

Pan American Silver Corp.
FEIN: 98-0175831

ATTACHMENT TO FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

PART II ORGANIZATIONAL ACTION

Consult Your Tax Advisor

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "IRC"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the acquisition, by Pan American Silver Corp. ("PanAM") of all the shares of Tahoe Resources Inc. ("Tahoe") pursuant to a plan of arrangement (the "Arrangement") (as described below), on the tax basis of the common shares of PanAM issued in connection with the Arrangement. The information contained herein is general in nature and does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. The information provided below is illustrative and is being provided pursuant to IRC Section 6045B and as a convenience to shareholders and their tax advisors when establishing their specific tax position. Tahoe shareholders are strongly urged to consult their own tax advisor regarding the particular consequences of the Arrangement, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. We urge you to read Tahoe's management information circular (the "Tahoe Circular") dated December 4, 2018. You may access the Tahoe Circular at the following link:

<https://www.panamericansilver.com/assets/documents/Tahoe-Transaction/41ca3b9e20/Tahoe-Resources-Circular.pdf>

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Item 14- Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

Pursuant to the Plan of the Arrangement, PanAM acquired all the issued and outstanding common shares of Tahoe On February 22, 2019. In exchange for each common share of Tahoe held, shareholders of Tahoe received either US\$3.40 in cash or 0.2304 of a common share of PanAM (subject in each case to proration based on a maximum cash consideration of US\$275 million and a maximum of 56,074,675 shares of PanAM). In addition, Tahoe shareholders received for each Tahoe common share one contingent value right ("CVR") that will be exchanged for 0.0497 of a PanAM common share, payable upon first commercial shipment of concentrate following restart of operations at Tahoe's Escobal mine.

Item 15 - Describe of the quantitative effect of the organizational action on the basis of the security in the hands of the U.S. taxpayer as an adjustment per share or as a percentage of old basis

The exchange of Tahoe shares for cash, PanAM common shares and CVRs, together with certain corporate restructuring carried out pursuant to the Arrangement may be viewed either as separate transactions or treated as a single integrated transaction for US federal income tax purposes. This document is presented on the basis that the Arrangement is treated as a single integrated transaction that qualifies as a "Reorganization" for U.S. federal income tax purposes. However, there can be no assurance that the Internal Revenue Service ("IRS") will agree with this view or that the IRS will not take a contrary position or that any contrary position taken by the IRS will not be sustained by a court. No opinion from U.S. legal counsel or a ruling from the IRS was requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice. Each Tahoe shareholder should consult its own tax advisor regarding all tax consequences of the Arrangement. Tahoe shareholders and their advisors should carefully consult the Tahoe Circular for more information.

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If the Arrangement qualifies as a Reorganization, then the following U.S. federal income tax consequences apply to Tahoe shareholders that are "U.S. Holders", which generally consists of individuals who are citizens or residents of the United States, corporations created or organized under U.S. or state law, an estate the income of which is subject to U.S. federal income taxation regardless of source, or a trust (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes or (ii) over which a U.S. court can exercise primary supervision of its administration and all of the substantial decisions of which one or more U.S. persons have the ability to control. Please consult the Tahoe Circular for more information concerning the definition of U.S. Holders. If the Arrangement qualifies as a Reorganization, a U.S. Holder should:

- Recognize gain, but not loss, realized on the Arrangement to the extent of the amount of any cash consideration received;
- Not recognize gain or loss upon the receipt solely of CVRs and PanAM common shares;
- Not recognize gain or loss upon the receipt of additional PanAM common shares pursuant to the CVRs;
- Take an aggregate tax basis in the PanAM common shares received pursuant to the Arrangement equal to the aggregate tax basis of the Tahoe shares surrendered in exchange therefor, decreased by the amount of cash received and increased by the amount any gain recognized;
- Take a holding period in the PanAM common shares received pursuant to the Arrangement that includes the holding period for the Tahoe shares surrendered in exchange therefor;

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If a U.S. Holder acquired different blocks of Tahoe shares at different times or at different prices, such U.S. Holder's tax basis and holding period in its PanAM common shares received in the Arrangement may be determined with reference to each block of Tahoe Shares exchanged.

There is no binding legal authority directly addressing the U.S. federal income tax treatment of the CVRs. Accordingly, the amount, timing, and character of any gain, income, or loss with respect to the CVRs are uncertain. This document is presented on the basis that the CVRs will be treated as additional PanAM common shares received by Tahoe shareholders in exchange for such shareholders' Tahoe shares. Each Tahoe shareholder should consult its own tax advisor regarding the tax consequences of obtaining the CVRs and Tahoe shareholders and their advisors should carefully consult the Tahoe Circular for more information.

This document is also presented on the basis that Tahoe was not classified as a "passive foreign investment company" ("PFIC") for any tax year during which a U.S. Holder holds or held Tahoe shares. Each Tahoe shareholder should consult its own tax advisor regarding the tax consequences if Tahoe were treated as a PFIC and Tahoe shareholders and their advisors should carefully consult the Tahoe Circular for more information.

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Item 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See the response to Item 15 above.

Item 17 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

IRC Sections 368(a)(1), 368(a)(2)(D), 354, 356, 358, 1001, 1221 and 1223.

Item 18 - Can any resulting loss be recognized?

No, a loss should not be recognized.

Item 19 - Provide any other information necessary to implement the adjustment, such as the reportable tax year.

See the response to Item 15 above.