

Extractive Sector Transparency Measures Act Report

Reporting Year

From: 01/10/2015

To: 31/12/2016

Reporting Entity Name

LITHIUM AMERICAS CORP.

Reporting Entity ESTMA Identification Number

E517256

Attestation: Please check one of the the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated 2017-05-30, on the ESTMA report for the entity and period listed above.
The independent auditor's report is on page 8 of the ESTMA report which can be found at www.lithiumamericas.com/investors/estma*

Officer of Reporting Entity Full Name:

Eduard Epshtein

Position Title:

CFO

Date: 30/05/2017

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name

From: 10/1/15 To: 12/31/16
LITHIUM AMERICAS CORP.

Reporting Entity ESTMA
Identification Number

E517256

Subsidiary Reporting Entities (if
necessary)

Payments by Payee, US\$

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
United States	Federal Government of the United States of America			\$406,000.00					\$406,000.00	Payee includes recipients: -Bureau of Land Management

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year

From: 10/1/15 To: 12/31/16

Reporting Entity Name

LITHIUM AMERICAS CORP.

Reporting Entity ESTMA Identification
Number

E517256

Payments by Project, US\$

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
United States	Lithium Nevada			\$406,000.00					\$406,000.00	

INTRODUCTION

Lithium Americas Corp. and its subsidiaries (collectively the “Company” or “LAC”) has prepared the following audited consolidated report (“the Report”) of payments made to government entities for the fifteen month period ended December 31, 2016 as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

BASIS OF PREPARATION

The report is presented in US Dollars and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications.

The Company has changed its fiscal year end from September 30 to December 31, effective 2016, so the transitional fiscal year end is for the fifteen-month period from October 1, 2015 to December 31, 2016. The Company changed its year end in order to align it with the Joint Venture for reporting and planning purposes as well as to bring its financial reporting timetable in line with the other companies in the industry.

The following is a summary of significant accounting policies, definitions and judgments that the Company has made for the purpose of preparing the report.

Cash and in-kind payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind payment is reported at the fair market value. The valuation method for each payment has been disclosed in the notes section of the ESTMA Annual Report.

Payments to the “same payee” that meet or exceed CA\$100,000 in one category of payment are disclosed. Payments are rounded to the nearest CA\$10,000.

Payee

For the purposes of the Act, a payee is:

- a. Any government in Canada or in a foreign state;
- b. A body that is established by two or more governments; or
- c. Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act. The Act defers the requirement to report on payments made to Aboriginal governments in Canada, with reporting on these payments commencing on June 1, 2017. The Act does require that payments to foreign Aboriginal governments be reported as of January 1, 2016.

The individual department, agency or other body of the payee that received the payment has been disclosed in the notes section of the ESTMA Annual Report.

Reportable Payments

A reportable payment for ESTMA purposes is one that:

- a. Is made to the same payee;
- b. Is made in relation to the commercial development of oil, gas or minerals; and
- c. Totals, as a single or multiple payments, CA\$100,000 or more in the year in one of the following prescribed seven payment categories.

Taxes

This category includes taxes paid by the Company on its income, profits or production in relation to the commercial development of mineral resources. Taxes reported include corporate income taxes, resources taxes, property taxes, withholding taxes on cross border dividends, and other levied taxes, excluding consumption, personal income taxes and taxes withheld by others on behalf of the Company. For the fifteen months period ended December 31, 2016, there were no reportable tax payments to a payee.

Royalties

Royalties are payments for the rights to extract mineral resources, typically at a set percentage of revenue. Both cash royalties and royalties paid in-kind are reported in this category. For the fifteen months period ended December 31, 2016, there were no reportable royalties payments to a payee.

Fees

Fees are amounts levied on the initial or ongoing right to use a geographical area for commercial development of oil, gas and minerals. Fees include license fees, permit fees, entry fees, regulatory charges and other payments for licenses and/or concessions. Amounts paid for goods and services in the ordinary course of commercial transactions are excluded.

Production entitlements

A payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement is reported under this category. For the fifteen months period ended December 31, 2016, there were no reportable production entitlement payments to a payee.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a payee in relation to the commercial development of mineral resources are reported under this category. For the fifteen months period ended December 31, 2016, there were no reportable bonuses payments to a payee.

Dividends

Dividends are dividend payments, other than dividends paid to a payee as an ordinary shareholder of the Company on shares that were acquired by the payee on the same terms as were available at the time of acquisition to other shareholders, that are not in lieu of any other reportable payment. For the fifteen months period ended December 31, 2016, there were no reportable dividends payments to a payee.

Infrastructure improvement payments

This payment category consists of payments for the construction of infrastructure that do not relate primarily to the operational purposes of the Company. For the fifteen months period ended December 31, 2016, there were no reportable infrastructure improvements payments to a payee.

Significant Estimates and Judgements

The preparation of the Report in accordance with the Act requires the use of judgements, estimates and assumptions.

Payments by Project Level

Payments have been reported at the project level as required by the Act. A “project” means the operational activities are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project.

“Substantially interconnected” means forming a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

The Company has determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and has reported payments related to each such area as a single project. The Company has considered geographical location, common mining license and common infrastructure as the key indicators for making this determination.

Commercial Development

The Act defines ‘commercial development of oil, gas or minerals’ as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, license, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made by the Company to payees relating to the commercial development of oil, gas or minerals (“commercial development”) are disclosed in this Report. The Company’s initial processing activities which are integrated with its extraction operations are included in commercial development. The Report excludes payments that are not related to the Company’s commercial development activities.

Refunds and credits

Cash refunds received from payees have not been reported. In cases where a payment from a reportable category is reduced by a refund/credit from a non-reportable category, a gross payment is reported. The amounts of refunds and credits are disclosed in the notes to the ESTMA report.

Attribution of payments

Where a payment was made on behalf of the Company by another entity, such payment has been deemed to have been made by the Company and has been included in this Report. This may include payments not directly made to a payee, or not received directly by the payee.

Acquisition and Divestiture Activities

Acquisitions

Payments to a payee made by the Company relating to the acquisition (for the commercial development of oil, gas or minerals) subsequent to the closing date of a corporate or asset acquisition have been included in this Report.

Divestitures

Payments to a payee made by the Company relating to the divestiture (for the commercial development of oil, gas or minerals) before the close date of a corporate or asset divestiture have been included in this Report.

Corporate Social Responsibility (“CSR”) Payments

The ESTMA Report includes CSR payments that the Company is contractually obligated to make to a payee, or to another party under the direction of a payee, as a result of the Company’s commercial development. Additionally, the Company has reported voluntary CSR payments which have been made to a payee, or to another party under the direction of a payee, and relates directly to the Company’s commercial development.

Payments Made in Situations of Joint Control

The Company reports all cash payments that it pays directly to a payee, and includes all amounts paid as an operator as part of a joint arrangement. This is the case even where the Company as the operator has been proportionally and directly reimbursed by its non-operating partners.

The Company has a joint venture with SQM POTASIO S.A. (“Joint Venture”). The Company does not control the Joint Venture, is not an operator of the Joint Venture and does not make payments to government payees on behalf of the Joint Venture. The Joint Venture is a separate legal entity in Argentina and makes payments to payees in its own name. Therefore the Company did not include payments to the Joint Venture in its ESTMA Annual Report.



May 30, 2017

Independent Auditor's Report

To Those Charged with ESTMA Governance at Lithium Americas Corp.

We have audited the accompanying Extractive Sector Transparency Measures Act – Annual Report of Lithium Americas Corp. which comprise the schedules of payments by payee and payments by project for the fifteen month period ended December 31, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information (the “ESTMA Report”). The ESTMA Report has been prepared by management using the basis of accounting described in the note 1 “Basis of Preparation”, which is in accordance with the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s 376 (the “Act”).

Management's responsibility for the ESTMA Report

Management is responsible for the preparation of the ESTMA Report in accordance with the basis of accounting described in the note 1 “Basis of Preparation” and for such internal control as management determines is necessary to enable the preparation of an ESTMA Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the ESTMA Report based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the ESTMA Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the ESTMA Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the ESTMA Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the ESTMA Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the ESTMA Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the Extractive Sector Transparency Measures Act – Annual Report of Lithium Americas Corp. for the fifteen month period ended December 31, 2016 is prepared, in all material respects, in accordance with the basis of accounting described in the note 1 “Basis of Preparation”.

Basis of accounting

Without modifying our opinion, we draw attention to the note 1 “Basis of Preparation” to the ESTMA Report, which describes the basis of accounting. The ESTMA Report is prepared to assist Lithium Americas Corp. to comply with the reporting requirements of the Act. As a result, the ESTMA Report may not be suitable for another purpose.

signed “PricewaterhouseCoopers LLP”

Chartered Professional Accountants