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Tucson, Arizona USA 85719

News Release

January 3, 2012

TSX.V SYMBOL – PL; OTCBB SYMBOL --
PALTF

Pan American Lithium Corp. announces 1 million share non-brokered private placement.

Pan American Lithium Corp. (the “**Company**”) is pleased to announce that it has arranged a non-brokered private placement for the sale of 1,000,000 common shares of the Company (the “**Shares**”) to Andrew Brodkey, the Company’s President and Chief Executive Officer, at [C\$0.06] per Share, to raise C\$60,000 (the “**Offering**”). Proceeds from the Offering will be used for working capital purposes. The Company anticipates that the closing of this Offering will occur on or before January 7, 2012.

The Company has provided POSCO Canada Ltd. (“**POSCO**”) with notice of this private placement pursuant to POSCO’s pre-emptive right contained in the subscription agreement dated August 23, 2011. POSCO may exercise this right to acquire such number of shares as to maintain its current percentage of the issued and outstanding Shares.

On Behalf of the Board,

PAN AMERICAN LITHIUM CORP.

/s/ Andrew Brodkey
Andrew A. Brodkey
President and CEO

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This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as the statements that: (i) proceeds from the Offering will be used for working capital purposes and (ii) the Company anticipates that the closing of this Offering will occur on or before January 7, 2012. There are numerous risks and uncertainties that could cause actual results and the Company’s plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) inability of the

Company to close the Offering for any reason; (ii) adverse market conditions; (iii) a decrease in demand for and price of lithium; and (iv) general uncertainties with respect to mineral exploration in general. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.