



Pan American Enters into Arrangement Agreement With Legacy Lithium Corp. Regarding Green Energy Spin Out and Announces Shareholder Meeting Date

Exchange ratio for "spin-out" set at one Legacy Lithium common share for each five Pan American common shares held. Shareholder meeting to approve "spin-out" to be held on April 11, 2023.

February 8, 2023

Calgary AB – **Pan American Energy Corp.** (the "**Company**" or "**Pan American**") (CSE: **PNRG**) (OTC PINK: **PAANF**) (FRA: **SS6**) today announces that it has entered into an arrangement agreement with a newly incorporated, wholly-owned subsidiary of the Company named Legacy Lithium Corp. ("**Legacy**") with respect to the proposed "spin out" of the Company's Green Energy Lithium Property, located in Cane Creek Anticline, Grand County, Utah, USA (the "**Property**").

Pan American believes that its current share price does not fully recognize the value of the Property, and that by completing the proposed "spin out", the shareholders of the Company will benefit from unlocking the value of the Property. Additionally, the proposed "spin out" will allow the Company to concentrate its efforts on its other projects – the Big Mack Lithium Project and the Horizon Lithium Project – while Legacy focuses on the advancement of the Property.

Terms of the Arrangement Agreement

The Company has executed an arrangement agreement (the "**Arrangement Agreement**") with Legacy, whereby the Company's interest in the Property will be "spun out" to shareholders of the Company by way of a plan of arrangement (the "**Arrangement**") under the Business Corporations Act (British Columbia), subject to the terms and conditions of the Arrangement Agreement. The Company's shareholders will vote on the Arrangement at a special meeting of shareholders (the "**Meeting**") to be held on April 11th, 2023. Prior to the effective date of the Arrangement, the Company plans to transfer all of its ownership interest in the Property, currently held in its wholly-owned subsidiary Pan American Energy, LLC, into Legacy, along with certain related assets, which, together, will be the initial assets of Legacy. To be effective, the Arrangement must be approved by a special resolution passed by at least 66^{2/3}% of the votes cast by Company shareholders present in person or represented by proxy at the Meeting, which shareholders are entitled to one vote for each Company share held.

The Arrangement involves, among other things, the distribution of 100% of the common shares of Legacy (the "**Legacy Common Shares**") to Company shareholders pursuant to the terms and subject to the conditions contained in the Arrangement Agreement, such that each shareholder as of a particular record date, occurring immediately prior to closing of the Arrangement (the "**Record Date**"), will receive one Legacy Common Share for each five common shares of the Company held as of the Record Date. It is anticipated that the Record Date of the Arrangement will be on or about April 17th, 2023 and the closing date of the Arrangement will occur on or about April 19th, 2023. In connection with the Arrangement, share purchase warrants of the Company will be adjusted in accordance with their terms, as described in more detail in the information circular ("**Circular**") that will be mailed to shareholders prior to the Meeting.

Only Pan American shareholders as of the close of business on the Record Date will be entitled to Legacy Common Shares upon the closing of the Arrangement. Any Pan American shareholder who sells their Pan American shares prior to the Record Date, and who does not re-acquire Pan American shares before the Record Date, will not be entitled to Legacy Common Shares upon the closing of the Arrangement.

After careful consideration, the board of directors of the Company has determined that the Arrangement is fair to shareholders and is in the best interests of the Company. A description of the various factors considered by the board of directors in arriving at this determination will be provided in the Circular.

After the closing of the Arrangement, the common shares of the Company are expected to continue trading on the Canadian Securities Exchange (the "CSE") under the symbol PNRG, on the OTC Pink Market in the United States under the symbol "PAANF" and on the Frankfurt Exchange under the symbol "SS6". Following the completion of the Arrangement, it is expected that Legacy will apply to be listed on the CSE.

There will be no change in shareholders' holdings in Pan American as a result of the Arrangement

About Pan American Energy Corp.

Pan American Energy Corp. (CSE: PNRG) (OTC PINK: PAANF) (FSE: SS6) is an exploration stage company engaged principally in the acquisition, exploration and development of mineral properties containing battery metals in North America.

The Company's maiden asset is the 100% owned Green Energy Lithium Project, located in the Paradox Basin, Utah, USA. The Company has also entered a property option agreement with Horizon Lithium LLC with the right to acquire 100% interest in the Horizon Lithium Project, located within the Clayton Valley – Tonopah Lithium Belt, Nevada, USA.

The Company executed an option agreement in Canada with Magabra Resources with the right to acquire up to 90% interest in the drill-ready Big Mack Lithium Project, 80 km north of Kenora, Ontario.

On Behalf of the Board of Directors

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Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current beliefs or assumptions as to the outcome and timing of such future events. In particular, this press release contains forward-looking information relating to, among other things, the Arrangement, including the anticipated timing and benefits of the Arrangement and the completion of the Arrangement, the Company's plans with respect to the Arrangement and the Company's expectations regarding the business of the Company and Legacy following the completion of the Arrangement; the Meeting, including the date of the Meeting and the anticipated contents of the Circular; and the anticipated listing of the Legacy Common Shares on the CSE following the closing of the Arrangement.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information, including, in respect of the forward-looking information included in this press release, the assumption that: the Company will receive all regulatory and shareholder approvals necessary to complete the Arrangement; the Meeting will occur at the scheduled time; the Arrangement will close on the timeline currently expected; the business of the Company and Legacy following the Arrangement will conform with the Company's expectations; following the Arrangement, the Legacy Common Shares will be listed on the CSE; and that the Arrangement will result in the expected benefits to the Company and its shareholders, including unlocking the value of the Property and enabling the Company to focus its resources on its other projects.

Although forward-looking information is based on the reasonable assumptions of the Company's management, there can be no assurance that any forward-looking information will prove to be accurate. Forward looking information involves known and unknown

risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include the risk that the Meeting may not occur on the date currently anticipated, or at all; the Arrangement may not close on the timeline currently anticipated by the Company, or at all, whether as a result of a failure to receive regulatory or shareholder approval of the Arrangement, or otherwise; the Arrangement will not result in the intended benefits to the Company and its shareholders; the business of the Company and Legacy following the Arrangement may not conform with the Company's current expectations; and that the Legacy Common Shares may not ever be listed on the CSE or any other stock exchange. The forward-looking information contained in this release is made as of the date hereof, and the Company not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

The CSE has neither approved nor disapproved the information contained herein.