

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lithium Americas Corp.

THIRD QUARTER REPORT

NOVEMBER 30, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is prepared as of January 12, 2012 and is intended to supplement and complement Lithium Americas Corp.'s ("Lithium Americas" or the "Company") unaudited condensed financial statements for the three and nine months ended, November 30, 2011 and the notes thereto.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended November 30, 2011 including the supporting notes, and the audited consolidated financial statements for the year ending February 28, 2011, including the supporting notes and the related MD&A.

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting. All amounts are expressed in thousands of Canadian dollars, unless otherwise identified, and except for share and per share amounts.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains statements which may be considered forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change except as required by applicable securities laws. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions, fluctuations in the currency markets (including Canadian and U.S. dollars and the Argentine peso), changes in national and local governments, legislation, taxation, controls, regulations, and political or economic developments in Canada and Argentina or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration activities; risks and hazards associated with the business of mineral exploration and development (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; inadequate insurance or inability to obtain insurance to cover these risks and hazards and the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Argentina; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with operational inputs and labour; the speculative nature of mineral exploration, including the risks of obtaining necessary licenses, permits and approvals from government authorities; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; challenges to, or difficulty in maintaining, the Company's title to properties; and the factors identified in the Company's annual information form dated May 30, 2011 and other risk factors discussed or referred to in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Investors are cautioned against attributing undue certainty to forward-looking statements.

COMPANY OVERVIEW

Lithium Americas Corp. is a Canadian-based resource company focused on the exploration of lithium, potassium, borax and other mineral resources in South America. The Company was incorporated on April 28, 2009 and became publicly traded on May 13, 2010. The Company trades on the Toronto Stock Exchange under the symbol "LAC" and the OTCQX under the symbol "LHMAF". All of the Company's exploration properties are currently located in Argentina. The Company has two wholly-owned subsidiaries, Minera Exar S.A. ("Minera"), which is incorporated under the laws of Argentina, and 2265866 Ontario Inc., which is incorporated under the laws of Ontario. The Company holds its rights to the exploration properties through Minera. 2265866 Ontario Inc. holds 11% of the Company's 100% ownership in Minera.

The Company's principal and most advanced property (the "Cauchari-Olaroz Lithium Project") comprises a significant portion of two adjacent Argentinean salt lakes, Cauchari and Olaroz, covering 82,498 hectares ("ha") located in the Puna Plateau. The Puna Plateau is the most prolific lithium brine region globally, hosting approximately 84 percent of the world's known lithium brine reserves. In total, Lithium Americas controls a land package totalling 164,747 ha in this prolific region. In April 2011 the Company announced the results of a National Instrument 43-101 compliant Preliminary Economic Assessment for the Cauchari-Olaroz Lithium Project prepared by the independent engineering firm, ARA WorleyParsons (please refer to Operational Developments below). The Company believes it can develop the Cauchari-Olaroz Lithium Project into a world-class lithium producer in both size and quality.

INDUSTRY

Lithium currently has many end uses, including ceramics and glass, batteries, greases, air treatment, and pharmaceuticals. However, it is the battery industry that is expected to drive the majority of future growth for lithium. Specifically, it is the continued growth of small format batteries for cell phones, laptops, digital cameras and hand held power tools, that is expected to be augmented by the automobile industry's electrification of the automobile using lithium-ion battery technology for the hybrid, plug-in-hybrid, and electric vehicles that has some industry observers forecasting the demand for lithium carbonate to double or potentially triple by the year 2020. Large format batteries for the utility grid storage industry are expected to create another significant increase in lithium demand.

The global supply of lithium is currently dominated by four companies. Three of the companies (SQM, Chemetall and FMC) supply lithium from brines. Each of these three companies has brine operations in the Puna Plateau, with Chemetall also having a brine operation in the United States. The fourth company, Talison Lithium, supplies lithium concentrate from minerals (hard rock) found in Australia. According to industry sources, the cost of producing lithium compounds from brines is substantially less than from hard rock.

SIGNIFICANT EVENTS

Operational Developments

During the nine months ended November 30, 2011, and as of the date of this MD&A, the Company announced the following significant developments associated with the exploration of its principal property:

1. Long Term Land Use Agreements – In January 2012 the Company announced that it has secured long term land use agreements (the "Agreements") with five aboriginal communities located on the Cauchari-Olaroz properties. Under the terms of the Agreements, Lithium Americas will pay pre-determined fees upon signing of the Agreements, approval of the EIS, as well as annual fees over the 30 year term of the Agreements. Other important aspects of the Agreements are to provide employment priority to individuals living in the local communities, to provide training programs to the local communities, to establish joint environmental monitoring programs, and to implement a program to develop local service providers. Lithium Americas expects to finalize the land use agreement with the sixth and final aboriginal community in the near future.

2. Completion of Environmental and Social Baseline Study – In January 2012 the Company announced that the Environmental and Social Baseline Study (the “Baseline”) is complete and has been presented to the Mining Judge of the Province of Jujuy, the Director of Mines and Energy Resources, the Director of Environmental Policies for Natural Resources and the Provincial Committee of Experts. While presentation of the Baseline is not compulsory under Argentinean regulations, Lithium Americas has shared the Baseline with various government authorities and the aboriginal communities, because Lithium Americas believes that a transparent relationship with the provincial mining authorities and the local communities will make the Environmental Impact Statement approvals process both easier and quicker.
3. Submission of Environmental Impact Statement – In January 2012 the Company announced that it has completed and submitted the Environmental Impact Statement for approval to the Director of Mines and Energy Resources for the Province of Jujuy.
4. Completion of Lithium Carbonate Pilot Plant – In November 2011 the Company announced that its lithium carbonate pilot plant, designed and constructed by SGS Minerals Services (“SGS”) in Lakefield, Ontario, has been completed, tested, and that pilot production was achieved in accordance with design specifications. The pilot plant is designed to produce approximately 30 kilograms of battery grade lithium carbonate (99.5% purity) per day. The pilot plant is now in transit to Argentina.
5. Confirmation that Potash will be included in Definitive Feasibility Study – In October 2011 the Company announced that potash tests have yielded positive results, thereby confirming that potash will be included in the Company’s definitive Feasibility Study. Lithium Americas has harvested approximately 1.5 tonnes of potash rich salts from its on-site evaporation ponds, which have now completed a full evaporation cycle at its Cauchari-Olaroz project. A total of 300 kilograms of the harvested salts have been sent to Saskatchewan Research Council’s laboratories in Saskatoon, where mineralogical analysis and floatation testing was completed and confirmed that potassium chloride at 95 percent purity is achievable and that potash output during commercial production is expected to be in the ratio of 2 tonnes of potash per tonne of lithium carbonate.
6. Completion of Significant Engineering Milestones – In September 2011 the Company announced the completion of significant engineering milestones:

Completion of Bench Scale Tests

The Company’s bench scale tests were completed by SGS. The brine processing route and the reagents are currently being patented. The information from these tests was used to design the Company’s lithium carbonate pilot plant.

Completion of Evaporation Cycle

The Company has completed a full cycle of evaporation from its industrial scale ponds. The 180-day cycle, which was in line with estimates provided in the PEA, produced approximately 15 tonnes of concentrated lithium brine. This concentrated lithium brine was processed in the pilot plant to produce 99.5 percent purity lithium carbonate. Lithium Americas continues producing concentrated lithium brine through this evaporation process in order to feed the Company’s pilot plant once it has been reassembled on site.

Completion of Laboratory Expansion

The Company has completed the expansion of its on-site laboratory which is now able to analyze 50 full samples a day for the following elements: Lithium, Sodium, Potassium, Calcium, Magnesium, Boron,

Sulphates, Chlorides as well as physical parameters including pH and conductivity. The lab is fully equipped with atomic absorption facilities and has recently completed round robin comparisons with five different certified international labs. The lab has been designed and audited by Alex Stewart Assayers for Quality Assurance and Quality Control.

Completion of Thermodynamic Model

The completion of this model allows the Company to predict the brine processing route - from brine extraction at the wells to the evaporation ponds, through the evaporation cycle and finally to the lithium carbonate processing plant. The model reconstructs the changes to the brine throughout the process route at different chemical and physical parameters (including weather, interaction with reagents, time, etc.), assisting the Company in optimizing its design efforts. The model was designed exclusively for the Cauchari-Olaroz brine and constitutes proprietary technology.

7. Production Well Pump Test Results – In September 2011 the Company announced the pump test results from its production well drilling program. A total of five production wells were tested. Four of the wells were used to evaluate the yield potential of the brine aquifer, and one was used to evaluate the yield of the freshwater aquifer. Access to freshwater is key in keeping operating costs low, as freshwater is required for the planned on-site lithium carbonate processing plant.

Brine Aquifer Wells:

The four production wells used to evaluate the yield of the brine aquifer. The flow rates identified in three of the four wells are more than double the estimates used in the Preliminary Economic Assessment (PEA), independently produced by ARA Worley Parsons and filed on May 4th, 2011. According to the PEA, a total brine production rate of approximately 400 litres per second is required to produce 20,000 tonnes per year of lithium carbonate. The PEA assumed that 40 production wells were required to achieve this production. The pump test results indicate that the actual number of required production wells could be approximately half of the original estimate, thereby decreasing both the capital cost and operating cost requirements. The pump test results will be used to calibrate a numerical groundwater model (in progress) that will support the definitive estimate before the end of the year.

Chemical sampling of the brine was conducted daily for the duration of the pump tests and results are also provided in the table above.

The average lithium grade of the measured resource, as previously reported in the PEA, is 656 milligrams per litre. Chemical sampling results confirm that after extracting significant amounts of brine, the composition remains stable and is comparable to the resource average. This result indicates continuity of grade across the extensive hydraulic capture zones of the pumping wells, and provides a high degree of confidence in the resource estimate.

Freshwater Aquifer Well:

A fresh water well was drilled down 51 meters. According to the PEA, the lithium carbonate processing plant needs approximately 60 to 80 litres per second of freshwater. The PEA estimated that 6 wells would be required to satisfy this amount of freshwater. The updated pump test results from the freshwater well suggest that adequate supply may be obtained from fewer than 6 wells, to supply all the freshwater required to operate the on-site lithium carbonate processing plant.

This freshwater, while not of potable quality, is suitable for the industrial water requirements of the lithium refining process. This access to freshwater represents a significant cost advantage for the project as it confirms that the lithium processing plant can be built on-site. Lack of local freshwater is a common problem for some current lithium carbonate producers. Consequently, there is often a need to transport concentrated

brine to an off-site facility in order to complete final processing of the lithium carbonate, adding significantly to the overall operating costs.

The pumping tests described herein provide key technical support for a numerical brine model, currently in development. In turn, the model will support the conceptual design of a production well field, and a final reserve estimate.

8. Completion of Preliminary Economic Assessment – in April 2011 the Company announced the results of a National Instrument 43-101 compliant Preliminary Economic Assessment and Economic Evaluation of the Cauchari-Olaroz Lithium Project, Jujuy Province, Argentina, effective April 30, 2011,¹ (“PEA”) for its Cauchari-Olaroz Lithium Project in Argentina. The PEA was prepared by the independent engineering firm, ARA WorleyParsons (“ARAWP”). ARAWP has a significant amount of experience in lithium brine processing, having designed and participated in building the world’s largest and lowest cost lithium brine processing facility in Chile. The PEA provides for a 40,000 tonne per annum (“TPA”) lithium carbonate (“LCE”) production facility built in two phases, with construction of the first 20,000 TPA phase expected to begin in 2012, and construction of the second phase expected to begin in 2016. Potash and borax by-products were not included in the economic assessment, and could potentially add further value to the project.

The PEA calculates a base case pre-tax net present value (“NPV”) of US\$983 million, assuming an 8% discount rate, and an after-tax NPV of US\$715 million. The base case pre-tax Internal Rate of Return (“IRR”) is 30% and after-tax IRR is 26%. Production of LCE is assumed to be 40,000 TPA, achieved via an evaporation pond system and processing plant built in two phases, with each phase capable of producing 20,000 TPA. The first phase is expected to begin generating revenue from LCE production in 2014, while the second phase is expected to begin generating revenue in 2018. The capital costs associated with the first phase are estimated to be US\$217 million, while the capital costs associated with the second phase are estimated to be US\$181 million.

The PEA estimates cash operating costs at US\$1,434 per tonne which the Company believes may be one of the lowest operating costs in the industry.

9. Lithium Processing Facility – in March 2011 the Company engaged SGS Minerals Services (“SGS”), from Lakefield in Ontario, Canada to complete bench studies required to design the lithium carbonate production plant and the construction of a continuous lithium carbonate pilot plant to produce a 99.5% purity lithium carbonate. Construction of the pilot plant commenced in April 2011 with first production of lithium carbonate starting in November 2011. Production from the facility will provide industrial samples for future customers and fine tune the final mine design for the Full Feasibility Study. The Company has been producing small quantities of lithium carbonate at laboratory scale on-site since August 2010.

Corporate Developments

During the nine months ended November 30, 2011, and as of the date of this MD&A, the Company achieved a number of important corporate milestones including:

1. Secured \$10 Million Stand-By Credit Facility from Key Shareholders – In January 2012 the Company announced that it has secured a \$10 million stand-by credit facility (“Credit Facility”) from a syndicate of lenders comprised of Geologic Resource Partners LLC, Pinetree Capital Ltd, and PowerOne Capital Markets Limited (the “Lenders”). Each of the Lenders is currently a significant shareholder of Lithium Americas, with the Lenders collectively owning approximately 38% of the Company’s outstanding shares. Under the Credit Facility, Lithium Americas has the ability to draw down amounts in increments of \$2 million, with repayment of any draw down to be made by January 6, 2015. Any amounts drawn down will bear interest at 9% per

¹ The Preliminary Economic Assessment mentioned herein is based on mineral resources. Mineral resources are not mineral reserves and do not demonstrate economic viability.

annum, payable semi annually in arrears. In consideration for the Lenders' commitment under the Credit Facility, Lithium Americas has agreed to issue the Lenders, in aggregate, 2 million common share purchase warrants of the Company (the "Warrants"). Each Warrant is exercisable into one common share of the Company until January 6, 2015 at a price of \$1.68 (the "Exercise Price"). The Exercise Price is equal to 125% of the volume weighted average price of the Company's common shares over the 20 trading days immediately preceding the date of the Credit Facility.

2. Appointment of Executive Chairman – In January 2012 the Company appointed W. Thomas Hodgson as Executive Chairman of the Board of Directors. Mr. Hodgson has been a director of the Company since January 2010, and was appointed Chairman of the Board following the Company's annual meeting in June 2011 (see point #5 below).
3. Appointment of CFO – In August 2011 the Company announced the appointment of Mr. Omar Salas as the Company's Chief Financial Officer. Mr. Salas is a financial executive with extensive international experience in the mining industry, which includes eight years with Placer Dome, where he held different financial positions in Canada and overseas. Mr. Salas received his Master of Business Administration from McGill University, and is a Certified Management Accountant.
4. Trading on US Market – In June 2011 the Company's shares commenced trading on the OTCQX International Marketplace ("OTCQX") in the United States of America, under the symbol "LHMAF". Lithium Americas has retained Stifel, Nicolaus & Company, Incorporated to serve as the Company's Principal American Liaison ("PAL"), responsible for providing guidance on OTCQX requirements.
5. New Chairman – In June 2011 the Company announced the appointment of Mr. W. Thomas Hodgson as Non-Executive Chairman of the Company. Mr. Hodgson has been a Director of the Company since January 2010 and is Senior Partner and Chairman of Greenbrook Capital Partners Inc., a financial advisory firm. Mr. Hodgson was formerly a consultant and advisor to the Chairman of Magna International, one of the world's largest automotive suppliers, and has over twenty years of experience in capital markets research, corporate advisory matters, and consulting.
6. New Director – In June 2011 the Company announced that Mr. John Kanellitsas joined the Board of Directors. Mr. Kanellitsas is the Chief Operating Officer of Geologic Resource Partners, one of the Company's largest shareholder, and an investment manager focusing on the global mining and metals resource industries. Mr. Kanellitsas has worked in financial markets and asset management for over two decades with positions at prominent investment banks and money management firms in San Francisco, New York, and Sun Valley, Idaho.

COMPANY OUTLOOK

The Company has completed its exploration program and its Preliminary Economic Assessment, and is now focused on completing its definitive Feasibility Study and other initiatives required in order to begin commercial operations.

Significant milestones that the Company will be working towards over the next 12 months with the goal of achieving commercial production within 2014 include:

Reserve Estimation (Q1 Calendar year 2012): the pump tests, the exploration results and the hydrological balance will be used by AquaResource Inc., from Kitchener Ontario, to assemble a final 43-101 compliant reserve estimation of the Cauchari Olaroz salar. This study will include a long-term model of the brine composition and hydrological balance over the lifetime of the mine.

Definitive Feasibility Study (Q2 Calendar year 2012): Utilizing the large amount of data obtained through the aforementioned programs, ARA WorleyParsons is expected to deliver a definitive Feasibility Study in the second calendar quarter of 2012. ARA WorleyParsons has a significant amount of experience in lithium brine processing,

having designed and participated in building the world's largest and lowest cost lithium brine processing facility in Chile.

Detailed Engineering (Q3 Calendar year 2012): Upon completion of the definitive Feasibility Study, the Company plans to commence detailed engineering. Detailed engineering is expected to be complete within 9 to 12 months of its commencement.

Obtaining Final Mining Permit (H2 Calendar year 2012): The only remaining permit the Company is required to obtain in order to begin construction and mining at its Cauchari-Olaroz project is the Environmental Impact Statement ("EIS"). The EIS has already been submitted to the required government authorities, and the Company expects the EIS to be approved within H2 of calendar year 2012.

SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information for the Company and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements as at, and for the three and nine months ended, November 30, 2011, and the audited consolidated financial statements as at, and for the year ended, February 28, 2011:

	As at	
	30-Nov-11	28-Feb-11
Assets		
Current Assets	\$ 12,847	\$ 25,909
Total Assets	49,921	55,053
Liabilities		
Current Liabilities	1,242	1,421
Total Liabilities	1,242	1,421
Working Capital	11,605	24,488
Equity		
Issued Capital	56,444	53,772
Reserves	4,764	8,277
Deficit	(12,529)	(8,417)
Total Equity	\$ 48,679	\$ 53,632

	For the three months ended		For the nine months ended	
Net (Loss)				
Total	\$ (1,233)	\$ (1,360)	\$ (4,112)	\$ (4,476)
Per Common Share, basic and fully diluted	(0.02)	(0.02)	(0.05)	(0.07)
Weighted average number of shares outstanding	77,216	73,725	76,551	67,046
Total comprehensive loss	\$ (2,620)	\$ (2,176)	\$ (7,731)	\$ (5,418)

RESULTS OF OPERATIONS

Nine months ended November 30, 2011 and 2010

The Company recorded a loss of \$4.1 million in the nine months ended November 30, 2011 which compares to a loss of \$4.5 million in the same period ended November 30, 2010. Net foreign exchange gains were \$0.5 million

higher in 2011 than 2010 as a result of the Argentinian peso weakening against the Canadian dollar during the period. Employee benefits expense were \$0.6 million higher, administrative expenses \$0.3 million higher, consulting expenses were \$0.3 million higher, as a result of increased corporate activities in 2011 over 2010, and loss per share, basic and diluted \$0.2 million lower. Share-based expenses were \$1.04 million lower than 2010 primarily due to the fair value of share options awarded to Directors on May 13, 2010

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on April 28, 2009 and did not prepare quarterly financial statements for periods prior to May 31, 2010.

(\$000's)	Three Months Ended						
	30-Nov-11	31-Aug-11	31-May-11	28-Feb-11	30-Nov-10	31-Aug-10	31-May-10
Interest revenue	41	63	77	27	101	53	13
Foreign exchange gains (losses)	-	(66)	603	405	54	(140)	149
Employee benefits expense	(371)	(511)	(342)	(433)	(208)	(171)	(150)
Professional fees	(148)	(167)	(157)	(203)	(111)	(161)	(164)
Administrative expenses	(256)	(468)	(434)	(506)	(376)	(302)	(392)
Consulting expenses	(135)	(237)	(105)	(115)	(114)	(70)	(36)
Share-based payment expense	(259)	(587)	(364)	(405)	(630)	(479)	(1,142)
Depreciation expense	(105)	(97)	(87)	(88)	(76)	(73)	(51)
Loss for the period	(1,233)	(2,070)	(809)	(1,318)	(1,360)	(1,343)	(1,773)

The following table provides a comparison of administrative expenses for each of the three months ended:

(\$000's)	Three Months Ended						
	30-Nov-11	31-Aug-11	31-May-11	28-Feb-11	30-Nov-10	31-Aug-10	31-May-10
Transfer and exchange	19	(6)	57	9	15	34	202
Trade shows	27	20	138	173	93	32	35
Bank charges and stamp duties	9	47	54	199	81	149	79
Travel/business development	86	242	48	33	85	25	20
Office expenses	(28)	57	24	21	21	22	23
Insurance	13	16	14	19	18	16	14
Rent	27	27	16	16	18	15	14
Other	103	65	83	36	45	9	5
TOTAL	256	468	434	506	376	302	392

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2011, the Company had \$11.5 million in cash and cash equivalents and \$11.6 million in working capital. The Company incurred \$8.6 million in exploration and evaluation expenses on the Cauchari-Olaroz Lithium Project for the nine months ended November 30, 2011.

Funds expended during this period were used primarily to prepare the Cauchari-Olaroz Lithium Project for commercial investment. The Company has an obligation under the agreement with Grupo Minero Los Boros S.A., a property owner of part of the Cauchari-Olaroz Lithium Project, to make property payments pursuant to its option agreements in the aggregate amounts set out in the table below under "Obligations". The Company's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the Cauchari-Olaroz Lithium Project and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Company's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- (a) the state of capital markets generally;
- (b) the prevailing market prices for industrial metals, in particular the prevailing market prices for lithium and potassium;
- (c) the consolidation and potential abandonment of the Company's lithium properties as future exploration results provide further information relating to the underlying value of the lithium properties;
- (d) the development and commercial acceptance of lithium based applications;
- (e) changes in laws, regulations and political conditions and currency fluctuation; and
- (f) the ability of the Company to realize satisfactory terms in its negotiation of work contracts relating to the lithium properties.

The current trends relating to the above factors are relatively favourable for the Company but could change at any time and negatively affect the Company's operations and business.

The Company has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration and development purposes of mineral resource properties. Since the Company does not expect to generate any revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any period or, if available, it can be obtained on terms satisfactory to the Company.

The Company does not have any commitments for capital expenditures as at the date hereof nor does it have any sources of financing that have been arranged but not used.

Obligations

The following table sets out the Company's obligations to maintain property rights:

Contractual Obligations	Payments Due by Period (in thousands)				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Property Payment Obligations ⁽¹⁾	US\$8,360	US\$1,480	US\$2,080	Nil	US\$4,800
Royalties	US\$300 ⁽²⁾ + 3% Net Profit Interest on Commercial Production ⁽³⁾ + US\$200 per annum ⁽⁴⁾				US\$300 ⁽²⁾ + 3% Net Profit Interest on Commercial Production ⁽³⁾
Total Contractual Obligations	US\$8,660 + 3% Net Profit Interest on Commercial Production ⁽³⁾ + US\$200 per annum ⁽⁴⁾	US\$1,480	US\$2,080	Nil	US\$5,100 ⁽²⁾ + 3% Net Profit Interest on Commercial Production ⁽³⁾

Notes:

- (1) Property payment obligations are only required to the extent that the Company wishes to maintain its exploration rights, or purchase usufruct options, to the specific property subject to the corresponding agreement.
- (2) One time payment due upon beginning of the production stage of the Cauchari-Olaroz Lithium Project.
- (3) Annual royalty commencing at the production stage of the Cauchari-Olaroz Lithium Project.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date hereof, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended November 30, 2011 the Company contracted a construction company, Magna Construcciones, related to a director of the Company, for \$368 (November 30, 2010 – \$1,279) for the construction of roads and evaporation ponds, of which \$23 was included in due to related parties (February 28, 2011 - \$144). These transactions were in the normal course of business and were measured at the exchange amount established and agreed to by the related parties.

During the nine months ended November 30, 2010 the Company shared resources with Latin American Minerals Inc. ("LAT") and paid \$50 to LAT to cover its proportionate share of office expenses. These transactions were in the ordinary course of business and the amounts were mutually agreed upon between the parties. LAT ceased to be a related party subsequent to November 30, 2010.

In January 2012, the Company secured a \$10 million stand-by credit facility from a syndicate of lenders comprised of significant shareholders of Lithium Americas, who collectively own approximately 38% of the Company's outstanding shares. The Company has the ability to draw down amounts in increments of \$2 million, with repayment of any draw down to be made by January 6, 2015.

During the nine months ended November 30, 2010 the Company paid cash in the amount of \$440 plus 237,918 warrants with various terms and expiry dates to PowerOne Capital Market Limited ("PowerOne") as consideration for registered exempt market dealer services in connection with the Company's initial public offering. One current and one former director of the Company are employees of PowerOne. There were no transactions between the Company and PowerOne during the nine months ended November 30, 2011.

During the nine months ended November 30, 2011, a partner of the Company's primary legal counsel became an officer of the Company. During the nine months ended November 30, 2011, the Company incurred legal fees of \$266 of which \$20 was included in due to related parties (February 28, 2011 - \$nil).

During the nine months ended November 30, 2011, the Chief Executive Officer and director of the Company, was paid \$190 (November 30, 2010 - \$179) in cash compensation and \$290 (November 30, 2010 - \$439) in share-based compensation.

During the nine months ended November 30, 2011, the Chief Financial Officers of the Company received \$159 (November 30, 2010 - \$55) in cash compensation and \$92 (November 30, 2010 - \$53) in share-based compensation.

Due to related parties

As at	November 30 2011	February 28, 2011
Magna Construcciones	\$ 23	\$ 144
Gowling Lafleur Henderson LLP	20	-
Due to Management and Directors	59	229
Total Due to Related Parties	\$ 102	\$ 373

Compensation of key management personnel

	For the three months ended		For the nine months ended	
	November 30 2011	2010	November 30 2011	2010
Short-term benefits	\$ 445	\$ 298	\$ 616	\$ 451
Termination payments	-	-	126	-
Share-based payments	684	1,791	1,354	1,791
Total compensation of key management personnel	\$ 1,129	\$ 2,089	\$ 2,096	\$ 2,242

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the consolidated annual financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Mineral properties

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with IFRS and applicable guidelines for exploration stage companies. The policy is consistent with other exploration companies which have not established Mineral Reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability Mineral Reserves can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management of the Company is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The determination of the fair value of equity-settled share-based payment transactions is calculated using the Black-Scholes option-pricing model.

Equity-settled share-based payment transactions related to services provided are measured at the fair value of the services received. If the services cannot be measured reasonably the transaction is measured at the fair value of the equity instrument issued.

FINANCIAL INSTRUMENTS

The Company's financial instruments and liabilities consist of receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short term nature of their maturity.

Foreign currency risk management

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash. As at November 30, 2011 the cash and cash equivalents balance was \$11.5 million (February 28, 2011 - \$25.8 million).

The Company's cash and cash equivalents are denominated in the following currencies:

As at	November 30, 2011		February 28, 2011	
Denominated in Canadian dollars	\$	11,155	\$	25,179
Denominated in US dollars		126		92
Denominated in Argentine pesos		204		530
Cash and cash equivalents	\$	11,485	\$	25,801

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by maintaining low levels of foreign currencies and related obligations. The carrying amounts of the Company's foreign currency denominated assets and monetary liabilities in Canadian dollars are:

As at	November 30 2011		February 28, 2011	
	Assets	Liabilities	Assets	Liabilities
Argentine pesos	\$ 438	\$ 543	\$ 546	\$ 709
United States of America dollars	126	60	92	162

Based on the above balances, had the Canadian dollar strengthened/weakened by 5% against the Argentine peso, the Company's equity would have been \$5 higher/lower (February 28, 2011 - \$8 higher/lower). If the Canadian dollar strengthened/weakened by 5% against the United States of America dollar, the Company's equity would have been \$3 lower/higher (February 28, 2011 - \$4 higher/lower).

Interest rate risk management

The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank balances. At present rates, the impact on interest income is minimal.

Credit risk management

The Company's main credit risk arises from its cash deposit with banks. The Company limits its counterparty credit risk on its deposits by dealing only with financial institutions with high credit ratings.

OUTSTANDING SHARE DATA

As at November 30, 2011, the Company had 77,215,981 common shares issued and outstanding and one special share issued and outstanding (January 12, 2012 – 77,215,981 and one special share). There are also warrants and share options outstanding that are exercisable (see below). On a diluted basis, 89,248,507 common shares would have been outstanding as at November 30, 2011, and 91,248,507 common shares would have been outstanding at January 12, 2012, if all of the warrants and share options had been exercised.

Common shares

Common shares outstanding as at February 28, 2010	49,200,000
May 13, 2010 initial public offering	24,324,400
Issued for exercise of share options	9,500
Balance as at November 30, 2010	73,533,900
Issued for exercise of share options	973,334
Balance as at February 28, 2011	74,507,234
Issued for exercise of share options	25,000
Issued for exercise of warrants	2,683,747
Balance as at November 30, 2011	77,215,981

Warrants

Warrants outstanding as at February 28, 2010	6,325,621
Issued	1,538,483
Balance as at November 30, 2010 and February 28, 2011	7,864,104
Exercised	2,683,747
Balance as at November 30, 2011	5,180,357
Granted subsequent to November 30, 2011	2,000,000
Balance as at January 12, 2012	7,180,357

Share Options

Share options outstanding as at February 28, 2010	3,450,000
Granted	1,800,000
Exercised	(9,500)
Balance as at November 30, 2010	5,240,500
Granted	1,225,000
Exercised	(973,334)
Balance as at February 28, 2011	5,492,166
Granted	1,960,000
Exercised	(25,000)
Cancelled	(250,000)
Forfeiture	(324,997)
Balance as at November 30, 2011	6,852,169
Granted subsequent to November 30, 2011	-
Balance as at January 12, 2012	6,852,169

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

The Company is required to review and report on the effectiveness of its disclosure controls and procedures ("DC&P") in accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", ("NI 52-109") issued by the Canadian Securities Administrators. NI 52-109 requires a Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to certify that they are responsible for establishing and maintaining DC&P for the issuer, that DC&P have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's DC&P and that their conclusions about the effectiveness of those DC&P at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

Management, including the CEO and CFO, has evaluated the design of the Company's DC&P as at November 30, 2011, and has concluded that the DC&P are effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the period then ended.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues within a company have been detected. In addition, the design of any system of control is based upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all future events, no matter how remote, or that the degree of compliance with the policies or procedures may not deteriorate. Accordingly, the Company's DC&P are effective in providing reasonable, not absolute, assurance that the objectives of its disclosure control system have been met.

Internal Controls over Financial Reporting

NI 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR") for the issuer, that the ICFR have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any change in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its ICFR.

The design and operating effectiveness of the Company's ICFR were evaluated by Management in accordance with "Internal Controls over Financial Reporting – Guidance for Smaller Public Companies", as published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and NI 52-109, as at November 30, 2011. In their review, the Company's management has not identified any weaknesses that have materially affected, or are reasonably likely to materially affect, Lithium Americas' ICFR. Based on this evaluation, Management has concluded that the Company's ICFR are effective in providing reasonable assurance that its financial reporting is reliable and its consolidated financial statements are prepared in accordance with IFRS.

There were no changes in the Company's ICFR that, in the view of the Company's management, occurred during the nine months ended November 30, 2011, or up to the date of this report, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

RISKS AND UNCERTAINTIES

Exploration, development and mining of mineral resources involve numerous inherent risks. As such, the Company is subject to various financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and seeks to mitigate these risks by careful management of its activities, resources and employing qualified personnel, these risks cannot be eliminated. Such risks include changes in local laws governing the mining industry, a decline in commodity prices and the activity in the mining sector, and uncertainties inherent in estimating mineral reserves and resources. Please refer to Risk Factors in the Company's annual information form dated May 30, 2011.

CORPORATE INFORMATION

Directors:	W. Thomas Hodgson, Executive Chairman David D'Onofrio John Kanellitsas Franco Mignacco Constantine Karayannopoulos Waldo Perez George E. Pirie Douglas Reeson
Officers:	Waldo Perez, President & CEO Omar Salas, CFO Michael Cosic, Vice-President Corporate Development Paul Fornazzari, Secretary

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La Puntilla Lujan 5505
Mendoza, Argentina

Field Office: Minera Exar S.A.
Dr. Sabin 1082,
Ciudad de Nieva
San Salvador de Jujuy
Jujuy, Argentina

OTHER INFORMATION

Dr. Waldo Perez, CEO and President of the Company, and the Company's internal "Qualified Person" under National Instrument 43-101, has reviewed and approved the technical content of this document. Additional information about the Company can be found on the Company's website at www.lithiumamericas.com or at www.sedar.com under the Company's profile.