





DOCUMENTS INCLUDED AS PART OF THIS REPORT

Document

- 1 Business acquisition report, dated February 22, 2010, relating to the Company's acquisition of Aquiline Resources Inc.

This report on Form 6-K is incorporated by reference into all of the Registrant's outstanding registration statements on Form F-10 and S-8 that have been filed with the Securities and Exchange Commission.

---



PAN AMERICAN SILVER CORP.

FORM 51-102F4

BUSINESS ACQUISITION REPORT

ITEM 1 IDENTITY OF COMPANY

1.1 Name and Address of Company

Pan American Silver Corp. (the "Company")  
1500-625 Howe Street  
Vancouver, British Columbia V6C 2T6

1.2 Executive Officer

Robert Pirooz  
General Counsel and Director  
Phone: 604-684-1175

ITEM 2 DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

Aquiline Resources Inc. ("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 other gold and silver deposits in Argentina and Peru, including the Calcatreu and Pico Machay properties.

2.2 Date of Acquisition

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 in the capital of the Company (a "Common Share") and 0.1 of a common share purchase warrant (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 a common share purchase warrant of the Company (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,

(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.



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, and taking into account the securities of Aquiline owned by the Company prior to this take-up, 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, and taking into account the securities of Aquiline owned by the Company prior to this take-up, 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 under the Business Corporations Act (Ontario). On January 22, 2010, the Company completed its compulsory acquisition (the "Compulsory Acquisition") of the remaining Aquiline Shares and is now the holder of 100% of the outstanding Aquiline Shares.

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.

### 2.3 Consideration

Pursuant to the Offers and the Compulsory Acquisition, the Company issued an aggregate of 19,644,669 Common Shares, 7,873,618 Consideration Warrants, 480,287 October 2008 Replacement Warrants, 51,488 February 2008 Replacement Warrants and the Replacement Debenture.

### 2.4 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.

2.5 Prior Valuations

Not applicable.

- 3 -

---

2.6 Parties to Transaction

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

2.7 Date of Report

February 22, 2010.

ITEM 3 FINANCIAL STATEMENTS

The following financial statements are incorporated, and form part of, this Business Acquisition Report, and are attached hereto as Schedule "A":

1. Unaudited pro forma condensed consolidated statement of operations and for the nine months ended September 30, 2009 and for the year ended December 31, 2008 and condensed consolidated balance sheet for the nine months ended September 30, 2009.

The financial statements listed below are incorporated, and form a part of, this Business Acquisition Report, and are attached hereto as Schedule "B":

2. Audited financial statements of Aquiline at December 31, 2008 and 2007 and for the years then ended; and
3. Unaudited financial statements of Aquiline for the three and nine months ended September 30, 2009 and 2008.

DATED at Vancouver, British Columbia this 22nd day of February, 2010.

By: (signed) Delaney Fisher  
Name: Delaney Fisher  
Title: Secretary

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain of the statements included in this Business Acquisition Report constitute "forward-looking information" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact are forward-looking information. When used in this Business Acquisition Report, the words "plan" and similar words or expressions, identify forward-looking information. This forward-looking information relates to, among other things, Pan American's plans and expectations for its properties and for its fourth quarter financial results as a result of the acquisition of Aquiline.

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, the Company's ability to successfully integrate acquisitions and the factors identified under the caption "Risk Factors" in the Company's preliminary short form base shelf prospectus dated February 5, 2010, 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 information to reflect changes in assumptions or changes in circumstances or any other events affecting such information, other than as required by applicable law.

- 5 -

---

## SCHEDULE "A"

## Unaudited Pro Forma Financial Statements

Pan American Silver Corp.  
 Pro forma condensed consolidated balance sheet  
 As at September 30, 2009  
 (Unaudited)  
 (Expressed in thousands of United States dollars)

	Pan American Silver Corp.	Aquiline Resources Inc. (Schedule 1)	Pro forma adjustments	Note 5	Pro forma consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ 65,249	\$ 2,329	\$ -		\$ 67,578
Short-term investments	84,198	7,108	(9,473 )	a	81,833
Accounts receivable, and prepaid expenses	79,908	2,032	-		81,940
Inventories	93,878	-	-		93,878
Future Income Taxes	4,578	-	-		4,578
Total Current Assets	327,811	11,469	(9,473 )		329,807
Mineral properties, plant and equipment, net	664,256	121,052	(7,707 )	i	1,489,974
			(8,710 )	b	
			476,285	b	