



Pan American Energy Corp. Intends to “Spin-out” Utah Property

Vancouver, British Columbia

January 3, 2023 – Pan American Energy Corp. (CSE: PNRG) (OTC PINK: PAANF) (FSE: SS6) (the “Company” or “Pan American”) is pleased to announce that, following careful review, the Company intends to “spin-out” its Green Energy Lithium Project, located in Cane Creek Anticline, Grand County, Utah, USA (the “Property”), into a wholly-owned subsidiary (“Subco”). Following the transfer of the Property to Subco, the Company intends to distribute all, or the majority, of the Subco common shares to its existing shareholders on a pro rata basis and pursue a listing of Subco’s common shares on a Canadian stock exchange. The transaction is currently anticipated to proceed by way of a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia). There will be no change in shareholders’ holdings in Pan American as a result of the Arrangement.

Pan American believes that its current share price does not fully recognize the value of the Property, and that by completing the proposed Arrangement, the shareholders of the Company will benefit from unlocking the value of the Property. Additionally, the Arrangement will allow the Company to concentrate its efforts on advancing its other projects - the Horizon Lithium Project and the Big Mack Lithium Project.

The Company anticipates completing the Arrangement on or about March 15, 2023. The completion of the Arrangement will be subject to, amongst other things, entering into a definitive arrangement agreement giving effect to the Arrangement, the receipt of all required regulatory and shareholder approvals and management’s continued discretion. Further details about the proposed Arrangement and anticipated timelines will be provided as they become available. There is no certainty that the Company will proceed with the Arrangement.

Jason Latkowcer, Chief Executive Officer of Pan American, commented “the Spin Out allows us to more acutely focus our human capital and other resources. By narrowing our focus to two assets, we believe that we will be able to more effectively advance our exploration pursuits at the Big Mack Lithium and Horizon Lithium Projects. We feel that our Utah assets are not well reflected in the value of the Company, and believe that the Spin Out will create additional potential value for our shareholders through the recognition of the value of these assets in Subco. We will continue to support the management team of Subco to execute on ongoing permitting and other strategic initiatives.”

On Behalf of the Board of Directors

Jason Latkowcer
Chief Executive Officer and Director

For further information, please contact the Company at:

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About Pan American 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.

Forward-Looking Information

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 proposed structure and timing of the Arrangement, the potential listing of the Subco common shares on a Canadian stock exchange and the anticipated benefits 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 proceed with the Arrangement as intended and ultimately complete the Arrangement, that the Company will receive all regulatory and shareholder approvals to complete the Arrangement on the timelines currently anticipated, that Subco will be successful in listing its common shares on a Canadian stock exchange and that the Arrangement will result in the expected benefits, 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 Company will determine not to proceed with the Arrangement or will not complete the Arrangement, as a result of a failure to receive regulatory or shareholder approval, or otherwise; the risk that the Arrangement will not proceed on the timeline or pursuant to the structure currently anticipated; the risk that the Arrangement will not result in the intended benefits to the Company and its shareholders; and the risk that Subco will be unsuccessful, or determine not to, list its common shares on a Canadian 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 Canadian Securities Exchange (CSE) has not reviewed, approved, or disapproved the contents of this press release.