

Condensed consolidated interim financial statements of

Lithium Americas Corp.

FOR THE SIX-MONTH PERIOD AND QUARTER ENDED AUGUST 31, 2011

(Unaudited)

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Lithium Americas Corp.

August 31, 2011

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Lithium Americas Corp.

Condensed consolidated interim statements of loss

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

	Three months ended		Six months ended		
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010	
Notes					
Interest revenue	62,538	52,528	139,117	66,062	
Net foreign exchange gains / (loss)	(65,561)	(140,431)	537,538	8,090	
Employee benefits	(511,166)	(170,608)	(853,604)	(320,888)	
Professional fees	(167,272)	(160,637)	(323,889)	(324,701)	
Administrative	(467,616)	(301,732)	(900,884)	(693,255)	
Consulting	(237,437)	(70,338)	(342,040)	(106,648)	
Share-based payment	4	(587,273)	(479,396)	(951,514)	(1,620,984)
Depreciation	5	(97,325)	(73,100)	(184,367)	(123,893)
Loss before tax	(2,071,112)	(1,343,714)	(2,879,643)	(3,116,217)	
Income tax expense	-	-	-	-	
Loss for the period	(2,071,112)	(1,343,714)	(2,879,643)	(3,116,217)	
Loss per share, basic and diluted	(0.03)	(0.02)	(0.04)	(0.05)	
Weighted average number of shares outstanding	77,215,981	73,527,204	75,229,434	63,743,299	

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Lithium Americas Corp.

Condensed consolidated interim statements of comprehensive loss

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

	Three months ended		Six months ended	
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010
Loss for the period	(2,071,112)	(1,343,714)	(2,879,643)	(3,116,217)
Other comprehensive loss:				
Foreign exchange difference on translating foreign operations with a different functional currency				
Foreign exchange differences arising during the period	(489,106)	207,352	(2,232,448)	(125,379)
Total comprehensive loss for the period	(2,560,218)	(1,136,362)	(5,112,091)	(3,241,596)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Lithium Americas Corp.

Condensed consolidated interim statements of financial position

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

		As at August 31, 2011	As at February 28, 2011
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	5	746,736	754,284
Property rights and exploration costs	6	34,623,024	28,390,102
Total non-current assets		35,369,760	29,144,386
Current assets			
Cash & cash equivalents		15,531,238	25,801,450
Investments	7	1,002,432	-
Other assets	8	209,505	108,040
Total current assets		16,743,175	25,909,490
Total assets		52,112,935	55,053,876
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	4	56,444,281	53,772,288
Reserves		5,871,202	8,276,999
Deficit		(11,297,084)	(8,417,441)
Total equity		51,018,399	53,631,846
Current liabilities			
Accounts payable and accrued liabilities		869,894	1,048,326
Due to related parties	9	224,642	373,704
Total current liabilities		1,094,536	1,422,030
Total liabilities		1,094,536	1,422,030
Total equity and liabilities		52,112,935	55,053,876

Approved by the Board of Directors on October 14, 2011.

“David D’Onofrio” Director

“Waldo Perez” Director

Lithium Americas Corp.

Condensed consolidated interim statements of changes in equity

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

	Notes	Issued capital	Warrants reserve	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance, February 28, 2011		53,772,288	7,924,810	3,823,426	(3,471,237)	(8,417,441)	53,631,846
Loss for the period						(2,879,643)	(2,879,643)
Other comprehensive loss for the period					(2,232,448)		(2,232,448)
		53,772,288	7,924,810	3,823,426	(5,703,685)	(11,297,084)	48,519,755
Stock options exercised	4	68,300		(30,800)			37,500
Warrants exercised	4	2,603,693	(1,170,573)				1,433,120
Recognition of share based payments:							
- expensed	4			951,514			951,514
- capitalized	4 and 6			76,510			76,510
Balance, August 31, 2011		56,444,281	6,754,237	4,820,650	(5,703,685)	(11,297,084)	51,018,399
Balance, February 28, 2010		12,845,192	6,674,560	1,346,690	(279,018)	(2,625,599)	17,961,825
Loss for the period						(3,116,217)	(3,116,217)
Other comprehensive loss for the period					(125,379)		(125,379)
		12,845,192	6,674,560	1,346,690	(404,397)	(5,741,816)	14,720,229
Initial public offering		45,000,140					45,000,140
Issue of broker warrants			1,250,250				1,250,250
Share issue costs:							
- warrants issued to brokers		(1,250,250)					(1,250,250)
- paid in cash		(3,669,011)					(3,669,011)
Stock options exercised		8,028		(3,278)			4,750
Recognition of share based payments:							
- expensed	4			1,620,984			1,620,984
- capitalized	4 and 6			77,251			77,251
Balance, August 31, 2010		52,934,099	7,924,810	3,041,647	(404,397)	(5,741,816)	57,754,343

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Lithium Americas Corp.

Condensed consolidated interim statements of cash flows

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

	Notes	Six months ended August 31,	
		2011	2010
		\$	\$
Cash flows from operating activities			
Loss for the period		(2,879,643)	(3,116,217)
Net foreign exchange gains		(537,538)	(8,090)
Depreciation expenses	5	184,367	123,893
Interest Revenue		(139,117)	(66,082)
Loss on disposal of equipment		13,964	-
Expense recognized in respect of equity-settled share-based payments expense	4	951,514	1,620,984
		(2,406,453)	(1,445,512)
Movements in working capital			
Decrease (increase) in due from related parties		(101,465)	-
Decrease (increase) in other assets		-	9,410
Increase (decrease) in accounts payable and accrued liabilities		(178,432)	1,139,109
Increase in amounts due to related parties		(149,062)	186,360
		(2,835,412)	(110,633)
Cash interest received	15	136,685	66,082
Net cash used by operating activities		(2,698,727)	(44,551)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(233,951)	(513,226)
Purchase of investment	7	(1,000,000)	-
Acquisition of property rights and exploration costs	6	(7,576,863)	(12,108,711)
Net cash used in investing activities		(8,810,814)	(12,621,937)
Cash flows from financing activities			
Proceeds from the issuance of shares (initial public offering)		-	45,000,140
Exercise of stock options	4	37,500	4,750
Exercise of stock warrants	4	1,433,120	-
Share issuance costs		-	(3,669,011)
Net cash generated by financing activities		1,470,620	41,335,879
Net decrease in cash and cash equivalents during the period		(10,038,921)	28,669,391
Effects of exchange rate changes on the balance of cash held in foreign currencies		(231,291)	(241,370)
Cash and cash equivalents at the beginning of the period		25,801,450	9,064,023
Cash and cash equivalents at the end of the period		15,531,238	37,492,044
Cash		15,356,018	37,315,165
Money market instruments		175,220	176,879
Cash and cash equivalents at the end of the period		15,531,238	37,492,044
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The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

1. Nature of operations and going concern

Lithium Americas Corp. (the "Company") is a publicly listed company incorporated in Canada and its shares are listed on the Toronto Stock Exchange ("TSX") and the OTCQX ("LHMAF"). It has offices in Toronto, Canada, and in both Jujuy and Mendoza Provinces in Argentina. The Company's registered office is located at 100 King Street West, Suite 1600, 1 First Canadian Place, Toronto, Ontario, M5X 1G5. The Company was incorporated on April 28, 2009, and did not become operational until June 2009. The principal activity of the Company is the exploration of its lithium and potassium properties in Argentina.

These condensed consolidated interim financial statements include the Company's wholly owned subsidiaries, Minera Exar S. A., a company incorporated in Argentina and 2265866 Ontario Inc., a company incorporated in Canada.

The Company filed its preliminary prospectus on March 16, 2010 and its final prospectus, with audited financial statements for the period from April 28, 2009 (date of incorporation) to February 28, 2010, on May 10, 2010.

On May 13, 2010 the Company closed its initial public offering of 24,324,400 common shares at a price of \$1.85 per share for gross proceeds of \$45,000,140.

The Company's common shares commenced trading on the TSX, under the symbol "LAC", on May 13, 2010 and on the OTCQX in the United States, under the symbol "LHMAF", on June 21, 2011.

The Company is primarily engaged in the exploration of lithium carbonate on properties in Argentina. The Company has not determined whether the exploration properties contain mineral reserves that are economically recoverable. The recoverability of the amount shown for mineral rights for exploration is dependent upon the discovery of economically recoverable reserves of lithium carbonate on the exploration properties and on attaining future profitable production from such properties.

As the Company has not yet achieved profitable operations the Company incurred a loss for the three and six-month periods ended August 31, 2011 of \$2,071,122 and \$2,879,643, respectively, and as at August 31, 2011 reported an accumulated deficit of \$11,297,084. These conditions, along with other matters relevant to exploration companies, such as continuing losses, dependence upon key individuals and the ability to secure adequate financing, indicate the existence of material uncertainties about the Company's ability to continue as a going concern.

As at August 31, 2011 the Company had \$15,531,238 in cash and cash equivalents which it believes is sufficient to finance its current operating and exploration expenditures for the foreseeable future. Longer term, the Company will pursue opportunities to raise additional capital through debt, equity issuances, or other available means in order to continue funding operating and exploration expenditures. However, there can be no assurance it will be able to raise funds in the future.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

These condensed consolidated interim financial statements were approved by the Board of Directors on October 14, 2011.

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

2. Significant accounting policies

Statement of compliance

The Company's condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting'.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's February 28, 2011 consolidated annual financial statements.

3. Segment information

Operating segments were identified on the basis of internal reporting reviews that are performed by the chief operating decision maker. Two segments were identified based on the geographical areas and the reporting structure. The accounting policies of the reportable segments are the same as the Company's accounting policies. The Company operates one business segment based in Canada and one operating segment based in Argentina. Assets, liabilities and loss within each segment are as follows:

	As at August 31, 2011			As at February 28, 2011		
	Canada	Argentina	Total	Canada	Argentina	Total
Non-current assets	\$ 4,760,843	\$ 30,608,917	\$ 35,369,760	\$ 2,635,398	\$ 26,508,988	\$ 29,144,386
Current assets	15,987,997	755,178	16,743,175	25,356,453	553,037	25,909,490
Non-current liabilities	-	-	-	-	-	-
Current liabilities	357,420	737,116	1,094,536	717,181	704,849	1,422,030

for the six months ended	August 31, 2011			August 31, 2010		
	Canada	Argentina	Total	Canada	Argentina	Total
Interest revenue	\$ 138,442	\$ 675	\$ 139,117	\$ 65,345	\$ 717	\$ 66,062
Net foreign exchange gains	537,538	-	537,538	8,090	-	8,090
Depreciation expense	4,066	180,301	184,367	13,408	110,485	123,893
Share-based payment expenses	948,662	2,852	951,514	1,609,948	11,036	1,620,984
Loss before tax	(2,016,199)	(863,444)	(2,879,643)	(2,658,193)	(458,024)	(3,116,217)
Income tax expense	-	-	-	-	-	-
Loss for the period	(2,016,199)	(863,444)	(2,879,643)	(2,658,193)	(458,024)	(3,116,217)

for the three months ended	August 31, 2011			August 31, 2010		
	Canada	Argentina	Total	Canada	Argentina	Total
Interest revenue	\$ 62,200	\$ 338	\$ 62,538	\$ 52,165	\$ 363	\$ 52,528
Net foreign exchange gains	(65,561)	-	(65,561)	(140,351)	(80)	(140,431)
Depreciation expense	2,267	95,058	97,325	8,156	64,944	73,100
Share-based payment expenses	585,847	1,426	587,273	475,187	4,209	479,396
Loss before tax	(1,627,884)	(443,228)	(2,071,112)	(856,950)	(486,764)	(1,343,714)
Income tax expense	-	-	-	-	-	-
Loss for the period	(1,627,884)	(443,228)	(2,071,112)	(856,950)	(486,764)	(1,343,714)

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

4. Issued capital, warrants and share options

Issued capital

	Note	Number of shares	Amount \$
Special shares	(i)		
Balance as at February 28 and August 31, 2011 and 2010		1	1
Common shares	(ii)		
Balance as at February 28, 2010		49,200,000	12,845,192
Issued for cash (net of broker warrants)	(iii)	24,324,400	40,080,879
Issued for exercise of stock options	(iv)	9,500	8,028
Balance as at August 31, 2010		73,533,900	52,934,099
Issued for exercise of stock options	(v)	973,334	838,189
Balance as at February 28, 2011		74,507,234	53,772,288
Issued for exercise of stock options	(vi)	25,000	68,300
Issued for exercise of warrants	(vii)	2,683,747	2,603,693
Balance as at August 31, 2011		77,215,981	56,444,281

- (i) Special shares have the right to ensure representation on the board of directors but hold no other voting powers.
- (ii) Common shares with no par value carry one vote per share and carry a right to dividends.
- (iii) On May 13, 2010 the Company completed an initial public offering of 24,324,400 shares at \$1.85 per share for gross proceeds of \$45,000,140. As consideration for services provided, underwriters received cash commissions equal to 5.5% of the gross proceeds other than in respect of the value of shares subscribed by Symatec Inc. and Mitsubishi Corporation, for which the cash commission was 3.75%, and 1,300,565 broker warrants. As consideration for services provided, an agent received a cash advisory fee equal to 1.0% of the gross proceeds other than in respect of the value of shares subscribed by Symatec Inc. and Mitsubishi Corporation, for which the cash commission was 0.75%, and 237,918 broker warrants. Each broker warrant entitles the holder to purchase one common share at \$1.85 until May 13, 2012. The fair value of the broker warrants was \$1,250,250 determined using the Black-Scholes option-pricing model using the following assumptions: expected life - 2 years; volatility - 115%; dividend rate - nil; risk-free interest rate - 1.62%. The Company paid issue costs of \$3,669,011 (\$3,599,926 during the three months ended May 31, 2010 and an additional \$69,085 during the three months ended August 31, 2010), including the commissions and advisory fee noted above.
- (iv) For the six months ended August 31, 2010 a total of 9,500 share options were exercised at \$0.50 for total proceeds of \$4,750. Pursuant to the exercise of these share options a total of \$3,278 was reallocated from the share-based payment reserve to share capital.
- (v) For the six months ended February 28, 2011 a total of 965,000 and 8,334 share options were exercised at \$0.50 and \$1.50, respectively, for total proceeds of \$495,001. Pursuant to the exercise of these share options a total of \$343,188 was reallocated from the share-based payment reserve to share capital.
- (vi) For the six months ended August 31, 2011 a total of 25,000 share options were exercised at \$1.50 for total proceeds of \$37,500. Pursuant to the exercise of these share options a total of \$30,800 was reallocated from the share-based payment reserve to share capital.

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

4. Issued capital, warrants and share options (continued)

Issued capital (continued)

(vii) For the six months ended August 31, 2011 a total of 1,050,000, 1,200,000, 383,747 and 50,000 warrants were exercised at \$0.15, \$0.50, \$1.50 and \$2.00, respectively, for total proceeds of \$1,433,120. Pursuant to the exercise of these warrants a total of \$1,170,573 was reallocated from the warrants reserve to share capital.

Warrants

The following table provides a summary of common share purchase warrants outstanding at August 31, 2011:

Number	Exercise price \$	Expiry date	Weighted average remaining contractual life
3,641,874	2.00	May 13, 2012	0.70 years
1,538,483	1.85	May 13, 2012	0.70 years
5,180,357			0.70 years

The following table summarizes the changes in the balance of outstanding warrants during the period:

	Note	Number	Weighted average exercise price \$
Balance as at February 28, 2010		6,325,621	1.38
Issued	(iii)	1,538,483	1.85
Balance as at August 31, 2010 and February 28, 2011		7,864,104	1.47
Exercised	(vi)	(2,683,747)	0.53
Balance as at August 31, 2011		5,180,357	1.96

The fair value of warrants issued during 2010 was determined by using the Black Scholes option-pricing model. Assumptions used are as follows: risk-free interest rate of 1.62% determined using the one to five year Government of Canada bond rate; volatility of 115% determined by comparison to a peer group of Canadian junior venture exchange (TSX-V) companies for up to three years preceding the issuance; and, expected useful lives of 2 years determined on anticipated behavior relative to anticipated market conditions.

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

4. Issued capital, warrants and share options (continued)

Share options

The following table summarizes information about the share options outstanding at August 31, 2011:

Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Average remaining contractual life
		\$		
1,650,500	1,650,500	0.50	August 4, 2014	2.9 years
225,000	225,000	1.50	December 1, 2014	3.3 years
508,334	350,000	1.50	January 25, 2015	3.4 years
1,133,334	933,333	1.85	May 13, 2015	3.7 years
200,000	133,334	1.85	June 21, 2015	3.8 years
200,000	133,334	1.85	July 12, 2015	3.9 years
891,667	308,333	1.73	September 23, 2015	4.1 years
83,334	83,333	1.49	August 3, 2012	0.9 years
450,000	150,000	1.63	June 15, 2016	4.8 years
1,510,000	503,333	1.43	August 24, 2016	5.0 years
6,852,169	4,470,500			3.9 years

Share options granted carry no rights to dividends and no voting rights.

A summary of the Company's outstanding share options at February 28, 2010, August 31, 2010, February 28, 2011 and August 31, 2011 is presented below below:

	Note	Number	Weighted average exercise price
			\$
Balance as at February 28, 2010		3,450,000	0.82
Granted	(viii)	1,800,000	1.85
Exercised	(iv)	(9,500)	0.50
Balance as at August 31, 2010		5,240,500	1.35
Granted	(ix)	1,225,000	1.73
Exercised	(v)	(973,334)	0.51
Balance as at February 28, 2011		5,492,166	1.35
Granted	(x)	1,960,000	1.48
Exercised	(vi)	(25,000)	1.50
Cancelled	(xi)	(574,997)	1.70
Balance as at August 31, 2011		6,852,169	1.36

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

4. Issued capital, warrants and share options (continued)

Share options (continued)

- (viii) During the six months ended August 31, 2010, the Company granted 1,400,000 share options to directors at an exercise price of \$1.85 with an expiry date of May 13, 2015; 200,000 share options to a director at an exercise price of \$1.85 expiring June 21, 2015; 200,000 share options to a director at an exercise price of \$1.85 expiring July 12, 2015.
- (ix) During the six months ended February 28, 2011 the Company granted; 925,000 share options to directors, officers and a consultant at an exercise price of \$1.73 expiring September 23, 2015; 50,000 share options to a director at an exercise price of \$1.85 expiring October 19, 2015; and 250,000 share options to an officer at an exercise price of \$1.49 expiring November 16, 2015.
- (x) During the six months ended August 31, 2011 the Company granted; 450,000 share options to directors at an exercise price of \$1.63 expiring June 15, 2016; and, 1,510,000 share options to a directors, officers and employees at an exercise price of \$1.43 expiring August 24, 2016.
- (xi) The 574,997 share options cancelled during the six months ended August 31, 2011 include 191,667 units, with an average exercise price of \$1.49, cancelled as a result of employee departures.

Share options granted prior to January 25, 2010 vested completely upon grant. Share options granted subsequent to January 25, 2010 vest in 3 equal tranches, with the first tranche vesting immediately, the second tranche vesting twelve months from the date of grant, and the third tranche vesting twenty-four months from the date of grant. 400,000 share options of the 1,400,000 share options granted on May 13, 2010 vested completely upon grant. Share options granted that expire on November 16, 2015 vest in 3 equal tranches, with the first tranche vesting 6 months from the date of grant, and the remaining tranches vesting twelve and twenty-four months from the date of grant.

The fair value of share options granted was determined by using the Black Scholes option-pricing model. Assumptions used as are follows: risk-free interest rate of 1.02% - 2.51% determined using the 1-3 and 3-5 year Government of Canada bond rate; volatility of 93% - 140% determined by comparison to a peer group of Canadian junior venture exchange (TSX-V) companies for up to three years preceding the issuance; and, expected lives of 1 - 3.5 years determined on anticipated behavior relative to anticipated market conditions.

Share options are expensed or capitalized to property rights and exploration costs according to the recipient and respective vesting periods and credited to the share-based payment reserve. For the three months ended August 31, 2011 \$587,273 (August 31, 2010 - \$479,396) was expensed and \$55,848 (August 31, 2010 - \$29,459) was capitalized to property rights and exploration costs. For the six months ended August 31, 2011 \$951,514 (August 31, 2010 - \$1,620,984) was expensed and \$76,510 (August 31, 2010 - \$77,251) was capitalized to property rights and exploration costs (Note 6).

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

Effect on diluted earnings per share

Warrants and share options have an anti-dilutive effect on the diluted loss per share disclosed in the consolidated income statement and therefore were not included in the diluted earnings per share calculation.

5. Property, plant and equipment

	Office furniture	Geological and communications equipment	Vehicles	Total
	\$	\$	\$	\$
Cost				
Balance as at February 28, 2011	10,894	654,165	385,687	1,050,746
Additions	10,774	222,659	518	233,951
Disposals	-	-	(13,964)	(13,964)
Effect of foreign exchange differences	(3,289)	(30,271)	(14,916)	(48,476)
Balance as at August 31, 2011	18,379	846,553	357,325	1,222,257
Accumulated depreciation				
Balance as at February 28, 2011	(1,529)	(176,968)	(117,965)	(296,462)
Depreciation expense	(15,067)	(109,519)	(59,781)	(184,367)
Effect of foreign exchange differences	343	3,205	1,760	5,308
Balance as at August 31, 2011	(16,253)	(283,282)	(175,986)	(475,521)
Carrying amount as at August 31, 2011	2,126	563,271	181,339	746,736
Cost				
Balance as at February 28, 2010	2,210	184,814	215,949	402,973
Additions	9,187	529,562	262,496	801,245
Disposals	-	-	(50,190)	(50,190)
Effect of foreign exchange differences	(503)	(60,211)	(42,568)	(103,282)
Balance as at February 28, 2011	10,894	654,165	385,687	1,050,746
Accumulated depreciation				
Balance as at February 28, 2010	(184)	(15,525)	(13,014)	(28,723)
Depreciation expense	(1,384)	(172,977)	(113,999)	(288,360)
Effect of foreign exchange differences	39	11,534	9,048	20,621
Balance as at February 28, 2011	(1,529)	(176,968)	(117,965)	(296,462)
Carrying amount as at February 28, 2011	9,365	477,197	267,722	754,284
The following useful lives were determined:				
Office furniture	10 years			
Geological and communications equipment	3 years			
Vehicles	3 years			

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

August 31, 2011

(In Canadian dollars, except where otherwise noted - unaudited)

6. Property rights and exploration costs

	Note	Property rights \$	Exploration Costs \$	Total \$
Balance as at February 28, 2011		3,780,080	24,610,022	28,390,102
Additions by way of the following consideration:				
Cash		1,326,375	6,250,488	7,576,863
Share-options granted	4	-	76,510	76,510
Total additions for the six months ended August 31, 2011		1,326,375	6,326,998	7,653,373
Effect of foreign currency exchange differences		(255,234)	(1,165,217)	(1,420,451)
Carrying amount as at August 31, 2011		4,851,221	29,771,803	34,623,024

	Property rights \$	Exploration Costs \$	Total \$
Balance as at February 28, 2010	2,874,532	7,014,757	9,889,289
Additions by way of the following consideration:			
Cash	1,379,296	19,283,036	20,662,332
Share-options granted	-	166,928	166,928
Total additions for the year ended February 28, 2011	1,379,296	19,449,964	20,829,260
Effect of foreign currency exchange differences	(473,748)	(1,854,699)	(2,328,447)
Balance as at February 28, 2011	3,780,080	24,610,022	28,390,102

7. Investments

During the three-month period ended August 31, 2011, the Company invested \$1,000,000 in Government Bonds redeemable at the option of the Company and maturing on June 21, 2016. The bond can be redeemed at any time, and the Company does not have the intention of holding it until maturity. For the three-month period ended August 31, 2011, the Company earned \$2,432 in accrued interest from these investments. The Company has classified these investments as financial assets at fair value through profit and loss, and the investments are considered to be Level 1 investments.

8. Other assets

As at	August 31, 2011 \$	February 28, 2011 \$
Accounts receivable	31,531	15,849
Harmonized sales tax receivable	64,209	-
Deposits and prepaid expenses	113,765	92,191
Total other assets	209,505	108,040

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9. Related party transactions

During the six months ended August 31, 2011 the Company contracted a construction company, Magna Construcciones, related to a director of the Company, for \$175,924 (August 31, 2010 - \$1,288,123) of which \$155,549 was included in due to related parties (February 28, 2011 - \$144,159). 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 six-month period ended August 31, 2010 the Company shared resources with Latin American Minerals Inc. ("LAT") and paid \$47,434 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.

During the six months ended August 31, 2010 the Company paid cash in the amount of \$440,150 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 employees of PowerOne. There were no transactions between the Company and PowerOne during the six months ended August 31, 2011.

During the period ended August 31, 2011, a partner of the Company's primary legal counsel became an officer of the Company. During the six months ended August 31, 2011, the company incurred legal fees of \$184,868 of which \$20,717 was included in due to related parties.

Due to related parties

As at	August 31 2011	February 28, 2011
Magna Construcciones	\$ 155,549	\$ 144,159
Gowling Lafleur Henderson LLP	20,717	-
Due to Management and Directors	48,376	229,545
Total Due to Related Parties	\$ 224,642	\$ 373,704

Compensation of key management personnel and directors

	For the three months ended August 31,		For the six months ended August 31,	
	2011	2010	2011	2010
Short-term benefits	\$ 171,220	\$ 132,906	\$ 326,740	\$ 218,576
Termination payments	125,682	-	125,682	-
Share-based payments	670,213	619,937	1,030,175	1,165,699
Total compensation of key management personnel	\$ 967,115	\$ 752,843	\$ 1,482,597	\$ 1,384,275

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10. Commitments for expenditures

As at August 31, 2011:

	Not later than 1 year	Later than 1 year and not later than 5 years	Total
	\$	\$	\$
Commitments for:			
Maintenance and acquisition of property rights	1,459,306	1,469,100	2,928,406
Acquisition of property, plant & equipment	1,259,473	-	1,259,473
Total commitments for expenditure	2,718,779	1,469,100	4,187,879

Commitments contingent on future events

The following commitments are contingent on future events and are not disclosed in the table above:

- A further payment of US\$300,000 (Cdn\$290,580) is contingent upon production commencement;
- The original vendor of the property is entitled to 3% of the net profit of the mining profits from production on the property which right may be bought out by the Company by the payment of US\$7,000,000 (Cdn\$6,780,200) at any time; and
- An annual royalty obligation of US\$200,000 commences in April 2012 as a result of the Company exercising its option to purchase certain usufruct rights on the Cauchari salar.

11. Non-cash transactions

During the period, the Company entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

The capitalization of share-based payment amounts to property rights and exploration costs in the amount of \$76,510 (August 31, 2010 - \$77,251). Refer to notes 4 and 6.

12. Subsidiaries

At August 31, 2011 and 2010 the Company had a 100% beneficial ownership in its subsidiary, Minera Exar S.A. The subsidiary is incorporated in Argentina and its principal activity is the exploration of mineral properties.

At August 31, 2011 the Company also had a 100% ownership in its subsidiary, 2265866 Ontario Inc. The subsidiary is incorporated in Ontario and held 11% of the Company's 100% ownership in its subsidiary, Minera Exar S.A.

13. Financial instruments

Capital and risk management

The Company defines capital as total equity. The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the

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Company's defined exploration programs and to meet its ongoing administrative costs. As at August 31, 2011, total equity was \$51,018,399 (February 28, 2011 - \$53,631,846).

13. Financial instruments (continued)

Capital and risk management (Continued)

This is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fund raisings.

The Company is not subject to any externally imposed capital requirements.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate cash balances and in accordance with the capital management policy. Management continuously monitors forecasts and actual cash flows.

The following table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company could be required to pay:

As at				August 31, 2011	February 28, 2011
	Less than 1 month	1-3 months	3 months to 1 year	Total	Total
	\$	\$	\$	\$	\$
Accounts payable					
accrued liabilities	-	869,894	-	869,894	1,048,326
Due to related parties	48,376	176,266	-	224,642	373,704
	48,376	1,046,160	-	1,094,536	1,422,030

None of the financial liabilities included in the table above is interest bearing. Refer to note 10 for additional liquidity risk for the Company, based on expected cash flows relating to commitments.

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 August 31, 2011 the cash and cash equivalents balance was \$15,531,238 (February 28, 2011 - \$25,801,450). The Company's cash and cash equivalents are denominated in the following currencies:

As at	August 31, 2011	February 28, 2011
	\$	\$
Denominated in Canadian dollars	14,538,419	25,179,074
Denominated in US dollars	292,515	92,386
Denominated in Argentine pesos	700,304	529,990
Cash and cash equivalents	15,531,238	25,801,450

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13. Financial instruments (continued)

Foreign currency risk management (continued)

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	August 31, 2011		February 28, 2011	
	Assets	Liabilities	Assets	Liabilities
	\$	\$	\$	\$
Argentine pesos	723,647	708,706	545,839	709,441
United States of America dollars	292,515	38,041	92,386	162,025

Based on the above balances, had the Canadian Dollar strengthened/weakened by 5% against the Argentine peso, the Company's equity would have been \$747 lower/higher (February 28, 2011 - \$8,180 higher/lower). If the Canadian Dollar strengthened/weakened by 5% against the United States of America dollar, the Company's equity would have been \$12,724 lower/higher (February 28, 2011 - \$3,482 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. The Company is also exposed to credit risk on other assets. Refer to note 14 for maximum exposure on these balances.

14. Categories of financial instruments

	August 31, 2011	February 28, 2011
	Carrying amount	Carrying amount
	\$	\$
Financial assets		
Fair valued through profit and loss		
Investments	1,002,432	-
Loans and receivables		
Cash and cash equivalents	15,531,238	25,801,450
Accounts receivable	31,531	15,849
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	869,894	1,048,326
Due to related parties	224,642	373,704

The carrying amount of each of the financial instruments represents the fair value thereof, because these are of a short-term nature.

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15. Supplemental cash flow information

During the six months ended August 31, 2011 the Company received cash interest receipts of \$136,685 (August 31, 2010 - \$66,082) and made nil cash interest payments (August 31, 2010 - nil).