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News Release

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TSX.V SYMBOL – PL

Pan American Lithium Corp. Announces Closure of Agreements to Acquire Additional Lithium Interests in Chile and Expiration of Agreement with Escondidas

Pan American Lithium Corp. (TSX-V:PL) (OTCCB: PALTF) (“Pan American” or the “Company”), www.panamericallithium.com, today announces it has closed agreements with Sociedad Gareste, Limitada (“Gareste”) to acquire interests in two lithium brine projects in Atacama Region III, Chile.

The Company closed a definitive purchase agreement whereby Pan American acquired mineral concessions totalling 4,200 hectares and other rights at the Salar de Pedernales, and entered into a joint venture agreement with Gareste at the Salar de Maricunga for concessions totalling 1,220 hectares along with other rights. The parties have put on hold negotiations for the Llanta aquifer project also announced previously.

In connection with closing of the Pedernales acquisition, Pan American is issuing 2 million shares of Pan American’s common stock (each, a “Share”) to Gareste and is granting of a 2% NSR to Gareste, capped at US\$6 million, one-half of which can be repurchased by Pan American for US\$2 million prior to commercial production. The proposed acquisition is between arm’s length parties and did not require shareholder approval from the shareholders of Pan American.

The earn-in/joint venture agreement for Maricunga calls for Pan American to perform certain tasks, issue common shares to Gareste, and pay certain cash amounts to Gareste in order to obtain up to 80% of the project, as set forth in the following table:

MILESTONE	CASH PAYMENT	SHARES	INCREMENTAL % INTEREST EARNED
Regulatory approval of Agreement		200,000	
One year from execution of Agreement	US\$100,000	100,000	
Two years from execution of Agreement	US\$100,000	100,000	
Three years from execution of Agreement	US\$100,000	100,000	
Delivery of scoping study		100,000	10
Delivery of pre-feasibility study (“PFS”)		100,000	20
180 days after Delivery of PFS	US\$ 100,000		
Delivery of bankable feasibility study (“BFS”)		300,000	40
180 days after Delivery of BFS	US\$ 100,000		
Receipt of actual funds from project debt financing to build production facility based on BFS	US\$1 million	1,000,000	10
TOTALS	US\$1.5 million	2 million	80

The Company can earn a 70% interest in Maricunga by delivering the three studies, paying the first three cash payments and issuing the Share as set out in the preceding tables. The Company has the right to terminate the earn-

in at any time at its sole discretion. Pan American can earn a further 10% in the Maricunga project by providing financing for the debt portion of the capital to build the project, and an additional 6% of the project by providing Gareste with a full carry through production. Gareste also was granted a 2% NSR royalty capped at US\$6 million, one-half of which can be repurchased by Pan American for US\$2 million prior to commercial production. All Shares issued to Gareste will be subject to a hold period in accordance with applicable securities laws.

Andrew Brodkey, CEO of Pan American, commented: “the Company is pleased to close these important acquisitions of significant properties at key salars in Chile. These transactions are part of the Company’s overall strategy to consolidate land positions at salars with considerable potential for future brines projects. We believe that the salars de Pedernales and Maricunga, the second and third-largest salars in Chile, respectively, offer us this opportunity.”

In addition, the Company announces that the closing date of the share option agreement dated December 18, 2009 with Escondidas Internacional S.A. de C.V., a privately held Mexican corporation, has lapsed as the parties have not signed an agreement to extend the closing date.

In addition, the Company announces that it has terminated its consulting agreement with Level 3 Capital Management Inc. (“Level 3”), in which Level 3 assisted the Company as a corporate finance and strategic planning advisor.

The Company also announces, that it has retained Lexxus Capital, Inc. (“Lexxus”) through a consulting agreement under which Lexxus will assist Pan American as a strategic planning advisor in addition to services related to project negotiation, due diligence and acquisitions. In consideration for these services, and subject to approval by the TSX Venture Exchange (the “TSXV”), the Company will pay \$15,000 per month on a bi-monthly basis to Lexxus, payable in Shares. The number of Shares to be issued to Lexxus is determined by dividing: (a) \$30,000 (for each bi-monthly period); by (b) the closing price of the Shares on the last trading day of each bi-monthly period, applying the maximum discount allowable under TSXV policies. The Shares issued under the agreement will be subject to a 4-month “Exchange Hold Period” in accordance with the policies of the TSXV.

Pan American also announces that it has entered into a financial consulting agreement with Zone Capital Partners, LLC (“Zone”), to assist the Company as a financial advisor. For consideration of these services the Company will pay \$5,000 per month for the term of this agreement and one million restricted common shares of the Company. The Shares will be delivered to Zone on a bi-monthly basis by dividing (a) \$20,000 (for each bi-monthly period); by (b) the closing price of the Shares on the Exchange on the last trading day of each bi-monthly period, applying the maximum discount allowable under TSXV policies. The Shares issued under the agreement will be subject to a 4-month “Exchange Hold Period” in accordance with the policies of the TSXV.

Also, the Company has retained Sustantarts, via a consulting agreement, as an in-country Chilean advisory. For consideration of these services, the Company will pay \$120.00 per hour and grant fully-vested incentive stock options (the “Options”) to purchase 200,000 Shares for an exercise price of \$0.07 per Share for a period of ten years from the date of grant.

About Pan American:

Pan American has rights in ten lithium-bearing salars in Chile’s Atacama Region III covering cumulatively more than 19,000 hectares, including the Laguna Verde surface brine lake.

On Behalf of the Board

PAN AMERICAN LITHIUM CORP.

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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) These transactions are part of the Company's overall strategy to consolidate land positions at salars with considerable potential for future brines projects and that the salars de Pedernales and Maricunga offer us this opportunity. 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) adverse market conditions; (iii) a decrease in demand for and price of lithium; (iv) the inability to obtain, or a change in local governmental or regulatory approval or policies that may adversely affect the exploration work; and (v) 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.