

PAN AMERICAN SILVER CORP  
Form 6-K  
February 24, 2012

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 6-K

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the month of, February 2012**

**Commission File Number 000-13727**

### **Pan American Silver Corp**

(Translation of registrant's name into English)

**1500-625 Howe Street, Vancouver BC Canada V6C 2T6**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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**DOCUMENTS INCLUDED AS PART OF THIS REPORT**

**Document**

- 1 Notice of Special Meeting of Shareholders to be held on Monday, March 26, 2012 and Management Information Circular with respect to a proposed Arrangement involving Minefinders Corporation Ltd., dated February 20, 2012

This report on Form 6-K is incorporated by reference into the Registrant's outstanding registration statement on Form F-10 (No. 333-164752) and on Form S-8 (No. 333-149580) that have been filed with the Securities and Exchange Commission.

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Document 1

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**to be held on Monday, March 26, 2012**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**with respect to a proposed**

**ARRANGEMENT**

**involving**

**Minefinders Corporation Ltd.**

**February 20, 2012**

*These materials are important and require your immediate attention. They require the shareholders of Pan American Silver Corp. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisers. If you have questions, you may contact the proxy solicitation and information agent, Kingsdale Shareholder Services Inc., by (i) telephone, toll-free in North America at 1-877-657-5859 or call collect at 416-867-2272 outside North America; or (ii) e-mail to [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).*



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Pan American's mission is to be the world's largest low-cost primary silver mining company. We have seven operating mines in Mexico, Peru, Argentina and Bolivia. We also own the Navidad project in Chubut, Argentina, one of the world's largest undeveloped silver deposits, and are the operator of the La Preciosa project in Durango, Mexico.

We are seeking shareholder approval to issue Pan American shares in connection with our acquisition of Minefinders Corporation Ltd., a Vancouver-based precious metals company whose principal property is the Dolores mine, a multi-million ounce long-life, low-cost gold and silver mine located in Chihuahua, Mexico.

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February 20, 2012

Dear Shareholder:

You are invited to attend a special meeting (the **Special Meeting**) of shareholders of Pan American Silver Corp. (**Pan American**) to be held on Monday, March 26, 2012 at 9:00 a.m. (Vancouver time) in the Vancouver Room of the Metropolitan Hotel, 645 Howe Street, Vancouver, British Columbia.

At the Special Meeting you will be asked to consider an ordinary resolution (the **Share Issuance Resolution**) to approve the issuance of Pan American Shares in connection with Pan American's proposed acquisition of all of the issued and outstanding common shares of Minefinders Corporation Ltd. (**Minefinders**) by way of a plan of arrangement (the **Arrangement**) under the *Business Corporations Act* (Ontario).

The Circular that accompanies this letter contains a detailed description of the Arrangement as well as detailed information regarding Pan American and Minefinders and certain *pro forma* and other information regarding Pan American after giving effect to the Arrangement. It also includes certain risk factors relating to the completion of the Arrangement. Please give this material your careful consideration.

Minefinders is a precious metals mining and exploration company and operates the multi-million ounce Dolores gold and silver mine in Mexico. The acquisition of Minefinders is logical and consistent with Pan American's vision to become the largest low-cost primary producer of silver in the world.

Under the Arrangement, Minefinders' shareholders can elect to receive, in exchange for each Minefinders share they hold, either: (i) 0.55 Pan American shares and Cdn.\$1.84 in cash; (ii) 0.6235 Pan American shares and Cdn.\$0.0001 in cash; or (iii) Cdn.\$15.60 in cash, subject to proration under total aggregate cash and share pools. The total transaction value is approximately Cdn.\$1.38 billion. Following completion of the transaction, former Minefinders securityholders will own up to approximately 32% of Pan American on a fully-diluted basis.

The Arrangement also provides for the treatment of outstanding options of Minefinders, which will be exchanged for options of Pan American (**Replacement Options**). A maximum of 53,666,003 Pan American shares will be issuable in connection with the Arrangement and upon the exercise of all Replacement Options. The Share Issuance Resolution will authorize Pan American to issue up to this number of Pan American shares. A maximum of approximately \$178.8 million will be payable to Minefinders securityholders in connection with the Arrangement.

**AFTER CAREFUL CONSIDERATION OF THE ARRANGEMENT, THE BOARD OF DIRECTORS OF PAN AMERICAN UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE SHARE ISSUANCE RESOLUTION.**

In order to become effective, the Share Issuance Resolution must be approved by at least a majority of the votes cast by Pan American's shareholders (50% plus one vote), either present in person or by proxy at the Special Meeting. Approval of the Share Issuance Resolution is required for completion of the Arrangement as, pursuant to the listing rules of the Toronto Stock Exchange and the Nasdaq Global Market, a listed company is generally required to obtain shareholder approval in connection with an acquisition transaction where the number of securities issued or issuable in payment of the purchase

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[www.panamericansilver.com](http://www.panamericansilver.com)



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price for the acquisition exceeds, in the case of the Toronto Stock Exchange, 25%, and in the case of the Nasdaq Global Market 20%, of the number of outstanding securities of the listed issuer, on a non-diluted basis, prior to the date of closing of the transaction.

In order to become effective, among other things, the Arrangement also requires the approval of the securityholders of Minefinders and the Superior Court of Justice of Ontario, and the satisfaction of certain closing conditions customary to transactions of this nature. Assuming that all conditions to the Arrangement are satisfied, we expect the Arrangement to be completed on or about March 30, 2012.

**Your vote is very important.** Whether or not you plan to attend the Special Meeting, please submit your vote as soon as possible to ensure your views are represented at the Special Meeting. You can vote online or by phone, fax, mail or in person at the Special Meeting.

If you have any questions relating to the attached document or the Special Meeting, please contact Kingsdale Shareholder Services Inc. by toll-free telephone at 1-877-657-5859 in North America, or call collect at (416) 867-2272 outside of North America, or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

Yours sincerely,

*(signed) Geoffrey A. Burns*

Geoffrey A. Burns,  
President and Chief Executive Officer

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**Notice of 2012 Special Meeting of Shareholders**

**When**

Monday, March 26, 2012  
9:00 a.m. (Vancouver time)

**Where**

The Metropolitan Hotel – Vancouver Room  
645 Howe Street, Vancouver, British Columbia

We will cover two items of business at the Special Meeting:

1. The issuance of up to 53,666,003 common shares of Pan American Silver Corp. ( **Pan American** ) in connection with an arrangement involving Pan American and Minefinders Corporation Ltd. ( **Minefinders** ) under the *Business Corporations Act* (Ontario), pursuant to which Pan American will acquire all of the issued and outstanding common shares of Minefinders, as more fully described in the accompanying management information circular (the **Circular** ). The full text of the ordinary resolution approving this share issuance is attached as Schedule B to the accompanying Circular.
2. Other business.

**Your vote is important.**

You are entitled to receive this notice and vote at our Special Meeting if you owned common shares of Pan American as of the close of business on February 14, 2012 (the record date for the Special Meeting).

The accompanying Circular contains important information about what the Special Meeting will cover, who can vote and how to vote. Please read it carefully.

We have retained Kingsdale Shareholder Services Inc. ( **Kingsdale** ) to act as our proxy solicitation and information agent in connection with the Special Meeting. If you have any questions relating to the attached document or the Special Meeting, please contact Kingsdale by toll-free telephone at 1-877-657-5859 in North America, or call collect at (416) 867-2272 outside of North America, or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

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DATED at Vancouver, British Columbia this 20th day of February, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Delaney Fisher*

Delaney Fisher  
Corporate Secretary and  
Legal Counsel

These securityholder materials are being sent to both registered and non-registered owners of our securities. If you are a non-registered owner, and Pan American or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, Pan American (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting.

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**Management Information Circular**

You've received this management information circular (the **Circular**) because our records indicate that you owned common shares (**Pan American Shares**) of Pan American Silver Corp. (**we**, **us**, **our**, the **Company** or **Pan American**) as of the close of business on February 1, 2012, (the **Record Date**), and we are sending you this Circular in connection with the 2012 special meeting of our shareholders scheduled to be held on Monday, March 26, 2012 (the **Special Meeting**). You have the right to attend the Special Meeting and vote your Pan American Shares in person or by proxy. You retain these rights if the Special Meeting is adjourned or postponed.

In this document, *we, us, our, Pan American* and *the Company* mean Pan American Silver Corp.

*You, your* and *Pan American Shareholder* mean holders of common shares of Pan American.

**Your vote is important.** This Circular describes what the Special Meeting will cover and how to vote. Please read it carefully and vote, either by completing the form included with this package or by attending the Special Meeting in person.

In particular, you will be asked to approve the issuance of our shares in connection with an arrangement involving us and Minefinders Corporation Ltd. (**Minefinders**), pursuant to which we will acquire all of Minefinders' issued and outstanding common shares.

Both the Board of Directors (the **Board**) and management of Pan American encourage you to vote. Our management will be soliciting your vote for this Special Meeting and any Special Meeting that is reconvened if it is postponed or adjourned. You may be contacted by telephone by a representative of Kingsdale Shareholder Services Inc. (**Kingsdale**), whom we have retained to assist with soliciting votes for the meeting. If you have any questions, you can call them toll free at 1-877-657-5859 in North America, or call collect at (416) 867-2272 outside North America, or you can contact them by email at: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

Kingsdale is providing us with a variety of services related to the Special Meeting. This includes reviewing this Circular, liaising with proxy advisory firms, developing and implementing shareholder communication and engagement strategies, advising on Special Meeting and proxy protocol, reporting and reviewing the tabulation of shareholder proxies, and soliciting shareholder proxies. We are paying Kingsdale approximately Cdn.\$150,000 for their services.

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This Circular is dated February 20, 2012. Unless otherwise stated, information in this Circular is as of February 20, 2012.

### Receiving documents

This Circular is expected to be mailed to our shareholders on or about February 24, 2012 with a proxy or voting instruction form, in accordance with applicable laws.

This Circular and other materials are being sent to both registered and non-registered shareholders.

If you are a *registered* shareholder, send your completed proxy by fax or mail, or on the internet, to Computershare Investor Services Inc. They must receive your proxy by 9:00 a.m. (Vancouver time) on Thursday, March 22, 2012, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in

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British Columbia) prior to the time of any adjournment or postponement of the Special Meeting. The chairman of the Special Meeting has the discretion to accept late proxy forms.

If you are a *non-registered* shareholder and you have received these materials from us or our agent, we have obtained your name, address and information about your shareholdings from your securities broker, custodian, nominee, fiduciary or other intermediary holding these securities on your behalf in accordance with applicable requirements of securities regulators. By sending these materials to you directly, we (and not your intermediary) have assumed responsibility for delivering them to you and executing your proper voting instructions. Please return your voting instructions as specified in the enclosed voting information form.

If you are a *non-registered* shareholder and object to us receiving access to your personal name and address (an objecting beneficial owner, or **OBO** ), we have provided these documents to your broker, custodian, fiduciary or other intermediary to forward to you. Please follow the voting instructions that you receive from your intermediary. Your intermediary is responsible for properly executing your voting instructions.

**Additional information**

You can find financial information relating to Pan American in our comparative financial statements and management's discussion and analysis for our most recently completed financial year.

See our management's discussion and analysis, financial statements and the Pan American Annual Information Form (or Form 40-F) for additional information about Pan American. These documents are available on our website ([www.panamericansilver.com](http://www.panamericansilver.com)), on SEDAR ([www.sedar.com](http://www.sedar.com)), and on EDGAR ([www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)).

You can also request copies of these documents free of charge by contacting our corporate secretary:

Corporate Secretary  
Pan American Silver Corp.  
1500 625 Howe Street  
Vancouver, British Columbia V6C 2T6

[panamericansilver.com](http://panamericansilver.com)  
604-684-1175 (call toll-free)  
604-684-0147 (fax)

Additional copies of this Circular are also available on request.

Our Board has approved the contents of this Circular and have authorized us to send it to you. We've also sent a copy to each of our directors and our auditors.

DATED at Vancouver, British Columbia this 20th day of February, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Delaney Fisher*

Delaney Fisher  
Corporate Secretary and  
Legal Counsel

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at 1-877-657-5859 or email: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)*

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**General Information**

**Defined Terms**

This Circular contains defined terms. For a list of the defined terms, please see the Glossary. It is attached as Schedule A to this Circular.

**Information Contained in this Circular**

The information contained in this Circular is given as at February 20, 2012, except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

You should not construe the contents of this Circular as legal, tax or financial advice and should consult with your own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Special Meeting other than those contained in this Circular (or incorporated by reference herein). If given or made, any such information or representation must not be relied upon as having been authorized by us.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement attached as Schedule A to the Amendment Agreement, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)). You are urged to carefully read the full text of the Plan of Arrangement.

**Information Concerning Minefinders**

Except as otherwise indicated, the information concerning Minefinders contained in this Circular has been taken from, or is based upon, publicly available information and records on file with Canadian securities regulatory authorities and other public sources. In the Arrangement Agreement, Minefinders provided a covenant that it would ensure that the information provided by it for the preparation of this Circular does not include any misrepresentation concerning Minefinders, its subsidiaries or the Minefinders Shares. Although we have no knowledge that would



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indicate that any statements contained herein concerning Minefinders taken from or based on such documents and records are untrue or incomplete, neither we nor any of our directors or officers assume any responsibility for the accuracy or completeness of such information, including any of Minefinders' financial statements or Minefinders' mineral reserve and mineral resource estimates, or for any failure of Minefinders 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 us.

### **Cautionary Notice Regarding Forwarding-Looking Statements and Information**

This Circular, and the documents incorporated by reference herein, contain certain forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act of 1995* and

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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. When used in this Circular, the words anticipate, believe, continue, estimate, expect, objective, ongoing, will, project, should, intend, potential *pro forma*, target, plan, forecast, budget, may, expressions are intended to identify forward-looking statements or information. These forward-looking statements or information relate to, among other things:

- the timing and implementation of the proposed Arrangement;
- the integration of Minefinders with Pan American following the Arrangement;
- the anticipated benefits of the Arrangement;
- our business outlook following the Arrangement;
- the addition of a mill at the Dolores mine and development of the Navidad project, the La Preciosa project, and other exploration or development projects of Pan American and Minefinders;
- plans and expectations for Pan American's and Minefinders' properties and operations following the Arrangement;
- forecast business and financial results, including the estimates of expected or anticipated economic returns from Pan American and Minefinders' mining projects;
- estimated capital costs;
- cash and total costs of production at each of Pan American's and Minefinders' properties;
- estimated production rates for silver and other payable metals produced by Pan American and Minefinders;

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- the price of silver and other metals;
- future sales of metals, concentrates or other products produced by Pan American and Minefinders;
- Pan American's and Minefinders' mineral reserve and mineral resource estimates;
- our ability to pay out dividends following the Arrangement;
- the sufficiency of Pan American's and Minefinders' current working capital and anticipated operating cash flow;
- the estimated costs of, and availability of financing for, construction, development and ramp-up of Pan American's and Minefinders' respective mine development projects and ongoing capital replacement or improvement programs;
- estimated closure costs and the cost of remediation programs;
- the effects of laws, regulations and government policies affecting Pan American's and Minefinders' operations or potential future operations, including but not limited to, laws in the province of Chubut, Argentina, which currently have significant restrictions on mining, recent changes to the laws of Bolivia with respect to mining, and laws in Argentina which impact our ability to repatriate funds;

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- the ability of Pan American and Minefinders to maintain and repair equipment necessary to operate their mines, particularly for example, in light of recent changes to import and export restrictions in Argentina;
- the trading price of Pan American's and Minefinders' common shares;
- there being no significant political developments, whether generally, or in respect of the mining industry specifically, in any of Mexico, Argentina, Peru, Bolivia and the United States that are not consistent with Pan American's or Minefinders' current expectations;
- there being no significant disruptions affecting Pan American's or Minefinders' operations, whether due to permitting issues, environmental issues, construction delays, labour disruptions, natural disasters, litigation, social issues, supply disruptions, power disruptions, damage to equipment or otherwise;
- the exchange rates between the Canadian dollar, US dollar, Peruvian Sol, Mexican Peso, Argentina Peso and Bolivia Boliviano;
- prices for energy inputs and other key supplies;
- labour and materials costs; and
- anticipated taxes.

These statements reflect our current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or information contained in this Circular and we have made assumptions and estimates based on or related to many of these factors. The factors and assumptions related to the Arrangement include, but are not limited to:

- the approval of the Arrangement by the Court;
- the approval of the Share Issuance Resolution by our shareholders;

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- the approval of the Minefinders Resolution by the Minefinders Shareholders (voting as a single class) and the Minefinders Securityholders (voting as a single class); and
- the receipt of all required regulatory and third party approvals to complete the Arrangement;
- the completion of the Arrangement.

Other factors include, without limitation: fluctuations in spot and forward markets for silver, gold, base metals and certain other commodities (such as natural gas, fuel oil and electricity); fluctuations in currency markets (such as the Peruvian Sol, Mexican Peso, Argentine Peso and Bolivian Boliviano versus the U.S. dollar); changes in national and local government, legislation, taxation, controls or regulations including, among others, changes to import and export regulations and laws relating to the repatriation of capital and foreign currency controls; political or economic developments in Canada, the United States, Mexico, Peru, Argentina, Bolivia or other countries where Pan American and Minefinders may carry on business in the future; operational risks and hazards associated with the business of mineral exploration, development and mining (including equipment breakdowns, natural disasters, environmental hazards, industrial accidents, unusual or unexpected geological or structural formations,

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cave-ins and flooding); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom Pan American and Minefinders do 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; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits and the presence of laws and regulations that may impose restrictions on mining, including those currently in the Province of Chubut, Argentina; diminishing quantities or grades of mineral reserves as properties are mined; global financial conditions; Pan American's and Minefinders' ability to complete and successfully integrate acquisitions and to mitigate other business combination risks; challenges to, or difficulty in maintaining, Pan American's and Minefinders' title to properties and continued ownership thereof; the actual results of current exploration activities, conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors; increased competition in the mining industry for properties, equipment, qualified personnel, and their costs; risks associated with the operation of leach pads and those factors identified under the caption "Risks Related to Pan American's Business" in our most recent Form 40-F and the Pan American Annual Information Form and under the caption "Risk Factors" in Minefinders most recent Form 40-F and the Minefinders Annual Information Form, each as filed with the SEC and Canadian provincial securities regulatory authorities, as applicable. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements. Although we have 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. We do not intend, and do not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.

**Notice to United States Securityholders**

**NEITHER THE ARRANGEMENT NOR THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The securities to be issued under the Arrangement have not been registered under the U.S. Securities Act or any state securities laws and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and applicable state securities laws on the basis of the approval of the Court which will consider, among other things, the fairness of the terms and conditions of the Arrangement to Minefinders Securityholders. Section 3(a)(10) of the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and have received adequate notice thereof. See "The Arrangement" in this Circular for more information.

We are a corporation existing under the laws of the Province of British Columbia. The proxy solicitation rules under Section 14(a) of the U.S. Exchange Act are not applicable to us or this solicitation based on exemptions from the proxy solicitation rules for "foreign private issuers" (as such term is defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with

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disclosure requirements applicable in Canada and in accordance with Canadian corporate and securities laws. Securityholders in the United States should be aware that disclosure requirements under Canadian securities laws may be different from requirements of the United States.

Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in or incorporated by reference in this Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the SEC and United States securities laws. Without limiting the foregoing, this Circular, including the documents incorporated by reference herein, use the terms measured mineral resources, indicated mineral resources and inferred mineral resources. United States securityholders are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States securityholders are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of inferred mineral resources will ever be upgraded to a higher category. Therefore, United States securityholders are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations, however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this Circular or in the documents incorporated by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

Financial statements included or incorporated by reference in this Circular have been prepared in accordance with GAAP or IFRS, which differ from U.S. generally accepted accounting principles in certain material respects, and thus they may not be comparable to financial statements of U.S. companies. The issuance of Pan American Shares in connection with the acquisition of the Minefinders Shares and Minefinders Options as described in this Circular should not result in any Canadian or United States federal income tax consequences to our shareholders with respect to their ownership of Pan American Shares.

The enforcement by securityholders of civil liabilities under U.S. securities laws may be affected adversely by the fact that each of Pan American and Minefinders is incorporated or organized outside the United States, that some or all of their respective directors and officers and the experts named in this Circular are not residents of the United States and that all or a substantial portion of their respective assets and said persons may be located outside the United States. As a result, it may be difficult or impossible for U.S. securityholders to effect service of process within the United States upon Pan American or Minefinders, their respective officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or blue sky laws of any state within the United States. In addition, U.S. securityholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or blue sky laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or blue sky laws of any state within the United States.

*If you have any questions or need assistance completing your proxy, please call Kingsdale Shareholder Services Inc. at 1-877-657-5859 or email: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)*



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**Reporting Currencies and Accounting Principles**

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Circular are references to United States dollars. References to \$ are to U.S. dollars and references to Cdn.\$ are to Canadian dollars. Pan American's and Minefinders' respective financial statements incorporated by reference into this Circular, in respect of documents for financial years beginning prior to January 1, 2011, have been prepared in accordance with GAAP which are reconciled to U.S. generally accepted accounting principles where required, and, in respect of documents for financial periods beginning on or after January 1, 2011, have been prepared in accordance with IFRS.

**Currency Exchange Rate Information**

The following table sets forth the high and low exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the noon buying rates provided by the Bank of Canada: