

CONFIDENTIAL INFORMATION MEMORANDUM

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PanAm Oil and Gas Lease Acquisition & Development Limited Partnership 2023-1 Initial Offering¹: Up to \$1,000,000 Limited Partnership Equity Offering

Offer Overview

Offer Type	Limited Partnership Units are being offered. For Accredited/Sophisticated Investors only.
Offering Size	Initial offering is for up to 10,000 Units at a price of CAD \$100 per unit for gross proceeds of CAD \$1,000,000. Minimum order size is \$10,000 or 100 Units. Partial units are not allowed. Note¹ : Depending on outlook and other favourable conditions, up to a maximum of 100,000 Units for gross proceeds of \$10,000,000 may be offered.
Closings	The Offering may be closed in stages with the Final Closing Occurring on or before March 31, 2024 [unless extended - Note ¹].
Investment Objective	<ol style="list-style-type: none">1) The initial step is gathering information about Mineral Leases or “Lands” in an area of interest and evaluate, to the greatest extent possible, their economic mineral reserve value.2) This initial step has been predominantly completed to date, giving guidance to PanAm for acquiring prospective Lands.3) Once acquired, PanAm offers Land Fund Investors several options:<ul style="list-style-type: none">- The Investor can “Hold” his/her interest in the Lands for the next phase of development, usually (a) a Farmout or (b) a “First Round of Drilling” Participation; or- Accept an offer to “Sell” to PanAm or to its Exempt Market Offering-LP the Lands acquired.
Targeted Returns	The Limited Partnership intends to provide Returns of >30% On Investment (ROI).
Hold Period	Targeted 15 to 18 months.

Investment Highlights

Attractive Investment Targets and Cash Returns

- Targeting project portfolios with expected gross internal rates of return of 30% and higher, “after deduction of all offering costs and management fees”

Experienced Management and Advisory Team

- Collectively over 150 years of experience
- Professional team of experts in: Geology, Geophysics, Engineering, Financial Reporting & Mineral Lease Management
- Strong track record of investing in successful acquisition and drilling projects

Canadian Market Provides Accessibility

- Large consumer markets (US market is included)
- Excellent quality and transparency of resource information
- Readily available infrastructure to bring product to domestic and export markets

Transparent and Disciplined Investment Management Platform

- Major investments independently evaluated by engineering firms
- Results audited and published annually
- Strict asset acquisition criteria to ensure prudent capital deployment

Favorable Fund Structure with Operational Risk Control

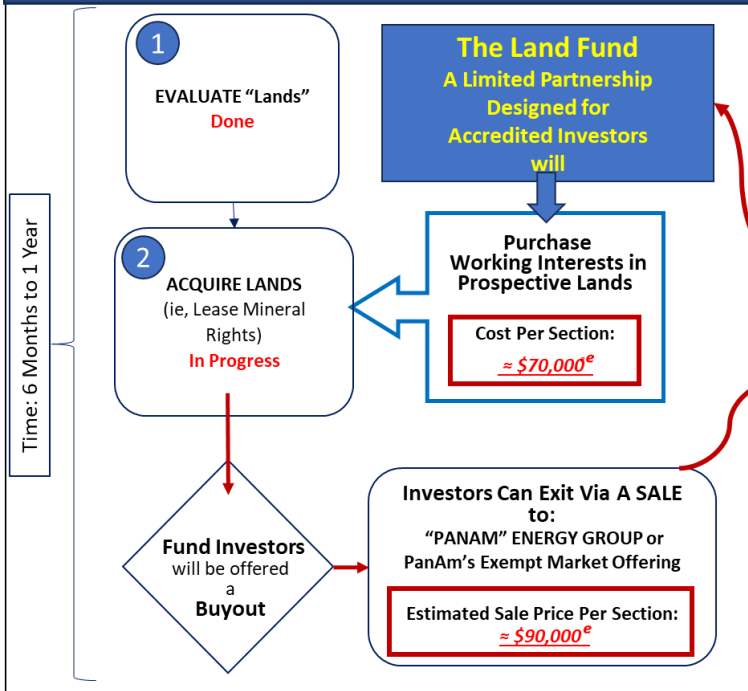
- Portfolio approach combining optimization of drilling performance with acquisition of income producing oil & gas properties ensures prudent capital deployment
- Investors to receive full payout of invested capital before management bonuses



Private and Confidential



PanAm Energy Land Fund Overview



PanAm has taken the following action:

- 1) The Company has completed an initial appraisal of the economic mineral reserve values of certain rock formations in a very large region around Leduc, Alberta, using primarily, existing well log data available from previous rounds of drilling, beginning as early as the 1950's. Seismic data was also reviewed when available.
- 2) Simultaneously, information about the availability of Mineral Leases or "Lands" in the area of interest was also gathered. Having determined indications of rock layers containing by-passed oil and gas in the study area, a Land acquisition program was begun; one, which PanAm now wants to expand.

PanAm offers Investors the Opportunity to participate in a **Land Acquisition Fund** focused on Mineral Leases determined by the Company's detailed studies to be highly prospective for containing Oil and Gas:

➤ **Option A** - After acquiring leases, Investors in the Fund, after a hold period of 12 months, will receive an offer to **"Sell"** to PanAm Group the Lands purchased.

Note: Under certain conditions, **Option B** - the Investors may **"Hold"** an assigned Working Interest in the Lands for the next phase of development, usually via a **"Farmout"** or **"Drilling Participation"**

(i) **Farmout:** An arrangement whereby the owner of a mineral lease assigns some position (or all) of the lease to another company for drilling.

(ii) **WI (Working interest):** Is a term for a type of investment in oil and gas development in which the investor is directly responsible for his WI portion of the ongoing costs associated with all operations.

Proforma

Investment Return Opportunity - Assumptions and Sample Calculations

- Assumptions:**
- (1) Fund is Fully subscribed for - \$1,000,000 [10,000 Units at \$100/Unit] and,
 - (2) Acquires about 9 to 12 Sections of Leases [or "Land"]
 - (3) A Prospect is considered to cover about 1.5 Sections [or 1.5 square miles]
 - (4) 9 - 12 Sections ≈ 6 - 8 Prospects
 - (5) One (1) Prospect is expected to allow spacing for up to 4 horizontal wells

Investor Return Opportunity Options – Examples

Option 'A' – Exit via a **Sale** (see above)

- Exit after 12 Months via a sale of Fund Units acquired
- Targeted Returns: 12.5% to 22.5%

Option 'B' – Notes re: **Hold and Farmout**

- Expected Hold for about 15 to 18 months
- Economics for a 1% Working Interest (WI) in a four (4) Well Prospect are shown below
- **Net Present Value [NPV10%]** = Investors' revenue stream, with oil kept at an \$80/barrel constant price for

(Option 'B' continued)

- 10 years, discounted @ 10% per annum
- For a 1% WI, the NPV10 is \$35,000^e, including repayment of all capital
- The Land Fund, fully taken up, will earn a 40% WI in each Prospect
- For 7 Prospects let's say, an estimated NPV value of \$9.8 million will have been generated, i.e., [40 x \$35,000 x 7].

Therefore - If the \$9.8 million of undrilled Prospects were to be sold at a market value of only \$1.96 million [an 80% discount] the Land Fund's ROI would be 1.96x

1% Working Interest in Four (4) Horizontal Wells	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half
No. Of Wells	2	1	1	0	0	0				
Investor Cost-Drill & Complete	(64,000)	(24,000)	(24,000)	0	0	0	0	0	0	0
Investor Cost-Explor. / Constr.*	(2,400)	(2,400)	0	0	0	0	0	0	0	0
Investor Cost - Total	(66,400)	(26,400)	(24,000)	0	0	0	0	0	0	0
Investor Income	13,713	32,066	34,965	22,988	15,748	11,203	8,866	7,240	6,042	5,127
Difference (Investor Exposure)	(52,687)	5,666	10,965	22,988	15,748	11,203	8,866	7,240	6,042	5,127
Cumulative Investor Exposure	(52,687)	(47,020)	(36,055)	(13,067)	2,681	13,884	22,749	29,990	36,032	41,160
Net Present Value (NPV 10%)	\$34,987	Internal Rate of Return (IRR)		37.2%						



PanAm Team

Management

Hans G. Schmidt

Chairman, Director & CEO

The PanAm Energy Group

- Over 45 years of related Resource Development experience with focus on Oil and Gas - Land acquisitions, Geophysical and Petrophysical preparatory work and Project Financing.
- Geophysics Section-head at Gulf Oil Canada
- VP Research of a Brokerage Firm in Quebec
- Founder, Chairman & CEO of a Group of Private Companies, focused on Oil and Gas as well as Industrial Mineral Exploration and Development
- Assembled Projects with estimated Reserves of: 300+million barrels of oil and 1+ trillion cu ft of gas
- BSc Geol. Engineering,
- MSc Geology & Geophysics - University of Manitoba

Aaron Taylor

Manager – PanAm Funds

Marketing & Administration

- Over 25 years of professional experience in oil and gas and financial services.
- Managing director of Rhythm Capital Corp.
- Downstream fuel supply roles for Exxon Mobil subsidiary, Imperial Oil Limited including operations of bulk fuel facilities and supply coordination between fuels marketing and refineries.
- Oilfield acquisition assessments for Newalta.
- President and UDP of a financial services Exempt Market Dealer overseeing reviews, administration and sales of over \$100 Million annually in private investment offerings.
- BA University of Winnipeg, MBA Saint Mary's University in Halifax, Nova Scotia

Neil Cusworth

Manager – PanAm Land Funds

Acquisition

- Over 35 years of Oil and Gas experience as a Professional Landman
- Former President of the Canadian Association of Petroleum Landmen
- Area Landman for Canadian Natural Resources acting as key negotiator on over 25 corporate acquisitions
- District Landman for an Exxon Mobil subsidiary, Imperial Oil Limited, involved in strategic acquisitions
- Senior Landman for Apache Canada in land negotiations in both Alberta and British Columbia
- Bachelor of Business Administration, Petroleum Land Management - University of Oklahoma

Board of Directors

J. Michael Corak

- Over 40 years of Oil and Gas related Experience
- Co-founder and VP Operations of Tower Drilling, with adjunct production company operating several hundred oil and gas wells in Colorado
- President of Old Oak Energy LLC, providing consulting services re: drilling, production and valuations of multi-billion-dollar acquisition.
- Pet. Engineering – Montana College of Mineral Science and Technology

Carl C. von Hohenzollern

- Over 20 years of Business Experience
- Significant involvement and hands on experience as an Officer and General Manager of farming land and operations enterprises
- Engaged in the evaluation of development, operating and marketing phases for renewable and sustainable energy projects in Europe and North America.
- Graduate of the Agricultural Institute Sigmaringen, Germany

Advisors

Attila Nadori – Fletcher Law

- Legal Advisor
- BA University of Victoria, MSc New York University, J.D. University of Saskatchewan

Lee Primeau

- Financing Advisor
- Founder and CEO Leader_Shift Inc.
- BA and MA Degrees

PanAm's Business Concept

Our Concept

Before deciding whether to invest in a particular Development Program we normally undertake an Economic Valuation to ascertain whether the prospect of interest involves deposits of: (1) crude oil, or (2) natural gas, or (3) both; and also, (4) whether the commodities we seek, if present, can be produced economically and as well (5) whether mineral rights (or "Lands" as they are commonly referred to in the Petroleum business) are available for lease to carry out a Development program of sufficient size.





For more information:

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You can also reach out to Aaron Taylor – he is our lead marketing liaison for investing in PanAm Projects.

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Rhythm Capital Corp.

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