

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

Pan American Lithium Corp. (the "Company")
Suite 110, 3040 N. Campbell Avenue
Tucson, Arizona USA 85719

Item 2. Date of Material Change

State the date of the material change.

October 11, 2011

Item 3. News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

The News Release dated October 11, 2011 was disseminated by Globe Newswire.

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

The Company has announced that it has entered into debt settlement agreements with Gareste Limitada, Pro Business Trust, and Boulder Design LLC to settle outstanding debt in the amount of US\$200,395.29 (the "Debt"). The Debt was incurred by the Company under Consulting and Professional Services Agreements. Under the terms of the debt settlement agreements, the Company will satisfy the Debt with the issuance of 1,335,768 common shares of the Company at a deemed issuance price of \$0.15 per common share. These shares for debt transactions are subject to the approval of the TSX Venture Exchange.

The Company also announced that it issued 350,082 common shares under a Consulting and Professional services Agreement with Pro Business Trust. The Company satisfied US\$41,631 of expenditure incurred under the Agreement at a price of \$0.12 per common share. The securities issued to the consultant are subject to a hold period expiring on February 12, 2012.

Item 5.1 Full Description of Material Change

Supplement the summary required under item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

See attached News Release.

Item 5.2 Disclosure for Restructuring Transactions

This item applies to a material change report filed in respect of the closing of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed. This item does not apply if, in respect of the transaction, your company sent an information circular to its security holders or filed a prospectus or a securities exchange takeover bid circular.

Include the disclosure for each entity that resulted from the restructuring transaction, if your company has an interest in that entity, required by section 14.2 of Form 51-102F5. You may satisfy the requirement to include this disclosure by incorporating the information by reference to another document.

Not Applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not Applicable.

Item 7. Omitted Information

State whether any information has been omitted on this basis that it is confidential information.

In a separate letter to the applicable regulator or securities regulatory authority marked "Confidential" provide the reasons for your company's omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

Not Applicable.

Item 8. Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Please contact Andrew Brodkey, President and Chief Executive Officer of the Company, at (520) 989-0022.

Item 9. Date of Report

October 13, 2011



3040 N. Campbell Avenue, Suite 110
Tucson, Arizona USA 85719

News Release

October 11, 2011

TSX.V SYMBOL – PL; OTCBB and OTCQB SYMBOL – PALTF

PAN AMERICAN SETTLES DEBT AND STRENGTHENS BALANCE SHEET

TUCSON, Ariz., October 11, 2011 (GLOBE NEWSWIRE) -- Pan American Lithium Corp. (TSX-V:PL) (OTCBB/OTCQB:PALTF) ("Pan American" or the "Company") is pleased to announce that the Company has entered into debt settlement agreements with Gareste Limitada, Pro Business Trust, and Boulder Design LLC to settle outstanding debt in the amount of US\$200,395.29 (the "Debt"). The Debt was incurred by the Company under a Consulting and Professional Services Agreement with each of Pro Business Trust and Boulder Design LLC, and an Operator Agreement with Sociedad Gareste Limitada. Under the terms of the debt settlement agreements, the Company will satisfy the Debt with the issuance of 1,335,768 common shares of the Company at a deemed issuance price of \$0.15 per common share. These shares for debt transactions are subject to the approval of the TSX Venture Exchange.

Furthermore, the Company announced that it has issued 350,082 common shares under a Consulting and Professional Services Agreement (the "Agreement") with Pro Business Trust (the "Consultant") dated November 22, 2010. The Consultant provided services and expenditures for a Chilean exploration program at several of the Company's brine projects in the Atacama Region III. The Company satisfied US\$41,631 of expenditure incurred under the Agreement at a price of \$0.12 per common share. The securities issued to the Consultant are subject to a hold period expiring on February 12, 2012.

About Pan American:

In total, the Company has rights in eleven lithium and potash-bearing brine projects in Chile's Atacama Region III covering cumulatively more than 20,000 hectares. The Company also has an option to acquire an indirect interest in the Cierro Prieto geothermal lithium brine project in Baja California Norte, Mexico. The Laguna Verde surface brine lake project is the most advanced of the Company's portfolio of 11 lithium and potassium bearing brines projects in Chile.

On Behalf of the Board,

PAN AMERICAN LITHIUM CORP.

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

CONTACT: Jodi Henderson
Corporate Secretary
Tel: (520)989-0032
jhenderson@kriyah.com

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.