

Having Added 2 Additional Lithium Brine Projects to Bring Their Total to 11 in Chile, Increasing their Land Area of Mineral Concessions to Over 20,000 Hectares, Pan American Lithium Corp. is Well Positioned for Exploration and Development

**Resources - Lithium
(PALTF.OB-OTC: QB, ; TSX-V: PL)**

Pan American Lithium Corp.

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**Andrew A. Brodkey
Chairman, President, CEO and
Member of Audit Committee**

BIO:

Andrew Brodkey is currently President and CEO of four junior mining exploration companies---Pan American Lithium Corp., Zoro Mining Corp., Titan Iron Ore Corp. and Pacific Copper Corp., He has been a mining industry professional for over 25 years, working with and for Fortune 100 companies as well as junior mining entities. Brodkey earned a bachelor's degree in mining engineering from University of Arizona in Tucson before obtaining a law degree at Creighton University. He has worked as a mining engineer,

a mining lawyer and in minerals business development. As Vice President and General Counsel for Magma Copper Company, and Vice-President, Business Development for BHP Copper Inc., he successfully negotiated and closed numerous complex domestic and international mining transactions, including mergers and acquisitions, privatizations, recapitalizations, joint ventures and partnerships. Immediately prior to entering the management of junior resource companies, he was the founder and Managing Director of the CB Richard Ellis International Mining & Metals Group.

Company Profile:

Pan American Lithium Corp. (TSX-V: PL) (OTCBB/OTCQB: PALTF) is a junior lithium exploration company which owns interests in eleven salar projects with the potential to produce lithium and other metals from surface lakes and subsurface brines, all located in the mineral-rich Atacama Region III of Chile. The rights in these seven lithium salars cover a cumulative area in excess of 20,000 hectares, all accessible via serviceable roads.

The Company also has an option to acquire indirect interests in a geothermal lithium brines project at the Cerro Prieto geothermal power plant located in Baja California, Mexico, roughly 30 km south of the city of Mexicali.

**Interview conducted by:
Lynn Fosse, Senior Editor**

CEOCFO: Mr. Brodkey, we last spoke in 2010, and at that time you had

some exciting things that were going on at Pan American Lithium although you were relatively new and seeking a full Bulletin Board listing; so where are you in that process?

Mr. Brodkey: We have come along way since the last time that we spoke. I am pleased to report that the company has an exciting future and has accomplished quite a bit since the middle of last year (2010). So yes, we do have an OTC: BB and QB listing, under the symbol PALTF. That was accomplished as of February of this year (2011), so we are fully trading in the United States and U.S. investors can buy our shares directly on the Over the Counter Exchange. We received that designation after getting full SEC review of an F-1 filing statement that was rather lengthy and took quite a bit of time to clear through the commission. That exercise was completed in January, and thereafter we got our listing. Most of the lithium companies and even natural resources companies in general in the world are found in Canada, where we are also originally from, and also trade on the Toronto Venture Exchange. However, there are just a limited number of lithium companies that have been able to come across the border and make themselves available and more freely tradable in the U.S. market. Therefore, we are very happy that we were able to accomplish at least that part of the equation this year.

CEOCFO: Are you still focused exclusively with lithium in Chile?

Mr. Brodkey: Since early on in the game, we have always had the majority of our property portfolio located in Chile and we have expanded that re-

cently. However, we also have had, as of the first part of 2010, an option to acquire an indirect interest on a lithium project in Mexico and that continues to move along. It is moving a little slow, but we are in the process of waiting it out and not having to do too much to keep the option alive. We are paying a very nominal amount just to administratively keep things going. This option is to acquire an interest in a company that has a joint venture with some Mexican lithium brine concession holders. The details that are being worked out through the Mexican regulatory agencies and government will allow those concession owners to be able to exploit the lithium brines that are being produced today from the Cierro Prieto Geothermal Power Plant in Baja California, Norte Mexico. You are in a situation where you have quite a bit of volume and good grades of brines that are being put into existing settling ponds and our joint venture partners, once we buy into the company, will have the ability to exploit and process those brines. However, it has been a long slow process through the Mexican regulators to get everything done, yet it does not cost us very much to wait and see, to make sure that everything gets done correctly. Then we will have a project and that will be for

lithium, potash and other light metals.

Our big area of emphasis has always been in Chile. In December of 2009, when we started the company, we had interests in 9 Chilean properties. We have since augmented that in February of this year (2011), when we signed some agreements to amplify our property position at one very major salar, called the Salar de Pederuales in Chile. We have added interests in 2 additional lithium brines projects to our portfolio, so now we have interests in 11 different lithium brine projects in Chile. Our total land area of mineral concessions subject to these lithium rights has increased from about 13,000 hectares to over 20,000 hectares of mineral concessions at 11 different projects.

CEOCFO: Are your projects in the process of exploration?

Mr. Brodkey: Absolutely, and this is where our focus has been for the last year and a half. The exploration is a key component for any mining company, let alone lithium companies, to advance their projects and get information in. At the time we spoke last year, earlier on in the year, we were working on a resource estimate at our lead project, which is a surface alpine brine lake called Laguna Verde. By the end of the 2nd Quarter of last year we had an actual published Canadian National Instrument 43-101 resource estimate for the surface lake at Laguna Verde. The property is much bigger than the surface lake and it contains quite a bit more brines and a

We have 11 projects, where most of our competitors have one or maybe two. We are in the right place being in Chile and very few of our competitors are in Chile. Most are in Argentina or someplace else. Lithium has a very exciting future and the demand curves are going very far north very quickly, so we know that we are in the right space. We have a world-class portfolio of properties that we are evaluating and we will be able to bring one or more of those in along with the help of one or more strategic partners. Stay tuned, there is a lot more coming as we are doing road shows and getting the word out. Therefore, there is a bright future ahead for Pan American Lithium.

- Andrew A. Brodkey

lot of exploration potential, but the lake was fairly easy to explore. It is a lake of about 15 square kilometers in surface size. It runs about an average of about 35 meters in depth and it goes as deep as 60 meters. Our geologists tell us that it is essentially a "blown out caldera", a volcano that erupted fully and created a crater into which lithium bearing solutions were ultimately deposited which created this fairly large lake. The resource estimate number that we reported was over 4.2 million tonnes of potash and 512,000 tonnes of lithium carbonate in the lake -- in a published technical report. Since then at Laguna Verde, we have designed some additional exploration. We have not actually started on the exploration yet, but the program will be to drill sufficient

holes, as our expert hydrologists tell us, into the basin itself, which is dominated by a volcanic rock called an ignimbrite, a rock, with very good porosity which is a very good host for additional brines. This rock underlies and surrounds the margin of the basin beyond the surface lake. Therefore, we will do additional exploration, and hopefully by sometime before the end of 2011 we will start that exercise at Laguna Verde. However, because we already have a resource estimate started and published, we are doing additional work at Laguna Verde on the technical side.

We have commissioned a pre-scoping study with the University of Nevada at Reno, which was just announced last week. They have some interesting membrane brine concentration technologies that we would like to investigate with our brines. So that exercise has just been kicked off. I cannot give a timeline on it yet because we just started it, but we will certainly know our results within a couple of months. If this technology, works, then we can go into our scoping study at Laguna Verde and that will help us to be able to design, just on the basis of the surface lake alone, what technical processes are going to be the most ideal for recovering

lithium from the lake. Once we get done with the scoping study, we will move into pre-feasibility. The scoping study will be about three months in duration, the pre-feasibility will be another nine months and at the end of that time we will have enough technical and economic data back to tell us whether we really have a project at Laguna Verde. However, that is just one project out of eleven. We are doing a lot more work at a lot of other places as well.

We also recently announced and update concerning one of our newer acquisitions called the Llanta project, which is fairly close to the capital, Copiapo, of Atacama Region III in Chile. We just started an exploration program run by our expert hydrolo-

gists, Montgomery & Associates, who are out of Tucson, where I happen to live. They are very learned and very reputable hydrologists that work for some of our competitors in Argentina, but they have not done any work in Chile yet. They designed an initial drilling program to test the aquifer at the Llanta project to see what we have got in terms of the types of data that you want to collect. So we are going to start with three generally speaking, shallow holes, probably no more than 100 meters in depth. That program is starting now and we will probably have results back in a month or so. We will be able to tell the brine quality. These will be diamond drill holes, so we will be able to look at the cores and start to get the data back that one needs in a lithium project. We will be able to assess how good your formation is, concerning porosity, permeability, transmissivity, as well as all of the other information is in that one needs from a technical perspective, to tell you whether you have good enough brine hosting resource to be able to exploit it. Therefore, everything is starting. We are very excited about the exploration at those projects.

I mentioned earlier the Rio de la Sal/Pedernales in Chile, which is one of our more recent acquisitions. We did have an existing concession position there, but we augmented it with another 4,000 hectares of mineral rights, plus water rights at the Salar de Pedernales. We did some trenching at Pedernales late in 2010. When we got the results back, it showed that we had some magnificent lithium grades that were encountered in some of the trenches, as high as 1,070 ppm with potash grades of over .8%, which are the type of numbers that you want to be seeing. Therefore, the Rio de la Sal/Pedernales is another area where we will have some exploration focus in 2011.

CEOCFO: Why Chile, why the Atacama Region, what made you believe that lithium would even be there to begin this whole thing, what is the infrastructure and how are things going with the Chilean government?

Mr. Brodkey: I'll answer those questions in inverse order. There is great

road access to all of our properties year round for the most part. Some of our salars are at very high elevation, at over 17,000 feet, so there are times during the year when there is some snow that can be a bit of an impediment. However, for the most part you can get to every one of our projects 365 days a year. There are primary roads going to most the projects, although sometimes you may have to get off road for short distances with four wheel drive-- just for one or two of the projects. But the bulk of our projects are on main roads that are maintained by the provincial government, Atacama Region III. Electric power can be made available at most of our properties. Laguna Verde, which is probably the project that is furthest out, is probably 50 kilometers from the nearest power line, so ultimately if it was determined to build a project there, you would be able to bring power in at not a huge expense. Other than electricity, you could utilize CNG, LNG or diesel for onsite generated power. The general answer to your question is good infrastructure and more specifically, Chile is the type of country where you have a very positive, mining friendly environment. We have turned down projects in other jurisdictions because they do not have the same risk profile, geopolitical type risk, and mining friendly climate that you find in Chile. Chile is the world's largest copper producer. There is a 150 plus year history of the mining industry being in Chile, and mining represents a huge percentage of Chile's gross domestic product. Irrespective of what type of government has been in place, the government in Chile has been very supportive of the mining industry in terms of political, economic and social stability. There are many trained workers that work in the mining field. I have worked most of my career in Latin America and have been involved in many of the other jurisdictions in which you find lithium projects including Peru and Argentina and I will tell you without hesitation that I find it much more easy to work Chile. Therefore, Chile has always been our preference, and even though we have been offered projects in Bolivia and Argentina, we have decided that our flag is going to be planted firmly in

Chile.

CEOCFO: Would you tell us about the outlook for lithium? By the time you get your project rolling, will lithium still be a big play as far as its use and needs?

Mr. Brodkey: We certainly expect that to be the case. The demand growth of lithium has been very solid over the last decade and it is expected to continue, particularly as you see lithium ion batteries continuing to be deployed in more and in varied and different applications. That sector of the lithium industry is expanding at about a 25% growth rate per annum. The rest of the lithium industry, which has more traditionally been found using in solvents, greases, lubricants and the ceramics industry, is also moving forward, but at a much slower growth rate. However, overall, we look at things in terms of consumption of lithium carbonate equivalent tonnes per year. 2009 figures show that the world consumes 100,000 tonnes per year of lithium carbonate equivalent. Lithium carbonate is actually, what goes into lithium ion batteries, once it is upgraded to battery grade lithium carbonate. We produce lithium from an actual mining project that is chemical grade. It goes through just one more step and becomes pure enough to become battery grade. 100,000 tonnes is the current consumption figure and most prognosticators expect that is going to triple by the end of this decade. So by 2020, we will be up to 300,000 tonnes. Even by 2025, the numbers are looking much more robust; maybe a half million tonnes a year. The current large lithium producers are not in the position today to match that demand growth. Therefore, that opens up slots for companies like Pan American Lithium to explore, develop our projects and bring them in. My answer quite frankly is that we expect fully to be able to participate in the growth in lithium consumption. In addition, since we have so many different projects in a great jurisdiction, and the ability to bring them into production over the next four to five years, we will be able to capture the upside of this demand and consumption trend.

CEOCFO: Are all of your projects

100% owned, and as you move forward, do you see partnering as part of your strategy as well as is Pan American Lithium looking to take your projects through to production?

Mr. Brodkey: We are a serious company and we have serious mining people in this company. That is my background and that is the background of everyone that I work with here. We are not a company that has been set up to be sold to somebody else. Therefore, it has always been our intention to explore our properties and if they merit it, then we would develop them and bring them into production. Would we do that with a partner? Absolutely! If and when the circumstances look like they would accommodate that type of an arrangement. Since day one we have been open that we have been in discussions with a number of potential partners. These are partners that would be interested in a number of possible arrangements with us, either off-take or equity participation in a project or even equity participation in the company. The good thing about Pan American Lithium is that unlike many of our competitors, we have 11 salaries, and those are 11 potential projects to deal with. So we can do one-off deals with potential strategic partners without impairing our ability to do another deal with a different company on a different project. We have always kept the door open and our hope is that when it is all said and done, we will have multiple relationships with different off-takes and different strategic partners, at a number of our different locations.

CEOCFO: What is the current financial position for Pan American Lithium; do you have enough in house to continue your projects or will you need to raise funds?

Mr. Brodkey: We just completed a private placement with some finders in Canada, including some U.S. investors, for gross proceeds of over \$600,000. That follows a similar, but slightly larger raise from October of last year (2010), for about \$800,000. Therefore, we are sitting ok as far as

the treasury goes for now. We have enough to finance ongoing exploration and our burn rate for the time being. However, your question is good because companies that are in exploration like Pan American, and our competitors as well, burn money quickly. So we are regularly going back to the market. We have retained a middle market New York based investment bank—Ladenburg Thalmann, that is going to be assisting us with capital raises. They will help us do a more complete assessment of our capital needs and go to the market in a larger fashion to raise money for our projects. We have looked at our capital requirements over the next two plus years and it may be \$20 to \$25 million, if we did all of this on our own and did not have the help of any strategic partners. So even though we will not raise all of that money at one time, the first tranche might be \$3 to \$5 million and that might be something that we would be looking at in the next quarter or so. Therefore, yes we are in the market, we do want to raise money, and we do see the ability of strategic partners to help us take away some of that capital requirement, but we are going to independently tap the market and we do have help to do that.

CEOCFO: Are you reaching out to the investment community at this time and are you as CEO involved in this process doing things such as road shows?

Mr. Brodkey: The answer is absolutely, and in a huge way; largely because we view our company as being terribly undervalued. I have just gotten back from a investor road show in New York and I am heading next week to New York for another road show. The goal is to get more eyes on the stock. We are a company that has wonderful projects, great locations, good management, good technical results and everything is going wonderfully on the ground. However, I have not done as good of a job of telling the market about who we are and that is why our market capitalization today is somewhat small, com-

pared to many of our competitors. When you stack our projects up that are in Chile, against certain competitors, you will see that our projects are better and in the aggregate, bigger in terms of potential for lithium and potassium resources. But some of our competitors have market caps that are significantly higher than ours. So I shake my head and think that it must be because I am not getting the word out sufficiently. Therefore, that is clearly part of the plan. We just hired a new investor relations firm out of New York called CEOCast.com, and they are assisting us in their particular IR type of campaigns. We are hoping that people will see that we are a hugely undervalued stock.

CEOCFO: In closing, why should potential investors consider Pan American Lithium today?

Mr. Brodkey: We have a really strong, experienced management team. These are professionals that are serious and desirous of putting some lithium production onto the board and not just setting up a company. They want to do the technical work necessary and bring in some projects that will ultimately go to production. We feel that this company is a huge buy today and that it is highly undervalued when you do peer comparisons and evaluate where Pan American is at. We have 11 projects, where most of our competitors have one or maybe two. We are in the right place being in Chile and very few of our competitors are in Chile. Most are in Argentina or someplace else. Lithium has a very exciting future and the demand curves are going very far north very quickly, so we know that we are in the right space. We have a world-class portfolio of properties that we are evaluating and we will be able to bring one or more of those in along with the help of one or more strategic partners. Stay tuned, there is a lot more coming as we are doing road shows and getting the word out. Therefore, there is a bright future ahead for Pan American Lithium.