

DEALS AND SUITS

Pan American Silver Corp. announces the sale of La Arena S.A

On May 1, 2024, Pan American Silver Corp. (Pan American) announced an agreement to sell a 100% interest in La Arena S.A. (La Arena), which owns the La Arena gold mine as well as the La Arena II development project in Peru, to Jinteng (Singapore) Mining Pte. Ltd., a subsidiary of Zijin Mining Group Co., Ltd. (collectively, Zijin) for US\$245 million cash upfront and a US\$50 million contingent payment.

At closing Zijin will pay US\$245 million in cash and will grant Pan American a life-of-mine gold net smelter return royalty of 1.5 per cent 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. The closing of the transaction is subject to customary conditions and receipt of regulatory approvals. Pan American expects the transaction to be completed in the third quarter of 2024.

The La Arena property is located in the La Libertad province of Peru and is comprised of the La Arena gold mine and the La Arena II development project.

BLG is representing Pan American with a team led by Fred R. Pletcher and including included Julie Bogle, Michael Waters and Salvador Pimentel (Mining); Randy Morphy and Danielle Lewchuck (Tax); Subrata Bhattacharjee and Denes Rothschild (Competition and Foreign Investment Review).