

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

Item 2. Date of Material Change

State the date of the material change.

June 30, 2010

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 June 30, 2010 was disseminated by 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 it has entered into a letter agreement dated June 30, 2010, with Escondidas Internacional S.A. de C.V., a privately held Mexican corporation (“**Escondidas**”), and the shareholders of Escondidas (the “**Shareholders**”), whereby the parties have agreed to extend the closing date set out in the Share Option Agreement dated December 18, 2009 (the “**Option Agreement**”), as amended, from June 30, 2010 to October 31, 2010. In addition, the parties have agreed to amend certain substantive terms of the Option Agreement, as follows:

Upon option exercise and at closing, in exchange for 76% of the issued and outstanding shares of Escondidas, the Company will (i) continue to pay the sum of US\$125,000 to the Shareholders, (ii) issue an aggregate of 5,000,000 common shares in the capital of the Company to the Shareholders, reduced from an amount of 10,300,000 common shares, and (iii) issue an aggregate of 5,000,000 warrants to the Shareholders (each, a “**Warrant**”), reduced from an amount of 7,500,000 Warrants. The terms of the Warrants are unchanged, with each Warrant entitling the Shareholder to acquire an additional common share of the Company at the exercise price of \$0.50 per share for a period of two years from the closing date. In addition, the Company is now obligated to pay to the Shareholders the following sums: (i) US\$500,000 6 months from the commencement of commercial production from the project (originally 6 months from the closing date), (ii) US\$500,000 12 months from the commencement of commercial production from the project (originally 12 months from the closing date), and (iii) US\$750,000 18 months from the commencement of commercial production from the project (originally 18 months from the closing date).

The parties have agreed to further amend the Option Agreement so that the Company is obligated to pay to the Shareholders US\$8,000 per month, reduced from the original amount of US\$25,000 per month until the

earlier of the closing date or termination to cover costs relating to outstanding expenses, due diligence, legal fees and other general and administrative expenses of Escondidas.

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 securityholders 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

June 30, 2010



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

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES**

News Release

June 30, 2010

TSX.V SYMBOL – PL

**Pan American Lithium Corp. Announces Amendment
of Share Option Agreement and Extension of Closing Date**

Pan American Lithium Corp. (the “**Company**”) announces that it has entered into a letter agreement dated June 30, 2010, with Escondidas Internacional S.A. de C.V., a privately held Mexican corporation (“**Escondidas**”), and the shareholders of Escondidas (the “**Shareholders**”), whereby the parties have agreed to extend the closing date set out in the Share Option Agreement dated December 18, 2009 (the “**Option Agreement**”), as amended, from June 30, 2010 to October 31, 2010. In addition, the parties have agreed to amend certain substantive terms of the Option Agreement, as follows:

Upon option exercise and at closing, in exchange for 76% of the issued and outstanding shares of Escondidas, the Company will (i) continue to pay the sum of US\$125,000 to the Shareholders, (ii) issue an aggregate of 5,000,000 common shares in the capital of the Company to the Shareholders, reduced from an amount of 10,300,000 common shares, and (iii) issue an aggregate of 5,000,000 warrants to the Shareholders (each, a “**Warrant**”), reduced from an amount of 7,500,000 Warrants. The terms of the Warrants are unchanged, with each Warrant entitling the Shareholder to acquire an additional common share of the Company at the exercise price of \$0.50 per share for a period of two years from the closing date. In addition, the Company is now obligated to pay to the Shareholders the following sums: (i) US\$500,000 6 months from the commencement of commercial production from the project (originally 6 months from the closing date), (ii) US\$500,000 12 months from the commencement of commercial production from the project (originally 12 months from the closing date), and (iii) US\$750,000 18 months from the commencement of commercial production from the project (originally 18 months from the closing date).

The parties have agreed to further amend the Option Agreement so that the Company is obligated to pay to the Shareholders US\$8,000 per month, reduced from the original amount of US\$25,000 per month until the earlier of the closing date or termination to cover costs relating to outstanding expenses, due diligence, legal fees and other general and administrative expenses of Escondidas.

The exercise of the option under the Option Agreement would allow the Company to receive an indirect, carried 25% interest in a joint venture between Escondidas and a third-party holding the brine concessions, to exploit and commercialize lithium chloride minerals and precious metals produced from such concessions.

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:

David K. Waldman / John J. Quirk
Crescendo Communications, LLC
Tel: (212) 671-1020
Email: panam@crescendo-ir.com

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 statement that: (i) the Option Agreement may close; and (ii) the Company, upon exercise of the option, would receive an indirect, carried 25% interest in a joint venture between Escondidas and a third-party holding the brine concessions, to exploit and commercialize lithium chloride minerals and precious metals produced from such concessions. 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 Option Agreement 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.