



**Pan American**  
**GOLDFIELDS**  
(Mexoro Minerals Ltd.)

*"Discovering, developing and producing precious metals in one of the world's richest gold belts"*

OTCBB: MXOM  
FRANKFURT: OYA1

## **Pan American Goldfields Ltd Announces JV Gold Sales and Revenue**

**BROOMFIELD, CO, December 22, 2010** - Further to its press release of November 29, 2010, Pan American Goldfields Ltd (OTCBB:"MXOM") (the "Company") is pleased to report the revenue and costs arising from concentrate sales which occurred during the construction, start-up and fine tuning of the mill facilities at its Cieneguita, Chihuahua, Mexico, joint venture during the period commencing March 2010 and ending November 2010. The company is also pleased to give guidance for December 2010 and the first Quarter of 2011. All costs and revenues are in US Dollars and were provided to the Company by its joint venture partner Minera Rio Tinto ("MRT").

During the period from March 2010 to and including November 2010, \$3,098,142 worth of concentrate was sold. The cost of mining and processing was \$1,765,916, while other operating expenses, including during the nine months of mill start-up and construction, totaled a further \$780,552. Property royalties totaled \$55,862 leaving a net operating cash flow for the joint venture of \$495,812. Costs continue to decline significantly as efficiencies of scale take effect and operational improvements are made.

According to estimates provided by MRT for the month of December 2010, 340 ounces of gold and 21,797 ounces of silver are expected to be produced and sold, generating a gross revenue under the concentrate sales contract of \$1,156,016. The cost of concentrates sold is expected to be approximately \$301,000 and operating expenses \$123,000 producing a net operating cash flow for the joint venture of \$732,000 for December. Sales in January are forecast to be a similar amount, with a ramp up of increased production projected to occur during February through April, increasing to level of approximately 610 ounces of gold and 38,000 ounces of silver per month by May, 2010. It is also projected that costs per ounce produced will decrease with the increase in production.

"We are thrilled to have achieved continuous operations and to continue to optimize silver and gold recoveries and look forward to increasing production as forecast" Said Mario Ayub, Pan American's Chairman.

Under the joint venture agreement between the Company and MRT, Pan American receives 20% of the net operating profits after royalties for material mined from the first 15 meters depth of the Cieneguita deposit (approximately 120,000 oz. Au eq.) is mined after which it receives 40% of the net operating profits. Under the agreement MRT must complete a bankable feasibility study for the expansion of the operation to an estimated potential production of approximately 100,000 ounces of gold equivalent per year. The Cieneguita contains a 43-101 compliant in Situ Resource estimate within optimized Pit Shell @ 0.8 g/t Au Eq Cut-off Measured Au eq. of 186,690 ounces and Indicated 920,900 ounces to Total a Measured and Indicated 1,107,500 oz Au eq as defined in the company's NI 43-101 Technical report as filed on SEDAR October 8, 2010.

The technical information in this release has been prepared by Mario Ayub, a Director of the Company and a Qualified Person as defined by NI43-101.

### **About the Cieneguita Operation**

The Cieneguita mill makes a bulk sulfide flotation concentrate that is sent to the MRT owned mill at Choix where it is then reground and separate lead and zinc concentrates produced. These concentrates are then shipped to the port at Manzanillo where they are sold under contract to the trading company Trafigura. Most of the gold and silver reports to the lead concentrate. The anticipated increase in the production capacity at Cieneguita will not require any modifications to the plant at Choix. Pan American currently has a joint venture agreement with MRT under which MRT can earn 60% of the project by successfully initiating production on a small scale, followed by the funding of an additional \$4 million toward the completion of a bankable feasibility study. With the completion of the construction start-up phase at Cieneguita, the focus will now be the acceleration of the feasibility study. This study will evaluate a full-scale operation which will target a production rate of about 5,000 tonnes of material processed per day along with saleable metal production directly from the Cieneguita site.

**On behalf of the Board of Directors,**

**Mario Ayub, Chairman**