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News Release

May 10, 2011

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

**Pan American Lithium Corp. Increases its  
Non-Brokered Private Placement.**

Pan American Lithium Corp. (the “**Company**”) is pleased to announce that the Company has increased its non-brokered private placement described in the press release of May 2, 2011 from the sale of up to 2,333,333 million units of the Company (the “**Units**”) to 4,666,666 Units, at C\$0.15 per Unit, to raise up to C\$700,000 (the “**Offering**”). The size of the Offering is subject to change as the Company’s board of directors may determine. Each Unit will consist of one common share and one non-transferrable common share purchase warrant, with each warrant exercisable at C\$0.25 for a period of two years from the date of closing. Proceeds from the Offering are intended to be used for the exploration program, and for working capital purposes. The Company anticipates that the closing of this Offering will occur on or before May 31, 2011.

In connection with the Offering, the Company may pay eligible finders who introduce subscribers to the Company a finder's fee of ten percent (10%) of the gross proceeds raised by such eligible finders in the Offering in cash, and issue such number of common share purchase warrants to the eligible finders equal to ten percent (10%) of the Units purchased by subscribers introduced by such eligible finders. The common share purchase warrants to be issued to such eligible finders will have the same exercise price and expiry date as the common share purchase warrant that form part of the Units. Securities issued in connection with the Offering will be subject to a four month hold period in accordance with applicable securities laws and policies of the TSX Venture Exchange (the “**TSXV**”).

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 are intended to be used for exploration at the Laguna Verde, Llanta and Pedernales properties in Chile, and for working capital purposes; (ii) the Company anticipates that the closing of this Offering will occur on or before May 31, 2011; and (iii) the Company may pay eligible finders who introduce subscribers to the Company a finder's fee of ten percent (10%) of the gross proceeds raised by such eligible finders in the Offering in cash, and issue such number of common share purchase warrants to the eligible finders equal to ten percent (10%) of the Units purchased by subscribers introduced by such eligible finders. 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.*