

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.

July 3, 2012

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 July 3, 2012 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 announced that the closing date of the share option agreement dated February 14, 2011 with Sociedad Gareste Limitada, a privately held Chilean Corporation, for the Llanta salar located in Atacama Region III, Chile, has lapsed as the parties have not executed an agreement to extend the closing date.

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

July 3, 2012



3040 N. Campbell Avenue, Suite 110
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News Release

July 3, 2012

TSX.V SYMBOL – PL

Pan American Lithium Corp. Announces The Expiration of Llanta Option Agreement

Pan American Lithium Corp. (TSX-V:PL) (OTCCB: PALTF) (“Pan American” or the “Company”), www.panamericallithium.com, today announces that the closing date of the share option agreement dated February 14, 2011 with Sociedad Garesté Limitada, a privately held Chilean Corporation, for the Llanta salar located in Atacama Region III, Chile, has lapsed as the parties have not executed an agreement to extend the closing date.

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

Andrew A. Brodkey

President and CEO

Tel: (520) 623-3090

For further information contact:

Jodi Henderson, Corporate Secretary

1-520-989-0032

Email: 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.