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Low-Priced Stocks

April 2010

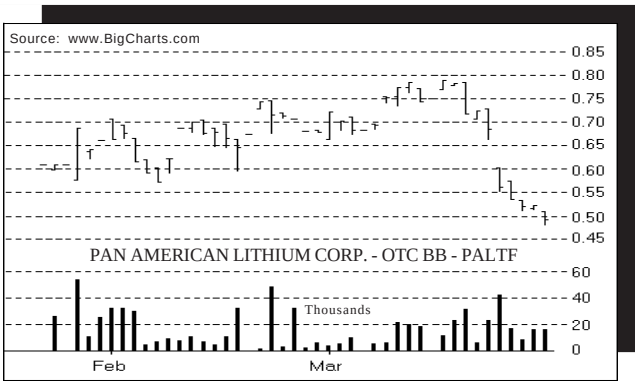
PAN AMERICAN LITHIUM CORP.

OTC BB - PALTF - .48

PALTF is a junior lithium exploration company with an existing portfolio of rights in nine salars (brine lake and dry lake beds) in region III of Chile, covering a cumulative area in excess of 15,000 hectares of concessions, and the option to acquire an interest in a geothermal brine project in Mexico. Lithium is the lightest metal on the periodic table and is used for numerous applications, including ceramics manufacturing, glass, in aluminum industry, air-conditioning, polymers and, to some extent, in the pharmaceutical field. The biggest single use of lithium is in the battery industry: cell phones, cordless tools, laptops, MP3 players and video cameras all use rechargeable lithium ion batteries. This represents about 30% of all lithium demand in the world and is growing at a 25% rate per year.

Chile is considered among the best salars in the world for prospective Li production, and it is the most stable, supportive pro-mining country in the region, which has historically fostered a very strong mining industry. South American salars currently provide about 75% of the global supply of Li. One of PALTF's best Chilean salars is Laguna Verde, a 15 sq. kilometer lake with an average depth of 33 meters, which can be pretty easy to pump and extract brines from. Most of its competitors have to drill into their subsurface brines and worry about the producing formation, and then design their recovery through the pumping of wells, to extract brines out of subsurface rock. This gives PALTF a tremendous advantage over their competitors, as the Chilean projects could be the lowest product cost among other sources of Li and are going to be the first in getting the resource estimates, taking them to feasibility and ultimate production!

PALTF's other project is an option to acquire an interest in a geothermal brine project in Mexico, which includes brines produced from 170 deep geothermal wells. These wells continuously feed existing sequential evaporation ponds (14.3 sq. kilometers) that have been drilled by the Cierro Prieto power plant (in operation since '70 and the second largest geothermal power plant in the world) located in Baja California, Mexico. PALTF's Mexican partners, who own the private company Escondidas, entered into a joint venture with CPI



Internacional, the owners of the brine concessions, to commercialize the geothermal brines. After successful due diligence, PALTF plans to purchase 76% or controlling interest in Escondidas, giving them an indirect 25% of the project. The strategic partnership puts PALTF light years ahead of most of its competitors since all the intense exploration and drilling work has been completed.

For the 1st 9 mos. (Nov. 30, '09) of FY'10, the company incurred a loss of (.02) per share and has 32,074,711 shares outstanding, with insiders owning 31%. The stock has been consolidating its recent gains in the .62-.80 area. We would use all weakness under the .50 level to purchase for a 1st target of 1-2, since PALTF will probably be the first to market geothermal brines in Mexico and nine salars in Chile with the goal of producing up to 10,000 tons of lithium carbonate a year.

Most exciting, since PALTF possesses advanced projects with near-term production potential in stable mining-friendly jurisdictions, a large industrialized investor signed a letter of intent in January to invest $5 mil. in PALTF and is winding down their technical due diligence. PALTF's astute management team, with Pres./CEO Andrew Brodkey (a mining engineer and mining lawyer) at the helm, who as a result of strategic acquisitions has positioned PALTF as a lithium junior with quality assets among the lowest production costs, allowing them to be first into market capturing the next wave in mineral exploration lithium. Ultimate target 4-5.