American’s current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by Pan American, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: whether commercial production from the La Arena II project will be achieved, and the timing for any such commercial production; the benefits and value, if any, of the gold net smelter return royalty granted in connection with the transaction; tonnage of ore to be mined and processed from the La Arena II project, if any; future anticipated prices for gold, copper and other metals and assumed foreign exchange rates; ore grades and recoveries from the La Arena II project; capital costs for the La Arena II project and the availability of capital for development and construction; all necessary permits, licenses and regulatory approvals for the La Arena II project are received; and the amount, if any, of supply of copper concentrates from the La Arena II project and, if available, the future sales of any such copper concentrates within North American markets. The foregoing list of assumptions is not exhaustive.

Pan American cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this news release and Pan American has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in gold and base metal prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets; operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave-ins, flooding and

severe weather); development and construction risks; risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom Pan American does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; employee relations; relationships with, and claims by, local communities and indigenous populations; ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices in Peru, including environmental, export and import laws and regulations; changes in national and local government, legislation, taxation, controls or regulations and political, legal or economic developments in Peru, including legal restrictions relating to mining; risks relating to expropriation; and competition in the mining industry for equipment and qualified personnel. Although Pan American has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements or information. Forward-looking statements and information are designed to help readers understand management's current views of our near- and longer-term prospects and may not be appropriate for other purposes. Pan American does not intend, nor does it assume any obligation to update or revise forward-looking statements or information, whether as a result of new information, changes in assumptions, future events or otherwise, except to the extent required by applicable law.

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