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Pan Andean Minerals Ltd. Announces Proposed Change of Business

Vancouver, British Columbia – January 10, 2020 – Pan Andean Minerals Ltd. (TSXV: PAD) (“**Pan Andean**” or the “**Company**”) is pleased to announce a proposed change of business (the “**Proposed COB**”) from mineral exploration to a Canadian cannabis enterprise.

After a thorough review of the Company’s resources, the market conditions, and given the expertise and skill sets of the Company’s directors, the Board has determined that the Company aims to become a cannabis and industrial hemp company with vertically integrated operations in Canada.

The Company intends to apply to the TSX Venture Exchange (the “**TSXV**”) to have its common shares delisted from the TSXV and relisted onto the Canadian Securities Exchange (the “**CSE**”) upon completion of the Proposed COB. The Company also expects to seek shareholder approval at a special meeting of the shareholders of the Company to approve, among other items, the Proposed COB and change in the name of the Company.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance for the delisting of the Company’s common shares, conditional approval of the Canadian Securities Exchange for the listing of the Company’s common shares following completion of the Proposed COB and, if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Pan Andean Minerals Ltd. should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.”

The Company expects that the Common Shares of PAD will be halted until all necessary filings have been accepted by applicable regulatory authorities, and delisting from the TSXV and listing on the Canadian Securities Exchange has been completed. The Board also intends complete a share consolidation on a 5 for 1 basis to take effect upon resumption of trading.

Further details of the Proposed COB will be included in subsequent news releases and disclosure documents to be filed by the Company in connection with the Proposed COB.

Summary of the Proposed COB

Upon completion of the Proposed COB, the Company’s primary focus will be on cannabis/hemp cultivation, processing, manufacturing, wholesale and retail sales across Canada. The Company intends to:



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- 1) Acquire one or more late-stage Licensed Producers (“LP”) applicants in BC. Once acquired, the Company will complete the final steps in the license including, finishing land and building prep, security protocols, and filing the final evidence package.
- 2) Open a minimum of two Provincially Licensed recreational cannabis dispensaries in BC and Ontario in within 12 months.
- 3) Acquire an ownership of a Korean company with extensive experience in developing Smart Farm Technology.

Bridge Financing

The Company is planning to undertake a pre-consolidation, arms-length non-brokered bridge financing (the “Bridge Financing”) of up to 6.25 million units at a pre-consolidation price of \$0.08 cents per unit for proceeds of up to \$500,000. Each unit will consist of one common share of the Company and one-half share purchase warrant. Each warrant entitles the registered holder to acquire one additional share of the Company at a price of 20 cents per share for a period of 2 years. In the event that the Company's shares trade at a closing price of 30 cents or more for a period of 10 consecutive days at any time after the closing of the offering, the Company may at its discretion, accelerate the expiry of the date of the warrants by providing notice to shareholders thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given by the Company.

Proceeds from this financing will be used for and general working capital and costs associated with proceeding to completion of the Proposed COB.

Concurrent Financing

The Company plans on completing an additional arms-length financing (the “Concurrent Financing”) upon completion of the COB and listing on the CSE of \$5 million to finance the COB and proposed acquisitions and new operations. The Company anticipates the Concurrent Financing will be substantially under the same terms as the Bridge Financing.

About Pan Andean Minerals Ltd.

Pan Andean is a Vancouver-based junior resource company that has been listed on the TSX Venture Exchange since 2006, with a focus on copper and gold exploration. The Company acquired prospective gold and copper-gold exploration properties considered to have significant mineral potential by staking, option or purchase agreements. The Company wholly owns two subsidiaries related to mining properties in Peru and is currently pursuing alternative business opportunities.

On behalf of the Board of Directors

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.