

INVESTING:

PAN AMERICAN LITHIUM CORP.'S MINING PROJECTS IN CHILE AND MEXICO PROVIDE INVESTORS AN OPPORTUNITY TO PARTICIPATE IN GROWING DEMAND FOR LITHIUM

Pan American Lithium Corp. (TSX Venture: PL) (Pink Sheets: PALTF), a new junior lithium exploration company, is poised to ride the wave of the emerging lithium market, providing investors an opportunity to reap large returns in low-risk, high reward lithium production scenarios unfolding on two fronts.

The company owns interests in nine salars located in Chile's Atacama Region III, where it will explore and develop surface brine lakes with the initial goal of producing up to 5,000 tons of lithium carbonate production per year. In Mexico, Pan American has an option to acquire an interest in a geothermal brine project, which includes brines produced by deep geothermal wells that already have been drilled by the Cierro Prieto power plant located in Baja California Norte, Mexico. The project has the near term goal of producing 5,000 tpy lithium carbonate.

Pan American, formed in December 2009, plans to bring into production these attractive, low-cost and well-located lithium projects within a relatively short timeline of up to 36 months. The corporate strategy includes forging relationships with strategic off-take partners. The company recently announced a Letter-of-Intent with a large international strategic partner.

"We're creating a small space for our junior company with the aim of being nimble and quick to slip-in and be among the first in the market," says Andrew Brodkey, Chief Executive Officer and President of the Tucson, AZ-based company. "For junior companies, this business is about how fast you can be to produce lithium carbonate and if you have contracts to sell your production.



Pan American stands apart because our properties' physical characteristics are well-advanced and diversified and the locations of our projects are in politically stable countries that are rich in mining history and are mining friendly from a tax, investment and regulatory perspective."

- Andrew Brodkey, Chief Executive Officer and President, Pan American Lithium Corp.



ANDREW BRODKEY
CEO and President,
Pan American Lithium Corp.

"We'll have strong strategic off-take partners or end-users who need lithium and want to have a relationship with and diversify their risks by going to a smaller company like Pan American," says Brodkey.

Automakers Driving Demand

In market fundamentals, Brodkey explains lithium is on the verge of a major explosion in demand thanks to the anticipated transformation of the world's automotive fleet to battery power from hydrocarbon. "Governments worldwide are committed to lithium-ion batteries as the only way car makers can meet their tougher domestic fuel efficiency and emissions standards, and new rules will become effective by mid-decade," he says.

Most major auto manufacturers have announced their intentions to produce some kind of lithium battery powered automobile and are looking to control the lithium supply chain. Also, personal electronics are increasingly powered by these highly efficient and energy-dense power sources. Battery usage today is roughly 30 percent of all lithium demand in the world and it's growing at a 25 percent rate per year. Total lithium carbonate demand is predicted to increase from 85,000 tons per year (2007) to over 250,000 tons per year by 2015.

Positioned to be First to Markets

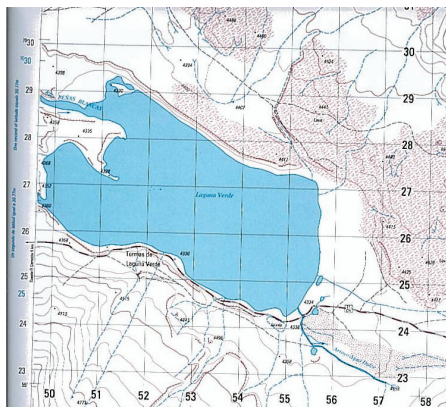
Brodkey, having 25 years experience in the mining industry as a mining engineer, lawyer and senior executive, envisions Pan American Lithium Corp. as "a lithium production company with projects that will really be built, not like the many other junior companies that are arbitrarily formed then wither away. Among the roughly 50 other junior lithium exploration companies that have recently appeared on the scene, we're one of the best plays. Our goal from day-one has been to be as low as possible on the cost curve. We strive to be the first into production and fill the market space. Pan American stands apart because our properties' physical characteristics are well-advanced and diversified and the locations of our projects are in politically stable countries that are rich in mining history and are mining friendly from a tax, investment and regulatory perspective. We are in the process of lining up strong strategic off-take partners and our sophisticated management team has broad mining experience in the Americas," says Brodkey.

Pan American's nine Chilean salars are located in the area considered to be among the best in the world for lithium production. "The good-sized surface water lakes at two of our salars offer quick and cost-effective means to calculate an initial resource estimate without time consuming and expensive exploration, and offer quick access to a source that can be processed cost-effectively. Our first order of business is to go to these easy tappable resources and do a calculation that tells us the amount of contained lithium," says Brodkey.

In Mexico, the company's partners own a private company called Escondidas.



Map of 9 salar locations in Atacama Region III, Chile



Plan view of Laguna Verde surface lake.



Photo of Laguna Verde Lake.

It entered into a joint venture with CPI Internacional, the owners of the brine concessions, to commercialize the geothermal brines. Following successful due diligence and exercise of the option "Pan American plans to purchase a 76 percent or controlling interest in Escondidas, giving us an indirect 25 percent carried interest in the project," Brodkey says.

In geothermal brine recovery, Pan American plans to commercially exploit the mineral rich brine that is a residual by-product of geothermal power generation. "We are going to capitalize on substantial existing infrastructure of the geothermal plant, well fields, ponds and related facilities. There is no exploration or drilling risk. Mexico should be quicker to market than any other new lithium related projects," says Brodkey.

"Junior companies that have strong partners and off-take relationships with strategic investors are the ones that are really

going to have a fighting chance to be survivors in the industry. In the overall picture, we're trying to be the first to resource definition, ultimately first to feasibility, first to production with an off-take partner built-in. It's the best-of-all-worlds recipe for success in an industry like ours," says Brodkey. ■

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