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News Release

May 29, 2012

TSX.V SYMBOL – PL

**Pan American Lithium Corp. Announces Termination of Consulting Agreement with
Lexus Capital**

Pan American Lithium Corp. (TSX-V:PL) (OTCCB: PALTF) (“Pan American” or the “Company”), www.panamericallithium.com, today announces it has terminated its consulting agreement with Lexus Capital, Inc. (“Lexus”), that was previously announced on May 3, 2012, in which Lexus was to assist the Company as a corporate finance and strategic planning advisor. The Company has under the agreement, terminated the consulting agreement before any shares were issued.

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.

/s/ Andrew Brodkey

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