

PAN AMERICAN SILVER CORP
Form F-10
February 05, 2010

As filed with the Securities and Exchange Commission on February 5, 2010
Registration No. 333-

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-10
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Pan American Silver Corp.
(Exact name of Registrant as specified in its charter)

British Columbia (Province or other Jurisdiction of Incorporation or Organization)	1044 (Primary Standard Industrial Classification Code Number)	Not Applicable (I.R.S. Employer Identification No.)
------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------	---------------------------------------------------------------

1500-625 Howe Street
Vancouver, British Columbia
Canada V6C 2T6
(604) 684-1175
(Address and telephone number of Registrant's principal executive offices)

CT Corporation
111 Eighth Avenue
New York, New York 10011
(212) 894-8940
(Name, address and telephone number of agent for service in the United States)

Copies to:

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Vancouver, British Columbia, Canada V7X 1T2
(604) 687-5744

Approximate date of commencement of proposed sale of the securities to the public:
From time to time after this Registration Statement becomes effective.

Province of British Columbia, Canada
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box):

A. Upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

B. At some future date (check the appropriate box below):

- x
- | | | |
|----|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | .. | pursuant to Rule 467(b) on () at (). |
| 2. | .. | pursuant to Rule 467(b) on () at () because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on (). |
| 3. | .. | pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto. |
| 4. | x | after the filing of the next amendment to this Form (if preliminary material is being filed). |

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. x

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Shares (Consideration Warrants)(1)	7,873,618	US\$32.99	US\$18,520.22
Common Shares (October 2008 Warrants)(1)	480,287	US\$9.44	US\$323.27
Total	8,353,905		US\$18,843.49

(1) This Registration Statement covers the issuance and sale by the Registrant of common shares upon exercise of warrants that were issued to shareholders of Aquiline Resources Inc. ("Aquiline") as partial consideration in connection with the Registrant's acquisition of the outstanding Aquiline common shares. The warrants are not exercisable by or on behalf of U.S. persons or persons within the United States until this Registration Statement has become effective under the Securities Act.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(g), based on the exercise price for the warrants (initially expressed in Canadian dollars), converted to United States based on an exchange rate of Cdn\$1.00=US\$0.9426, as reported by the Bank of Canada noon rate for United States dollars on February 3, 2010.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registration statement shall become effective as provided in Rule 467 under the Securities Act or on such date as the Commission, acting pursuant to Section 8(a) of the Securities Act, may determine.

PART I
INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

A registration statement relating to these securities has been filed with the United States Securities and Exchange Commission. These securities may not be offered nor any offers to buy be accepted prior to the time the registration statement becomes effective. This short form prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel and Secretary of the Company at its head office at 1500 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6, telephone (604) 684-1175 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

February 5, 2010

PAN AMERICAN SILVER CORP.

Cdn\$280,389,105

8,353,905 Common Shares

This short form base shelf prospectus (the “Prospectus”) relates to the issuance and sale (the “Offering”), from time to time during the 25-month period that this Prospectus, including any amendments, remains valid, of up to 8,353,905 common shares (the “Warrant Shares”) of Pan American Silver Corp. (the “Company”) to be offered from time to time upon exercise of 7,873,618 common share purchase warrants (the “Consideration Warrants”) and 480,287 replacement common share purchase warrants (the “October 2008 Replacement Warrants”) of the Company described in this Prospectus, and such indeterminate number of additional common shares (the “Additional Shares” and together with the Warrant Shares, the “Shares”) that may be issuable by reason of the anti-dilution provisions contained in the warrant indenture (the “Warrant Indenture”) dated December 7, 2009 between the Company and Computershare Trust Company of Canada (the “Trustee”) governing the Consideration Warrants and the certificates for the October 2008 Replacement Warrants (the “October 2008 Replacement Warrant Certificates”) described in this Prospectus.

Subject to adjustment in accordance with the terms of the Warrant Indenture, each Consideration Warrant will entitle its holder to purchase one Share (a “Consideration Warrant Share”) at a price of Cdn\$35.00 at any time on or prior to 4:30 p.m. (Pacific Standard Time) on December 7, 2014 (the “Expiry Date”), after which date such Consideration Warrant will become null and void. The Warrant Indenture requires the Company to issue to the holders of Consideration Warrants, upon the due exercise of their Consideration Warrants, that number of Shares to which such holder of Consideration Warrants is entitled.

Subject to adjustment in accordance with the terms of the October 2008 Replacement Warrant Certificates, each October 2008 Replacement Warrant will entitle its holder to purchase one Share (an “October 2008 Replacement Warrant Share”) at a price of Cdn.\$10.02 at any time on or prior to 5:00 p.m. (Eastern time) on October 22, 2011, after which date such October 2008 Replacement Warrant will become null and void. The October 2008 Replacement Warrant Certificates require the Company to issue to the holders of October 2008 Replacement Warrants, upon the due exercise of their October 2008 Replacement Warrants, that number of Shares to which such holder of October 2008 Replacement Warrants is entitled.

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No underwriter has been involved in the preparation of, or has performed any review of, this Prospectus.

This Prospectus is being filed with the British Columbia Securities Commission and as part of a registration statement filed with the United States Securities and Exchange Commission (the "SEC") pursuant to a multi-jurisdictional disclosure system adopted by the securities regulatory authorities in Canada and the United States (the "MJDS") solely for the purpose of registering the issuance and sale, from time to time, of the Shares under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). This Prospectus has not been filed in respect of, and will not qualify, any distribution of the Shares in British Columbia or in any other province or territory of Canada. No supplements to this Prospectus will be filed in relation to the Shares.

The common shares of the Company (the "Common Shares") are listed on the Toronto Stock Exchange (the "TSX") under the symbol "PAA" and quoted on the Nasdaq Stock Market ("Nasdaq") under the symbol "PAAS". On February 4, 2010, the closing price of the Common Shares on the TSX was Cdn\$22.41 per Common Share. On February 4, 2010, the closing price of the Common Shares on Nasdaq was US\$20.78 per Common Share.

Price: Cdn\$35.00 per Consideration Warrant Share
Cdn\$10.02 per October 2008 Replacement Warrant Share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Company
Per Consideration Warrant Share	Cdn\$35.00	Nil	Cdn\$275,576,630.00
Per October 2008 Replacement Warrant Share	Cdn\$10.02	Nil	Cdn\$4,812,475.74
Total	Cdn\$280,389,105.74	Nil	Cdn\$280,389,105.74

Investing in the Shares involves a high degree of risk. You should carefully read the "Risk Factors" section beginning on page 33 of this Prospectus.

The Company is permitted under the MJDS to prepare this Prospectus in accordance with the disclosure requirements of Canada. Prospective investors in the United States should be aware that such requirements are different from those of the United States. The financial statements incorporated by reference in this Prospectus have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Owning securities may subject you to tax consequences both in Canada and the United States. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein. You should consult your own tax advisor with respect to your own particular circumstances.

Your ability to enforce civil liabilities under the U.S. federal securities laws may be affected adversely because the Company is incorporated in Canada, some of the Company's officers and directors and the experts named in this Prospectus are not residents in the United States, and a substantial portion of the Company's assets and the assets of those officers, directors and experts are located outside of the United States.

Neither the SEC nor any state securities regulator has approved or disapproved the Shares offered hereby or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

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Prospective investors should rely only on the information contained or incorporated by reference in this Prospectus and on the other information included in the registration statement of which this Prospectus forms a part. The Company has not authorized anyone to provide different or additional information. The Company is not making an offer to sell or seeking an offer to buy the Shares in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information contained in this Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this or of any sale of the Shares. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

In this Prospectus, unless the context otherwise requires, references to the "Company" refer to Pan American Silver Corp., and references to "Pan American" refer to the Company together with its subsidiaries.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the Provinces and Territories of Canada, which have also been filed with, or furnished to, the SEC. Copies of the documents incorporated by reference in this Prospectus may be obtained on request without charge from the General Counsel and Secretary of the Company at 1500-625 Howe Street, Vancouver, British Columbia, V6C 2T6 (telephone: (604) 684-1175). These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval (“SEDAR”), which can be accessed at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in each of the Provinces and Territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Annual Information Form of the Company, dated March 31, 2009;
- (b) the audited consolidated financial statements of the Company and the notes thereto as at and for the years ended December 31, 2008 and 2007, together with the auditors’ report thereon;
- (c) management’s discussion and analysis of financial condition and results of operations for the Company for the years ended December 31, 2008 and 2007;
- (d) the unaudited interim consolidated financial statements of the Company and the notes thereto for the three and nine month periods ended September 30, 2009 and 2008;
- (e) management’s discussion and analysis of financial conditions and results of operations for the Company for the three and nine month periods ended September 30, 2009 and 2008;
- (f) supplemental financial information relating to the reconciliation of the Company’s unaudited interim financial statements for the three and nine months ended September 30, 2009 and 2008 to U.S. GAAP in accordance with Item 18 of Form 20-F;
- (g) the information circular of the Company, dated April 7, 2009, in connection with the Company’s May 12, 2009 annual general meeting of shareholders;
- (h) a material change report, dated February 6, 2009, relating to the announcement of the Company’s intention to make a public offering of 5,540,000 Common Shares and the filing of preliminary shelf prospectus supplement in connection therewith;
- (i) a material change report, dated October 22, 2009, relating to the announcement of the Offers (as defined below); and
- (j) a material change report, dated December 9, 2009, relating to the announcement of the initial results of securities deposited pursuant to the Offers and the extension of certain of the Offers.

Any documents of the types referred to in the preceding paragraph (excluding confidential material change reports) or of any other type required to be incorporated by reference into a short form prospectus pursuant to National Instrument 44-101 - Short Form Prospectus Distributions that are filed by the Company with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus. Any document filed by the Company with the SEC or

Report of Foreign Private Issuer on Form 6-K furnished to the SEC pursuant to the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), after the date of this Prospectus shall also be deemed to be incorporated by reference into this Prospectus if and to the extent provided in such document.

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Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

Upon a new annual information form and related annual financial statements being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Shares hereunder.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements included or incorporated by reference in this Prospectus 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 securities laws. All statements, other than statements of historical fact are forward-looking statements or information. When used in this Prospectus and the documents incorporated by reference herein, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things:

- the price of silver and other metals;
- the sufficiency of Pan American's current working capital, anticipated operating cash flow or its ability to raise necessary funds;
- the accuracy of mineral reserve and resource estimates and estimates of future production and future cash and total costs of production at Quiruvilca, Huaron, Morococha, La Colorada, Alamo Dorado, Manantial Espejo, San Vicente, Navidad or other properties;
- estimated production rates for silver and other payable metals produced by Pan American, timing of production and the cash and total costs of production at each of Pan American's properties;
- the estimated cost of and availability of funding for ongoing capital, replacement, improvement or remediation programs;
- the estimated cost of development of Navidad or other development projects;
- the effects of laws, regulations and government policies on Pan American's operations, including, without limitation, the laws in the Province of Chubut which currently have significant restrictions relating to mining;

- the estimates of expected or anticipated economic returns from a mining project, as reflected in feasibility studies or other reports prepared in relation to development of projects;
- estimated exploration expenditures to be incurred on Pan American's various silver exploration properties;
- compliance with environmental, health, safety and other laws and regulations;

- obtaining or maintaining necessary permits, licences and approvals from government authorities;
- forecast non-operating spending;
- future sales of the metals, concentrates or other products produced by Pan American;
- continued access to necessary infrastructure, including, without limitation, access to power, land, water and roads to carry on activities as planned; and
- Pan American's plans and expectations for its properties and for its fourth quarter financial results as a result of the acquisition of Aquiline Resources Inc. ("Aquiline") and as described under "Recent Developments".

These statements reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, 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 and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in the spot and forward price of silver, gold, base metals or certain other commodities (such as natural gas, fuel oil and electricity); fluctuations in the currency markets (such as the Canadian dollar, Peruvian sole, Argentina peso, Bolivian boliviano and Mexican peso versus the U.S. dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada, Peru, Mexico, Argentina, Bolivia, the United States or other countries in which Pan American may carry on business in the future; operating or technical difficulties in connection with mining or development activities; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding); 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 and the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in the Province of Chubut, Argentina; employee relations; relationships with and claims by local communities and indigenous populations availability and increasing costs associated with mining inputs and labor; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses, permits and approvals from government authorities; diminishing quantities or grades of mineral reserves as properties are mined; business opportunities that may be presented to, or pursued by, Pan American; Pan American's ability to successfully integrate acquisitions; challenges to, or difficulty in maintaining, Pan American's title to properties; and the factors identified under the caption "Risk Factors" in this Prospectus, in the Company's Annual Information Form, dated March 31, 2009, under the caption "Risks Relating to Pan American's Business" and in the management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2008 and 2007 under the caption "Risks and Uncertainty". Investors are cautioned against attributing undue certainty to forward-looking statements or information. Although the Company 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 anticipated, estimated or intended. The Company does not intend, and does 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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING
ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This Prospectus has been prepared in accordance with the requirements of Canadian provincial securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all reserve and resource

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estimates included or incorporated by reference in this Prospectus have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained in or incorporated by reference into this Prospectus may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, these documents use the terms “measured resources”, “indicated resources” and “inferred resources”. U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under U.S. 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. U.S. investors are cautioned not to assume that any part of a “measured resource” or “indicated resource” will ever be converted into a “reserve”. U.S. investors should also understand that “inferred resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of “inferred resources” exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, estimated “inferred resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of “contained ounces” in a mineral resource is permitted disclosure under Canadian securities laws. However, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade, without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

CERTAIN AVAILABLE INFORMATION

The Company has filed with the SEC a registration statement on Form F-10 (the “Registration Statement”) under the U.S. Securities Act, with respect to the Shares. This Prospectus, which constitutes a part of that Registration Statement, does not contain all of the information set forth in such Registration Statement and its exhibits, to which reference is made for further information. See “Documents Filed as Part of the U.S. Registration Statement”.

The Company is subject to the informational reporting requirements of the U.S. Exchange Act, and in accordance therewith files reports and other information with the SEC. Under MJDS, the Company is permitted to prepare such reports and other information in accordance with the disclosure requirements of Canada, which are different from those of the United States. As a foreign private issuer, the Company is exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery rules contained in Section 16 of the U.S. Exchange Act. Under the U.S. Exchange Act, the Company is not required to publish financial statements as frequently or as promptly as U.S. companies.

The Company files annual reports with the SEC on Form 40-F, which includes:

- the Company’s Annual Information Form;
- the Company’s management’s discussion and analysis of financial condition and results of operations;
-

the Company's consolidated financial statements, which have been prepared in accordance with Canadian GAAP and reconciled to generally accepted accounting principles in the United States ("U.S. GAAP"); and

· other information specified by the Form 40-F.

The Company also furnishes the following types of information to the SEC under cover of Form 6-K:

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- material information the Company otherwise makes publicly available in reports that it files with securities regulatory authorities in Canada;
- material information that the Company files with, and which is made public by, the TSX; and
- material information that the Company distributes to its shareholders in Canada.

Investors may read and, by paying a fee, copy any document the Company files with, or furnishes to, the SEC at the SEC's public reference room at Station Place, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Certain of the Company's filings are also electronically available from the SEC's Electronic Document Gathering and Retrieval System, which is common known by the acronym EDGAR, and which may be accessed at www.sec.gov, as well as from commercial document retrieval services.

PRESENTATION OF FINANCIAL INFORMATION AND EXCHANGE RATE DATA

The Company presents its consolidated financial statements in United States dollars. All references in this Prospectus to "dollars", "\$" or "US\$" are to United States dollars and all references to "Cdn\$" are to Canadian dollars, unless otherwise noted. Except as otherwise indicated, all financial statements and financial data contained in, or incorporated by reference into, this Prospectus have been prepared in accordance with Canadian GAAP, which differ in certain significant respects from U.S. GAAP. For a description of the material differences between Canadian GAAP and U.S. GAAP as they relate to the Company's financial statements, see note 22 to the Company's audited consolidated financial statements for the years ended December 31, 2008 and 2007 and the supplemental financial information relating to the reconciliation of the Company's audited annual financial statements for the years ended December 31, 2008 and 2007 and unaudited interim financial statements for the three and nine months ended September 30, 2009 and 2008, which is incorporated by reference into this Prospectus.

Aquiline's historical consolidated financial statements and the reconciliation of such financial statements to U.S. GAAP, starting at page F-1, are presented in Canadian dollars.

The following table sets forth, for each period indicated, the exchange rates of the Canadian dollar to the U.S. dollar for the end of each period indicated and the high, low and average (based on the exchange rate on the last day of each month during such period) exchange rates for each of such periods (such rates, which are expressed in Canadian dollars are based on the noon buying rates for U.S. dollars as reported by the Bank of Canada).

	Nine Months Ended September 30, 2009 Cdn	Nine Months Ended September 30, 2008	Year Ended December 31,		
			2009	2008	2007
High	\$1.3000	Cdn\$1.0796	Cdn\$1.3000	Cdn\$1.2969	Cdn\$1.1853
Low	1.0613	0.9719	1.0292	0.9719	0.9170
Average	1.1701	1.0184	1.1420	1.0660	1.0748
End of Period	1.0722	1.0599	1.0466	1.2246	0.9981

On February 4, 2010, the noon buying rate as reported by the Bank of Canada was US\$1.00 = Cdn\$1.0734.

THE COMPANY

The Company is a corporation existing under the Business Corporations Act (British Columbia). The Company's head office is located at 1500 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6 and its registered and records office is located at 900 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2.

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BUSINESS OF THE COMPANY

Pan American is principally engaged in the exploration for, and the acquisition, development and operation of, silver producing properties and assets. Pan American's principal product is silver, although copper, zinc, lead and gold are also produced and sold. At present, Pan American carries on mining operations in Mexico, Peru, Argentina and Bolivia, and has control over non-producing silver resources in those countries as well as in the United States. Exploration work is carried out in all of the aforementioned countries, as well as elsewhere throughout the world.

RECENT DEVELOPMENTS

Acquisition of Aquiline Resources Inc.

The Offers

On October 14, 2009, the Company announced its intention to make a friendly offer to acquire all of the outstanding common shares ("Aquiline Shares"), common share purchase warrants and the convertible debenture (the "Convertible Debenture") of Aquiline by way of separate take-over bids. The take-over bids were formally launched on October 30, 2009 with the mailing of an offer and circular (the "Offer and Circular") to securityholders of Aquiline. Specifically, the Company offered to purchase:

- (a) all of the issued and outstanding Aquiline Shares, including any Aquiline Shares that may become issued and outstanding after the date of the Offers (as defined below) but prior to the expiry time of the Offers upon the exchange, conversion or exercise of any securities of Aquiline that are convertible into or exchangeable or exercisable for Aquiline Shares, but excluding Aquiline Shares owned by the Company or its affiliates, for consideration consisting of 0.2495 of a Common Share and 0.1 of a Consideration Warrant for each Aquiline Share (the "Share Offer"). Each whole Consideration Warrant entitles the holder thereof to purchase one Common Share at the price of Cdn.\$35.00 per Common Share until December 7, 2014;
- (b) any and all of the outstanding common share purchase warrants of Aquiline, comprised of Aquiline's February 2008 series of common share purchase warrants (the "February 2008 Warrants"), Aquiline's May 2008 series of common share purchase warrants (the "May 2008 Warrants"), Aquiline's October 2008 series of common share purchase warrants (the "October 2008 Warrants"), Aquiline's November 2008 series of common share purchase warrants (the "November 2008 Warrants" and, collectively with the February 2008 Warrants, May 2008 Warrants and October 2008 Warrants, the "Aquiline Warrants"), but excluding Aquiline Warrants owned by the Company or its affiliates, as follows:
 - (i) each of the outstanding February 2008 Warrants for consideration consisting of 0.2495 of a common share purchase warrant of the Company (a "February 2008 Replacement Warrant"), with each whole February 2008 Replacement Warrant exercisable to purchase from the Company one Common Share at an exercise price of Cdn.\$52.10 per Common Share (the "February Warrant Offer");
 - (ii) each of the outstanding May 2008 Warrants for consideration consisting of 0.2495 of a common share purchase warrant of the Company (a "May 2008 Replacement Warrant"), with each whole May 2008 Replacement Warrant exercisable to purchase from the Company one Common Share at an exercise price of Cdn.\$40.08 per Common Share (the "May

Warrant Offer”);

(iii)

each of the outstanding October 2008 Warrants for consideration consisting of 0.2495 of an October 2008 Replacement Warrant, with each whole October 2008 Replacement Warrant exercisable to purchase from the Company one Common Share at an exercise price of Cdn.\$10.02 per Common Share (the “October Warrant Offer”); and

- (iv) each of the outstanding November 2008 Warrants for consideration consisting of 0.2495 of a common share purchase warrant of the Company (a “November 2008 Replacement Warrant”), with each whole November 2008 Replacement Warrant exercisable to purchase from the Company one Common Share at an exercise price of Cdn.\$10.02 per Common Share (the “November Warrant Offer”),

(collectively, the “Warrant Offers”); and

- (c) the outstanding Convertible Debenture for consideration consisting of a debenture of the Company (the “Replacement Debenture”), which may be converted into either:

- (i) 363,854 Common Shares at a conversion price of Cdn.\$48.10 per Common Share; or

- (ii) a contract granting the holder of the Replacement Debenture the right to purchase 12.5% of the life of the mine payable silver from the Loma de La Plata deposit of the Navidad Property (as defined below),

(the “Debenture Offer” and, together with the Share Offer and the Warrant Offers, the “Offers”), upon the terms and subject to the conditions set out in the Offer and Circular.

Only the Common Shares issuable upon the exercise of the Consideration Warrants and the October 2008 Replacement Warrants are qualified by this Prospectus.

Nature of Business Acquired

Aquiline is an exploration and development company advancing one of the world’s largest undeveloped silver deposits, the Navidad property in Argentina (the “Navidad Property”), as well as a gold/silver deposit, Calcatreu, both of which are situated in southern Argentina, as well as a gold deposit in Peru, Pico Machay. See “Recent Developments – Navidad Property” below.

Date of Acquisition

On December 7, 2009, the Company acquired ownership and control of 67,216,956 Aquiline Shares, representing approximately 81.8% of the issued and outstanding Aquiline Shares, assuming no other convertible securities of Aquiline are exercised, and 1,925,000 October 2008 Warrants. Following the take-up of these securities on December 7, 2009, the Company owned 72,291,956 Aquiline Shares (assuming the exercise by the Company of all of the convertible securities of Aquiline owned by it or taken up by it to date under the Offers), representing approximately 88.0% of the Aquiline Shares based on the total number of Aquiline Shares outstanding as of December 7, 2009.

By way of a notice of extension and variation dated December 9, 2009, the Company extended the Share Offer, May Warrant Offer and February Warrant Offer until December 22, 2009.

On December 22, 2009, the Company acquired ownership and control of an additional 5,403,461 Aquiline Shares, representing approximately 6.96% of the issued and outstanding Aquiline Shares, assuming no other convertible securities of Aquiline are exercised, and an additional 206,366 February 2008 Warrants. Following the take-up of these securities on December 22, 2009, the Company owned 77,901,783 Aquiline Shares (assuming the exercise by Pan American of all of the convertible securities of Aquiline owned by it or taken up by it to date under the Offers),

representing approximately 92.7% of the Aquiline Shares based on the total number of Aquiline Shares outstanding as of December 22, 2009.

On December 23, 2009, the Company announced its intention to acquire the remaining Aquiline Shares by exercising its statutory right of compulsory acquisition. On January 22, 2010, the Company completed its compulsory acquisition of the remaining Aquiline Shares and is now the holder of 100% of the outstanding Aquiline Shares.

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As a result, a total of 7,873,618 Consideration Warrants and 480,287 October 2008 Replacement Warrants were issued in connection with the Offers and the subsequent compulsory acquisition.

The 31,134 February 2008 Warrants which were not deposited to the Warrant Offers or exercised in advance of the completion of the compulsory acquisition will remain outstanding in accordance with their respective terms.

Consideration

See above under “Recent Developments – Acquisition of Aquiline Resources Inc. – The Offers”.

Effect on Financial Position

The Company does not currently have any plans or proposals for material changes in the business or affairs of either the Company or Aquiline which may have a significant impact on the results of operations and financial position of the Company.

Prior Valuations

Not applicable.

Parties to Transaction

Prior to the acquisition, Aquiline was not an informed person, associate or affiliate of the Company.

Navidad Property

As a result of the Company’s acquisition of Aquiline, Pan American obtained the rights to the Navidad Property. Certain statements in the following summary of the Navidad Property are based on and, in some cases, extracted directly from the technical report entitled “Pan American Silver Corp: Navidad Project, Chubut Province, Argentina” dated February, 2010 and prepared by Pamela De Mark, P. Geo., BAppSc (App Geo, Hons), MAusIMM, John J. Chulick, Licensed Professional Geologist, Dean K. Williams, B.Sc, LPG, MBA, Damian Spring, B.E. (Mining), MAusIMM and John A. Wells, B.Sc (Hons), MBA, MCIMM, FSAIMM.

Property Description and Location

The Navidad Property is located in Gastre Department in the Province of Chubut, southern Argentina, at approximately 42°24 54 S and 68°49 12 W.

The Navidad Property is flanked by the communities of Gastre to the northwest, Gan Gan to the east and Blancuntre and Lagunita Salada to the southwest. Blancuntre is the closest recognised indigenous community to the Navidad Property, with approximately 50 indigenous families living within the town and surrounding area.

Land tenure

The Navidad Property is divided into four property claims (registration numbers 14340/04, 14341/04, 14902/06, and 14903/06), each of which is an MD (as defined below) 2,500 hectares in area. Approximately 120,000 hectares of additional mineral rights are held or have been applied for in the name of Minera Argenta S. A. and Minera Aquiline Argentina S.A. in the Province for exploration in connection with the Navidad Property.

In Argentina, exploration concessions are not physically surveyed or staked in the field, but are electronically filed using the Gauss Kruger coordinate system, zone (faja) 2, relative to the WGS 84 datum. There are three levels of mineral rights (which do not include surface rights):

- Cateo – an exploration permit granting any mineral discoveries on the cateo to the applicant. Cateos are measured in units of 500 hectares, with a minimum of one unit (500 hectares) and a

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maximum of 20 units (10,000 hectares) granted to any holder. Cateo units must be reduced over time relative to the number of units held; the maximum duration for any granted cateo is three years. The holder may conduct prospecting, mapping, sampling, geophysical surveys, drilling and trenching after notifying the mining office of the exploration plan.

- Manifestacion de Descubrimiento (“MD”) – once mineralisation is discovered on a cateo, the cateo lease expires and the permit is upgraded to an MD. The maximum area of an MD is 7,000 hectares. A basic environmental impact assessment, a physical survey, and boundary markers are required at this stage.
- Pertinencia – a lease allowing mining. A physical survey and boundary markers are required.

Pan American’s tenements are subject to Argentinean law and policy, which may in the future result in surrender of certain of its tenements outright and/or the reduction in area of its holdings.

Agreements and encumbrances

Silver Wheaton Corp., through its subsidiary, Silverstone Resources (Barbados) Corp., has rights to 12.5% of the eventual silver produced at the Loma de La Plata deposit under a “silver stream” agreement. The Navidad Property is not subject to any other royalties, back-in rights, payments, encumbrances or similar agreements.

Environmental liabilities

The Province holds the Navidad Property administrator responsible for any potential environmental damage liabilities that may arise.

Environmental and social baseline studies are in the process of being completed for the Navidad Property. The bulk of baseline work done to date has been contracted to local Argentine consultants working under the supervision of international firms including Water Management Consultants (WMC)/Schlumberger Water Services, Ground Water International, On Common Ground Consultants Inc., and Klohn Crippen Berger Ltd. An international consultant that will finalise the baseline work and prepare the future Environmental Impact Assessment (“EIA”) for the Navidad Property is currently being selected.

Permits

Drilling at the Navidad Property requires a separate permit for each affected tenement valid for one year, subject to the approval of an Environmental Impact Statement (“EIS”). An EIS is required to be submitted which covers the impacts and mitigation/monitoring procedures for the exploration activities, in order to obtain environmental permits. The level of the exploration activity dictates the level of study required.

The Navidad Property is in an advanced exploration stage involving drilling and trenching activities. The most recent EIS update was submitted in 2008 and was approved in January 2010. Until this EIS update was approved, the Navidad Property operated under the existing valid permit which was modified in 2008. As a result of the EIS approval, a new drilling permit was issued for a one year period and this new permit allows for the operation of up to eight drill rigs. Rehabilitation of the drilling platforms and impacted areas is carried out throughout the year.

Water rights are treated separately from environmental permits. Two extraction wells have been permitted for use in exploration activities.

Depending on overall timing of the development of the Navidad Property, an Environmental and Social Impact Assessment report for the Navidad Property is expected to be completed and presented to the provincial Chubut government in 2010. While the government has publicly indicated its support for the Navidad Property proceeding, the status of a provincial law banning open pit mining would need to be clarified before permits for mining can be obtained.

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Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The nearest towns to the Navidad Property are Gastre, with a population of about 500, 40 kilometres to the northwest, and Gan Gan, with a population of about 600, about 40 kilometres to the east. Both towns are located on Provincial Route 4, a gravel highway that passes just north of the Navidad Property. Offices, accommodation, and facilities for core storage and logging have been established in Gastre and to a lesser degree in Gan Gan. The Navidad Property is accessible year round except in very wet conditions.

Daily scheduled flights are available to the city of San Carlos de Bariloche, a tourism centre with a population of approximately 100,000, located about 355 kilometres by road to the northwest. Daily flights are also available to Trelew, located about 390 kilometres by road to the southeast near the coast, with a population of approximately 90,000. The nearest airport, which has regularly scheduled flights, is located in Esquel, about four hours drive to the southwest by gravel road. The provincial capital of Rawson, located 20 kilometres east of Trelew, has a population of approximately 23,000. An office has been established from which to advance the technical studies of the Navidad Property in Puerto Madryn, a city with a population of approximately 70,000, located 60 kilometres north of Rawson. There are at least three scheduled flights per week between Puerto Madryn and Buenos Aires. Offices are also maintained in Buenos Aires and in the regional centre of Ingeniero Jacobacci, which has a population of approximately 8,000, located two hour's drive to the north of Gastre.

Climate

The climate is semi-arid with average annual temperatures ranging from 1°C to 20°C. High winds frequently occur from October through December, but may also occur throughout the year. Annual precipitation averages between five millimetres to ten millimetres per month, but during the winter months from May to August, higher accumulations ranging from 15 millimetres to 20 millimetres may occur as either rain or snow. Field activities run throughout the year and are not curtailed by weather conditions.

Infrastructure and local resources

The base of operation for the Navidad Property is in Gastre. Facilities include offices, modular living facilities, and core-storage warehouses. Communications are provided by land line telephone service, national mobile phone operator, and a satellite internet dish. The modular living facilities provide lodging and meals for up to 20 people. The warehouses include three drill core storage sheds, a logging and sampling shed, metal shop, vehicle workshop, and a regional exploration office. In the logging shed there are four diamond saws used to cut drill core.

In Gan Gan, two core storage facilities have been built as well as an office on land purchased on the western edge of town in 2007. The office serves as a base of operation for social and community relations personnel, while the warehouses contain older drill core from the Navidad Property.

On the Navidad Property, a small camp facility has been installed with electrical power provided by several small generators. Communication is provided by a satellite internet uplink. Other infrastructure on site includes storage areas for drill supplies. There are two water bores authorised by the Chubut Province Hydrology Department to pump water for use with diamond drilling. Water pumping is accomplished by one of two company owned water pumps. To provide access for drilling, a total of 26 kilometres of access roads have been constructed on the Navidad Property.

During 2008, the drilling contractor, Boart Longyear, installed a transportable 60-person camp in the Yanquetru Valley, on owned land to the south of the Navidad Property. A water tank and sewerage facilities have been installed

in support of the camp.

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Land Access

Access to land for drilling and other exploration activities is allowed through outright surface ownership as well as through a series of easement contracts with the remaining surface owners. Land acquisition activities continue in order to facilitate unimpeded land access to the Navidad Property through land swap deals and direct land purchases.

Physiography

The Property is located in the Patagonian Plateau region with steppe vegetation characterised by low and compact bushes of grass and by stocky shrubs of less than a metre high. Elevation ranges from 1,060 metres to 1,460 metres with gentle topographic relief interrupted by local structurally controlled ridges.

History

The first exploration programme that included the Navidad Property area consisted of a preliminary regional geochemical sampling programme conducted by Normandy Argentina (“Normandy”) in mid 2000 to locate additional deposits to supplement those known at its Calcatreu property, a gold and silver deposit located approximately 80 kilometres from the Navidad Property. The programme consisted of 1,200 bulk leach extractable gold (“BLEG”) stream sediment samples taken from drainage systems overlying Jurassic volcanic rocks in Chubut Province in the general vicinity of Calcatreu, Mina Angela, Gastre, Lagunita Salada, Gan Gan, and other areas. This programme took place on what was then considered open exploration ground, and resulted in the identification by Normandy of various anomalies, including the Flamingo Prospect and Sacanana, which is today known as the Navidad Property.

In January and February 2002, Newmont Mining Inc. (“Newmont”) purchased Normandy’s worldwide mining interests, and in March 2002, Newmont decided to sell all of its interests in Argentina. In September 2002, IMA Exploration Inc. (“IMA”) signed a confidentiality agreement (“Confidentiality Agreement”) in order to obtain an information brochure and technical data related to Newmont's Argentinean interests, which included its Calcatreu property. In December 2002, IMA applied for a cateo over the area formerly known as Sacanana and now known as the Navidad Property, utilising and relying upon the Normandy BLEG data (known as BLEG A), and began undertaking a regional exploration programme over the Navidad Property, including regional mapping and sampling. From December 2002 to July 2006, IMA conducted diamond drilling, geochemical sampling, geophysical exploration, and mineral resource estimates at the Navidad Property.

In January 2003, Aquiline entered into an agreement with Newmont, which was completed in July 2003, to purchase all of the shares of Normandy and Newmont’s 100% interest in Calcatreu, and acquired all of Newmont’s assets including the BLEG A data. In May 2003, Aquiline reviewed the BLEG A data and found that the ground covered by the BLEG A data had already been claimed by IMA. After failure to receive a credible response from IMA as to how they could otherwise have made a legitimate discovery at the Navidad Property without having breached the terms of the Confidentiality Agreement, Aquiline went on to file suit in the Supreme Court of British Columbia in March 2004.

The Supreme Court of British Columbia awarded ownership of the Navidad Property to Aquiline on July 14, 2006 following a court case where IMA was found to have breached the Confidentiality Agreement. IMA subsequently appealed to the Court of Appeal for British Columbia, but lost the appeal by unanimous decision in June 2007. An Application for Leave to Appeal to the Supreme Court of Canada was filed by IMA in September 2007. Sole ownership rights were granted to Aquiline by the Supreme Court of Canada on December 20, 2007, subject to Aquiline making payment to IMA in reimbursement for its accrued exploration expenditures up to the July 2006 court decision. Aquiline’s final payment to IMA was made on February 8, 2008, giving Aquiline full ownership of the Navidad Property.

Since October 2006, Aquiline has undertaken diamond drilling, geophysical and geochemical exploration, metallurgical test work, resource estimates and a preliminary economic assessment for the Loma de La Plata deposit.

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Geological Setting

Regional geology

The Navidad Property is located on the southwest edge of the Northern Patagonia Massif in southern Argentina. This boundary of the massif is coincident with the “Gastre Fault System”, which was originally interpreted as a large-scale dextral shear zone. This mega-structural feature is now believed to be the result of continental-scale northeast to southwest extension that produced through down-faulting a series of northwest to southeast trending half grabens and tectonic basins.

Granitoid rocks of the basement in northern Chubut Province belong to the Palaeozoic age Mamil Choique and Lipetren f