



LITHIUM AMERICAS CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

(Expressed in US Dollars)
(Unaudited – Prepared by Management)

LITHIUM AMERICAS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in thousands of US dollars)

	March 31, 2017 \$	December 31, 2016 \$
CURRENT ASSETS		
Cash and cash equivalents	7,365	8,056
Escrow deposit (Note 4)	1,667	833
Receivables, prepaids and deposits	1,830	979
Inventories	481	531
	<u>11,343</u>	<u>10,399</u>
NON-CURRENT ASSETS		
Restricted cash	150	150
Exploration and evaluation assets	1,457	1,447
Escrow deposit (Note 4)	833	1,667
Loan to Joint Venture (Note 4)	5,019	-
Investment in Joint Venture (Note 4)	11,649	13,136
Property, plant and equipment (Note 5)	18,066	18,502
	<u>37,174</u>	<u>34,902</u>
TOTAL ASSETS	<u>48,517</u>	<u>45,301</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,552	1,637
Current portion of long-term borrowing	127	125
Obligation under finance leases	44	44
	<u>1,723</u>	<u>1,806</u>
LONG-TERM LIABILITIES		
Long-term borrowing	800	833
Obligation under finance leases	57	69
Decommissioning provision	179	170
	<u>1,036</u>	<u>1,072</u>
TOTAL LIABILITIES	<u>2,759</u>	<u>2,878</u>
SHAREHOLDERS' EQUITY		
Share capital	117,154	108,670
Contributed surplus	11,501	11,948
Accumulated other comprehensive loss	(1,866)	(2,124)
Deficit	(81,031)	(76,071)
TOTAL SHAREHOLDERS' EQUITY	<u>45,758</u>	<u>42,423</u>
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	<u>48,517</u>	<u>45,301</u>

Change in year-end (Note 2)

Approved for issuance on May 10, 2017

On behalf of the Board of Directors:

“Lenard F. Boggio” Director _____
“George Ireland” Director

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

LITHIUM AMERICAS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in thousands of US dollars, except per share amounts, shares in thousands)

	For The Three Months Ended March 31,	
	2017	2016
	\$	\$
ORGANOCLAY SALES	1,167	-
COST OF SALES		
Production costs	(1,286)	-
Depreciation	(324)	-
Total cost of sales	<u>(1,610)</u>	<u>-</u>
GROSS LOSS	<u>(443)</u>	<u>-</u>
EXPENSES		
Exploration expenditures (Note 10)	(563)	(769)
Organoclay research and development	(117)	(126)
Other expenses	(369)	-
General and administrative (Note 8)	(1,361)	(1,461)
Share of loss in Joint Venture (Note 4)	(1,746)	(113)
Stock-based compensation (Note 6)	<u>(234)</u>	<u>(274)</u>
	<u>(4,390)</u>	<u>(2,743)</u>
OTHER ITEMS		
Foreign exchange loss	(138)	(22)
Convertible security accretion	-	(183)
Loss on sale of 50% interest in Minera Exar	-	(8,905)
Other income	<u>11</u>	<u>487</u>
	<u>(127)</u>	<u>(8,623)</u>
NET LOSS	<u>(4,960)</u>	<u>(11,366)</u>
OTHER COMPREHENSIVE LOSS		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET LOSS		
Reclassification of cumulative translation adjustment on sale of 50% interest in Minera Exar	-	15,093
Unrealized gain/(loss) on translation to reporting currency	<u>258</u>	<u>(3,525)</u>
	<u>258</u>	<u>11,568</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME	<u>(4,702)</u>	<u>203</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>(0.02)</u>	<u>(0.03)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	<u>311,537</u>	<u>291,104</u>

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

LITHIUM AMERICAS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in thousands of US dollars and shares in thousands)

	<u>Share capital</u>		Contributed surplus	Accumulated other comprehensive		Shareholders' equity
	Number of Shares	Amount \$		loss \$	Deficit \$	
Authorized share capital:						
Unlimited common shares without par value						
Balance, December 31, 2016	301,866	108,670	11,948	(2,124)	(76,071)	42,423
Shares issued on exercise of stock options (Note 6)	1,479	706	(350)	-	-	356
Shares issued on exercise of warrants (Note 6)	302	216	(21)	-	-	195
Shares issued on conversion of restricted shares (Note 6)	520	329	(310)	-	-	19
Shares issued for equity financing (Note 6)	11,250	7,297	-	-	-	7,297
Share issuance costs (Note 6)	-	(64)	-	-	-	(64)
Stock-based compensation	-	-	234	-	-	234
Net loss	-	-	-	-	(4,960)	(4,960)
Other comprehensive income	-	-	-	258	-	258
Balance, March 31, 2017	315,417	117,154	11,501	(1,866)	(81,031)	45,758
Balance, December 31, 2015	289,996	104,069	11,203	(12,048)	(51,619)	51,605
Shares issued for convertible security	1,978	541	-	-	-	541
Stock-based compensation	-	-	274	-	-	274
Net loss	-	-	-	-	(11,366)	(11,366)
Other comprehensive income	-	-	-	11,569	-	11,569
Balance, March 31, 2016	291,974	104,610	11,477	(479)	(62,985)	52,623

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

LITHIUM AMERICAS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in thousands of US dollars)

	For The Three Months Ended March 31,	
	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(4,960)	(11,366)
Items not affecting cash:		
Stock-based compensation	234	274
Depreciation	360	38
Foreign exchange loss	138	22
Share of loss in Joint Venture (Note 4)	1,746	113
Convertible security accretion	-	183
Loss on sale of 50% interest in Minera Exar	-	8,369
Inventories write down	72	-
Other losses/(income)	430	(468)
Changes in non-cash working capital items:		
Increase in receivables, prepaids and deposits	(883)	(30)
Decrease/(increase) in inventories	191	(73)
(Decrease)/increase in accounts payable and accrued liabilities	(165)	297
Net cash used in operating activities	<u>(2,837)</u>	<u>(2,641)</u>
INVESTING ACTIVITIES		
Loan to Joint Venture (Note 4)	(5,000)	-
Additions to exploration and evaluation assets	(50)	(95)
Cash acquired from plan of arrangement	-	(93)
Additions to property, plant and equipment (Note 5)	(243)	(501)
Net cash used in investing activities	<u>(5,293)</u>	<u>(689)</u>
FINANCING ACTIVITIES		
Proceeds from stock options exercises	356	-
Proceeds from warrants exercises	195	-
Net proceeds from financings (Note 6)	7,233	3,497
Finance lease repayments	(11)	(10)
Repayment of long-term borrowing	(31)	(29)
Net cash provided by financing activities	<u>7,742</u>	<u>3,458</u>
EFFECT OF FOREIGN EXCHANGE ON CASH	(303)	(68)
CHANGE IN CASH AND CASH EQUIVALENTS	(691)	60
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>8,056</u>	<u>2,646</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>7,365</u>	<u>2,706</u>

Supplemental disclosure with respect to cash flows (Note 12)

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
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1. NATURE OF OPERATIONS

Lithium Americas Corp. (“Lithium Americas” or the “Company”) is a Canadian based resource company focused on advancing two significant lithium projects, the Cauchari-Olaroz project, located in Jujuy province of Argentina, and the Lithium Nevada project (formerly the Kings Valley project), located in north-western Nevada, USA, and on the manufacturing and sales of organoclay products.

The Company’s organoclay plant located in Fernley, Nevada, USA, manufactures specialty organoclay products, derived from clays, for sale to the oil and gas and other sectors.

The Company’s head office, principal address, and registered and records office is Suite 1100-355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8.

To date, the Company has not generated significant revenues from operations and has relied on equity and other financings to fund operations. The underlying value of exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete permitting, development, and to attain future profitable operations.

2. BASIS OF PREPARATION AND PRESENTATION

The Company changed its fiscal year end from September 30 to December 31, effective 2016, in order to align it with the Joint Venture (note 4) for reporting and planning purposes as well as to bring its financial reporting timetable in line with the other companies in the industry.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the fifteen months ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated interim financial statements are expressed in US dollars, the Company’s presentation currency, and have been prepared on a historical cost basis. The Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the fifteen months ended December 31, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

Accounting standards and amendments issued but not yet adopted

IFRS 9, Financial Instruments (“IFRS 9”), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in International Accounting Standard (“IAS”) 39 that relates to the classification and measurement of financial instruments.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting standards and amendments issued but not yet adopted (continued)

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (“OCI”) and fair value through profit and loss (“FVTPL”). There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated as FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is assessing the impact of IFRS 9.

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”), deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. IFRS 15 was issued in May 2014 by the IASB. Under IFRS 15, revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. While the Company is continuing to assess the impact of IFRS 15, the Company does not anticipate any significant changes in the gross amounts of revenue recognized or in the timing of revenue recognition under the new standard.

IFRS 16, Leases (“IFRS 16”), was issued in January 2016 by the IASB. According to the new standard, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has yet to assess the full impact of IFRS 16.

Critical Accounting Estimates and Judgements

The preparation of these condensed financial statements in conformity with IFRS requires judgments, estimates, and assumptions that affect the amounts reported. Those estimates and assumptions concerning the future may differ from actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these condensed consolidated financial statements, the Company makes judgements, estimates and assumptions concerning the future which may vary from actual results. The significant estimates and judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were substantially the same as those that applied to the consolidated financial statements as at and for the fifteen months ended December 31, 2016.

4. INVESTMENT IN JOINT VENTURE

On March 28, 2016, the Company entered into an agreement with SQM to form a 50/50 Joint Venture on the Cauchari-Olaroz project in Jujuy, Argentina. The Company’s former wholly-owned subsidiary Minera Exar S.A. (“Minera Exar”) was used for formation of the Joint Venture.

The Joint Venture is governed by a Shareholders Agreement which provides for (i) equal representation by the Company and SQM on its Management Committee, (ii) unanimous approval by the Company and SQM on budgets and timing of expenditures, (iii) the ability of the Company to take its share of any production in kind and (iv) buyout and termination provisions in the event that SQM chooses not to proceed with the project.

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4. INVESTMENT IN JOINT VENTURE (continued)

In May 2016, SQM and the Company also entered into an Escrow Agreement requiring the Company to deposit \$2,500 of the \$15,000 contribution (the “Escrow Amount”) into an escrow account. Subject to certain provisions, the Escrow Amount will be released to the Company over three years as follows: \$833 on March 28, 2017 (subsequently received), \$833 on March 28, 2018, and \$833 on March 28, 2019. The Escrow Amount can be used to pay certain contingent liabilities of the Joint Venture, if any arise, related to the actions prior to the Joint Venture formation. The Company has also provided a guarantee for up to \$354 in transaction related costs in the event that such costs arise in the future.

The changes in investment in the Joint Venture since initial contribution are as follows:

<i>Initial contribution to Joint Venture – March 28, 2016</i>	\$
50% of net asset value of Minera Exar	13,276
50% of contribution for Joint Venture project development	5,000
Total initial contribution	18,276
Share of loss of Joint Venture	(3,987)
Translation adjustment	(1,153)
Investment in Joint Venture – December 31, 2016	13,136
Share of loss of Joint venture - Q1 2017	(1,746)
Translation adjustment – Q1 2017	259
Investment in Joint Venture – March 31, 2017	11,649

During the three-month period ended March 31, 2017, the Company signed a loan agreement with the Joint Venture for \$5,000. The rate of interest on the principal amount is 12-months LIBOR plus 3% and calculated on the basis of a 360-day year. The interest is accrued on a non-compounding basis. The maturity date of the loan is 2 years following the drawdown date. The loan will be used by the Joint Venture for mining exploration or mining construction and development purposes.

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment and machinery	Organoclay plant	Other	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at September 30, 2015	371	1,957	5,068	11,149	356	18,901
Additions	15	184	88	346	70	703
Disposition	-	-	-	-	(29)	(29)
Contribution to Joint Venture	-	-	-	-	(12)	(12)
Foreign exchange	-	-	-	-	(3)	(3)
As at December 31, 2016	386	2,141	5,156	11,495	382	19,560
Additions	-	2	163	-	36	201
Write downs	-	-	(399)	-	-	(399)
As at March 31, 2017	386	2,143	4,920	11,495	418	19,362

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Equipment and machinery	Organoclay plant	Other	Total
	\$	\$	\$	\$	\$	\$
Accumulated depreciation						
As at September 30, 2015	-	-	112	-	76	188
Depreciation for the year	-	76	335	431	52	894
Disposition	-	-	-	-	(20)	(20)
Contribution to joint venture	-	-	-	-	(4)	(4)
As at December 31, 2016	-	76	447	431	104	1,058
Depreciation for the period	-	27	86	144	11	268
Write downs	-	-	(30)	-	-	(30)
As at March 31, 2017	-	103	503	575	115	1,296
Net book value						
As at December 31, 2016	386	2,065	4,709	11,064	278	18,502
As at March 31, 2017	386	2,040	4,417	10,920	303	18,066

6. ISSUED CAPITAL, EQUITY COMPENSATION, AND WARRANTS

Ganfeng Lithium Investment Agreement

On January 17, 2017, the Company signed an investment agreement (the “Ganfeng Lithium Investment Agreement”) with GFL International Co., Ltd. (“Ganfeng Lithium”) for funding to advance the construction of the Cauchari-Olaroz lithium project in Jujuy, Argentina.

Pursuant to the Investment Agreement:

- Ganfeng Lithium has agreed to purchase, by way of a private placement, 75,000 common shares at a price of CDN\$0.85 per common share for gross proceeds of CDN\$64,000 (US\$49,000);
- Ganfeng Lithium will provide to Lithium Americas a US\$125,000 debt facility to be used to fund a portion of Lithium Americas’ share of Cauchari-Olaroz construction costs. The debt facility has a term of six years, with an interest rate of 8.0% for the first three years that increases to 8.5% in year four, 9.0% in year five and 9.5% in year six;
- Ganfeng Lithium and the Company have agreed to terms for an offtake entitlement in favour of Ganfeng Lithium for the purchase of up to 70% of Lithium Americas’ share of Cauchari-Olaroz Stage 1 lithium carbonate production at market prices;
- Ganfeng Lithium will be entitled to one nominee on Lithium Americas’ board of directors and anti-dilution protection to maintain its proportionate interest in Lithium Americas for a two-year term.

On January 27, 2017, pursuant to the “Ganfeng Lithium Investment Agreement”, the Company issued to Ganfeng Lithium 11,250 common shares at a price of CDN\$0.85 per share, for an aggregate cash subscription of \$7,297. The common shares are subject to a four month hold expiring May 27, 2017. The Company incurred related share issuance cost of \$64.

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6. ISSUED CAPITAL, EQUITY COMPENSATION, AND WARRANTS (continued)

Bangchak Investment Agreement

On January 19, 2017, the Company signed an investment agreement (the “Bangchak Investment Agreement”) with The Bangchak Petroleum Public Company Limited (“Bangchak”) through its wholly-owned subsidiary, BCP Innovation Pte Ltd (“BCPI”) for funding to advance the construction of the Cauchari-Olaroz lithium project in Jujuy, Argentina.

Pursuant to the Investment Agreement:

- BCPI has agreed to purchase, by way of a private placement, 50,000 common shares at a price of CDN\$0.85 per common share for gross proceeds of C\$42,500 (US\$32,000);
- BCPI will provide to Lithium Americas a US\$80,000 project debt facility to be used to fund a portion of Lithium Americas’ share of Cauchari-Olaroz construction costs. The project debt facility has a term of six years, with an interest rate of 8.0% for the first three years that increases to 8.5% in year four, 9.0% in year five and 9.5% in year six;
- BCPI and the Company have agreed to terms for an offtake entitlement in favour of BCPI for the purchase of 15% of Lithium Americas’ share of Cauchari-Olaroz Stage 1 lithium carbonate production at market prices;
- BCPI will be entitled to one nominee on Lithium Americas’ board of directors and anti-dilution protection to maintain its proportionate interest in Lithium Americas for a two-year term.

The Company agreed to increase Ganfeng Lithium’s offtake entitlement from 70% to 80% of Lithium Americas’ share of Cauchari-Olaroz Stage 1 lithium carbonate production in return for one-time waiver of the anti-dilution clause for Bangchak’s investment agreement.

Equity Incentive Plan

The Company has an equity incentive plan (“Plan”) in accordance with the policies of the TSX whereby, from time to time, at the discretion of the Board of Directors, eligible directors, officers, employees and consultants are: (1) granted incentive stock options exercisable to purchase common shares (“Stock Options”); (2) awarded restricted share rights (“RSs”) that convert automatically into common shares upon vesting; and (3) for eligible directors, awarded deferred share units (“DSUs”) which the directors are entitled to redeem for common shares upon retirement or termination from the Board. Under the Plan, common shares reserved for issuance of Stock Options, RSs and DSUs shall not exceed 10% of the outstanding shares from time to time. The exercise price of each stock option is based on the fair market price of the Company’s common shares at the time of the grant. The options can be granted for a maximum term of five years.

Deferred Share Units

As at March 31, 2017, the Company had 47 DSUs outstanding.

Subsequent to March 31, 2017, the Company awarded 297 DSUs in connection with fees payable to independent directors of the Company from April 1, 2016 to March 31, 2017.

Restricted Shares

During the quarter ended March 31, 2017, the fair value of RSs of \$71 was recorded as a share-based payments expense and charged to operating expenses.

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6. ISSUED CAPITAL, EQUITY COMPENSATION, AND WARRANTS (continued)

Equity Incentive Plan (continued)

A summary of changes to restricted shares is as follows:

	Number of RSs (in 000's)	FMV Price per share, (CDN\$)
Balance, RSs September 30, 2015	-	-
Granted	3,247	0.47
Granted	350	0.75
Granted	100	0.73
Granted	350	0.96
Granted	320	0.74
Converted into common shares	(1,613)	(0.47)
Converted into common shares	(200)	(0.75)
Converted into common shares	(100)	(0.73)
Balance, RSs December 31, 2016	2,454	0.56
Converted into common shares	(320)	(0.76)
Converted into common shares	(200)	(0.96)
Balance, RSs March 31, 2017	1,934	0.53

Subsequent to March 31, 2017, the Company granted 2,825 RSs to its directors, officers, and employees of which 1,908 vested immediately, 819 RSs will vest on April 4, 2018, and 98 RSs on April 4, 2019.

Stock Options

Stock options outstanding and exercisable as March 31, 2017, are as follows:

Number of Options Outstanding (in 000's)	Number of Options Exercisable (in 000's)	Exercise Price CDN\$	Expiry Date
550	550	0.16	August 30, 2017
950	950	0.27	October 21, 2018
10	10	0.80	April 1, 2019
1,105	1,105	0.38	April 18, 2019
275	275	0.49	July 16, 2019
3,708	3,708	0.29	July 16, 2019
975	975	0.69	August 15, 2019
533	533	0.34	February 12, 2020
1,675	1,469	0.30	October 5, 2020
4,225	3,169	0.47	March 30, 2021
500	250	0.75	May 1, 2021
500	250	0.96	August 11, 2021
260	130	0.91	August 30, 2021
15,266	13,374		

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6. ISSUED CAPITAL, EQUITY COMPENSATION, AND WARRANTS (continued)

Equity Incentive Plan (continued)

A summary of changes to stock options outstanding is as follows:

	Number of Options <i>(in 000's)</i>	Weighted Average Exercise Price, <i>(CDN\$)</i>
Balance, outstanding September 30, 2015	17,331	0.43
Expired	(1,450)	(1.23)
Forfeited	(116)	(0.45)
Exercised	(8,011)	(0.35)
Granted	9,365	0.46
Balance, outstanding December 31, 2016	17,119	0.43
Forfeited	(38)	(0.36)
Exercised	(1,815)	(0.43)
Balance, outstanding March 31, 2017	15,266	0.42

During the period ended March 31, 2017, 715 options were exercised under the cashless exercise provision of the Company's stock option plan, resulting in the issuance of 379 shares of the Company.

Subsequent to March 31, 2017, the Company granted approximately 5,175 stock options at the exercise price of CDN\$0.98 per option to its directors, executive officers, employees, and consultants.

Stock-based compensation expense related to stock options of \$163 (three months ended March 31, 2016 - \$274) was charged to operations and credited to contributed surplus to reflect the fair value of stock options vested during the period ended March 31, 2017. At March 31, 2017, \$159 of the fair value of stock options previously granted but not yet vested remains to be expensed in fiscal 2017, and \$5 in fiscal 2018. The weighted-average share price on the date of the stock options exercised was CDN\$0.99.

Warrants

A summary of the changes in the number of the Company's share purchase warrants is as follows:

	Number of Warrants <i>(in '000's)</i>	Weighted Average Exercise Price <i>(CDN\$)</i>	Expiry Date
Balance, September 30, 2015	17,777	0.81	
Exercised	(371)	0.58	May 16, 2016
Exercised	(1,344)	0.75	May 16, 2016
Exercised	(215)	0.90	June 9, 2017
Exercised	(25)	0.70	June 9, 2017
Exercised	(79)	0.48	August 28, 2016
Expired	(6,409)	(0.75)	May 16, 2016
Balance, December 31, 2016	9,334	0.87	
Exercised	(9)	0.70	June 9, 2017
Exercised	(11)	0.90	June 9, 2017
Exercised	(282)	0.85	May 19, 2018
Balance, March 31, 2017	9,032	0.87	

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(Unaudited – Prepared by Management)

(Expressed in thousands of US dollars, except for per share amounts, shares in thousands)

7. RELATED PARTY TRANSACTIONS

Compensation of Key Management

The Company pays its non-executive directors a base annual fee of \$35 per year and an additional \$5 per year to a Committee Chair, \$10 to the Company's Audit Committee Chair, and \$25 to the Company's Board Chair. The fees will be settled through a combination of cash and the issuance of the DSUs with each board member obligated to receive a minimum of 50% and a maximum of 100% of all such compensation in DSUs. In addition, the Company pays \$1 per meeting in cash for Board meetings in excess of six meetings per year.

The remuneration of directors and members of the executive management team included:

	For the three month ended March 31,	
	2017	2016
	\$	\$
Stock-based compensation	89	123
Bonuses – stock-based compensation	71	-
Salaries, benefits and directors fees included in general and administrative expenses	419	595
Salaries and benefits included in exploration expenditures	91	96
	670	814
	As at March 31,	As at December 31,
	2017	2016
	\$	\$
Total due to directors and executive team	369	411

There were no contractual or other commitments from the related party transactions. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms for repayment.

8. GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes the Company's general and administrative expenses during the periods ended March 31, 2017 and March 31, 2016:

	For the three months ended March 31,	
	2017	2016
	\$	\$
Investor relations	7	88
Marketing	132	185
Office and administration	211	166
Professional fees	296	157
Regulatory and filing fees	11	23
Salaries, benefits and directors fees	498	628
Travel and conferences	199	53
Transaction costs	-	152
Depreciation	7	9
	1,361	1,461

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9. COMMITMENTS AND CONTINGENCIES

As at March 31, 2017, the Company had the following commitments that have not been disclosed elsewhere in these consolidated financial statements:

	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
Rent of office spaces	211	346	-	557

10. EXPLORATION EXPENDITURES

The following tables summarize the Company's exploration expenditures during the periods ended March 31, 2017 and 2016:

	For the three months ended March 31, 2017		
	Lithium Nevada \$	Cauchari-Olaroz ¹ \$	Total \$
Environmental	15	-	15
Geological and consulting	303	126	429
Field supplies, other services, and taxes	78	13	91
Lithium demo plant equipment depreciation	28	-	28
Total exploration expenditures	424	139	563

¹Expenditures related to the Cauchari-Olaroz project incurred directly by the Company.

	For the three months ended March 31, 2016		
	Lithium Nevada \$	Cauchari-Olaroz ¹ \$	Total \$
Engineering	-	34	34
Environmental	25	-	25
Geological and consulting	238	153	391
Field supplies, other services, and taxes	12	279	291
Lithium demo plant equipment depreciation	28	-	28
Total exploration expenditures	303	466	769

¹Exploration expenditures prior to the formation of the Joint Venture

11. SEGMENTED INFORMATION

The Company operates in three operating segments and four geographical segments. The Organoclay project is in the production stage and the Lithium Nevada and Cauchari-Olaroz projects are in the exploration stage.

The Company's reportable segments are summarized in the following tables:

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11. SEGMENTED INFORMATION (continued)

	Organoclay	Lithium Nevada	Cauchari- Olaroz	Corporate	Total
	\$	\$	\$	\$	\$
<i>As at March 31, 2017</i>					
Property, plant and equipment	17,031	1,009	-	8	18,066
Exploration and evaluation assets	-	1,457	-	-	1,457
Total assets	18,643	2,876	11,649	15,349	48,517
Total liabilities	(1,528)	(293)	-	(938)	(2,759)
<i>For the three months ended March 31, 2017</i>					
Capital expenditures	153	10	-	8	171
Sales	(1,167)	-	-	-	(1,167)
Net loss	1,089	644	1,747	1,480	4,960
Exploration expenditures	-	424	139	-	563
Organoclay research and development	117	-	-	-	117
<i>For the three months ended March 31, 2016</i>					
Capital expenditures	276	-	(12)	-	264
Net loss	335	426	767	9,838	11,366
Exploration expenditures	-	303	466	-	769
Organoclay research and development	126	-	-	-	126

	Organoclay	Lithium Nevada	Cauchari- Olaroz	Corporate	Total
	\$	\$	\$	\$	\$
<i>As at December 31, 2016</i>					
Property, plant and equipment	17,450	1,033	-	19	18,502
Exploration and evaluation assets	-	1,447	-	-	1,447
Total assets	18,585	3,056	13,136	10,524	45,301
Total liabilities	(1,513)	(291)	-	(1,074)	(2,878)

The Company's total assets are segmented geographically as follows:

	Canada	United States	Germany	Argentina	Total
	\$	\$	\$	\$	\$
<i>Non-current assets</i>					
As at March 31, 2017	5,878	18,807	840	11,649	37,174
As at December 31, 2016	1,686	19,212	868	13,136	34,902
<i>Revenue</i>					
For the three months ended March 31, 2017	-	1,167	-	-	1,167
For the three months ended March 31, 2016	-	-	-	-	-

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12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplementary disclosure of the Company's non-cash transactions is provided in the table below:

	For the three months ended March 31,	
	2017	2016
	\$	\$
Accounts payable related to property, plant and equipment	11	16
Accounts payable related to inventories	317	80
Accounts payable related to financings	-	263
Accounts payable related to transaction cost	-	127
<hr/>		
Interest/finance charges paid	14	16
Income taxes paid	-	-

13. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the condensed consolidated interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 – Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The Company did not have any financial instruments measured at fair value on the statement of financial position.

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents, escrow deposit, and receivables. The Company's maximum exposure to credit risk for cash, cash equivalents, and escrow deposit is the amount disclosed in the consolidated statements of financial position. The Company limits its exposure to credit loss by placing its cash and cash equivalents with major financial institutions and invests only in short-term obligations that are guaranteed by the Canadian government or by Canadian and US chartered banks.

Included in the receivables, prepaids and deposits are credit sales receivables of \$968. Management's assessment of recoverability involves judgments regarding classification on the consolidated statements of financial position and the probable outcomes of claimed deductions and/or disputes. The provisions and classifications made to date may be subject to change.

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13. FINANCIAL INSTRUMENTS (continued)

The Company's receivables, prepaids and deposits include a \$111 bank deposit for the Company's secured credit cards and other miscellaneous receivables that are subject to normal industry credit risk.

Management believes that the credit risk concentration with respect to financial instruments included in cash, cash equivalents, escrow deposit and receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short and long term. As the industry in which the Company operates is very capital intensive, the majority of the Company's spending is related to its capital programs. The Company prepares annual budgets, which are regularly monitored and updated as considered necessary.

In January 2017, the Company signed the Bangchak Investment Agreement and Ganfeng Lithium Investment Agreement (Note 6).

As at March 31, 2017, the Company had a cash and cash equivalents balance of \$7,365 (December 31, 2016 - \$8,056) to settle current liabilities of \$1,723 (December 31, 2016 - \$1,806).

The following table summarizes the maturities of the Company's financial liabilities on undiscounted basis:

	Years ending December 31,			Total
	2017	2018	2019 and later	
	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,552	-	-	1,552
Long-term borrowing ¹	129	172	790	1,091
Obligation under finance leases ¹	36	48	24	108
Total	1,717	220	814	2,751

¹Long-term borrowing and obligation under capital leases include principal and interest/finance charges.

Market Risk

Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its property and the future profitability of the Company are related to the market price of certain minerals.

Foreign Currency Risk

The Company's operations in foreign countries are subject of currency fluctuations and such fluctuations may affect the Company's financial results. The Company reports its financial results in United States dollars and incurs expenditures in Canadian dollars ("CDN\$"), US dollars ("US\$"), Euros ("€"), and Argentinian pesos ("ARS") with the majority of the expenditures being incurred in US\$ by the Company's subsidiaries. As at March 31, 2017, \$5,417 of the Company's \$7,365 in cash and cash equivalents was held in United States Dollars.

LITHIUM AMERICAS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

Background

This Management's Discussion and Analysis ("MD&A"), prepared as of May 10, 2017, should be read in conjunction with condensed consolidated interim financial statements ("financial statements") and the notes thereto of Lithium Americas Corp. ("Lithium Americas", the "Company", or "LAC") for the three months ended March 31, 2017, and audited consolidated financial statements and notes thereto of Lithium Americas for the fifteen months ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Refer to Notes 2 and 3 of the audited annual consolidated financial statements for the fifteen months ended December 31, 2016, for disclosure of the Company's significant accounting policies. All amounts are expressed in United States dollars, unless otherwise stated.

Change in Fiscal Year End

The Company has changed its fiscal year end from September 30 to December 31, effective 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.

Company Overview

Lithium Americas is a Canadian based resource company focused on the advancement of two significant lithium projects: the Cauchari-Olaroz project, located in Jujuy Province of Argentina, and the Lithium Nevada project (formerly the Kings Valley project), located in north-western Nevada, USA, and on the manufacturing and sales of organoclay products from its plant located in Fernley, Nevada.

On March 28, 2016, the Company entered into an agreement with SQM POTASIO S.A., a subsidiary of Sociedad Quimica y Minera de Chile S.A. ("SQM") to form a 50/50 joint venture (the "Joint Venture") on the Cauchari-Olaroz project. The Company's former wholly-owned subsidiary Minera Exar S.A. ("Minera Exar") was used for formation of the Joint Venture. The Cauchari-Olaroz project is a lithium brine project.

The Joint Venture is governed by a Shareholders Agreement which provides for (i) equal representation by the Company and SQM on its Management Committee, (ii) unanimous approval by the Company and SQM on budgets and timing of expenditures, (iii) the right to purchase a 50% share of the production and (iv) buyout and termination provisions in the event that SQM chooses not to proceed with the project.

The Lithium Nevada project is a clay-based lithium project and has been the subject of extensive exploration and processing development work. The Company has recently increased its technical team and is currently advancing permitting and exploration in addition to the investigation of innovative lithium extraction and processing technologies that build on previous successful piloting studies for this project.

The Company is advancing both of its lithium projects with the intention of delivering lithium products for the growing lithium ion battery sector. Lithium Americas intends to make its lithium business a significant contributor to the global lithium supply chain.

In addition, the Company's wholly-owned subsidiary RheoMinerals Inc. ("RheoMinerals") operates an organoclay plant located in Fernley, Nevada, USA and manufactures specialty organoclay products, derived from clays. RheoMinerals' products are used by the oil and gas industry as specialty viscosifier additives for drilling fluids and in other sectors.

The Company's head office is located at Suite 1100-355 Burrard Street, Vancouver, BC, Canada, V6C 2G8. The Company trades in Canada on the Toronto Stock Exchange under the symbol "LAC" and in the US on OTCQX under the symbol "LACDF". The Company operates in the United States through its wholly owned subsidiaries, Lithium Nevada Corp. (formerly Western Lithium Corp.) and RheoMinerals Inc. (formerly Hecatone Inc.) and in Argentina through the Joint Venture. Additional information relating to the Company is available on SEDAR at www.sedar.com.

**LITHIUM AMERICAS CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

Description of Business

Cauchari-Olaroz Project, Jujuy Province, Argentina

The Joint Venture with SQM began to advance the Cauchari-Olaroz project immediately after the closing of the transaction on March 28, 2016, and the operating team is continuing to progress the work plan. The Joint Venture is strongly committed to advancing the Cauchari-Olaroz project as expediently as possible. Local investment has already started with plans to scale up when the project is approved for the construction phase.

Updated Feasibility Study

On March 29, 2017 the Company provided results of a Definitive Feasibility Study ("Stage 1 DFS") on the first stage of the Cauchari-Olaroz project.

Unless otherwise stated, all figures are quoted in U.S. dollars ("\$\$") and are reported on a 100% equity project basis.

Highlights:

- Average annual production of 25,000 tonnes of battery-grade lithium carbonate over a 40-year project life
- Estimated construction capital cost of \$425 million, before working capital and value-added taxes ("VAT")
- Average operating costs of \$2,495/t of battery-grade lithium carbonate produced
- Average annual EBITDA of \$233 million, after-tax NPV of \$803 million (at a 10% discount rate) and after-tax IRR of 28.4% assuming a price of \$12,000/t of battery-grade lithium carbonate sold
- Creation of at least 260 permanent jobs during the 40 years of operations and employment of at least 800 people during the 2-year construction period
- Government confirmation of all necessary permits to commence construction and operate
- Construction expected to commence in the first half of 2017 with production starting in 2019

The Joint Venture is pursuing a development plan at the Cauchari-Olaroz project for production capacity of 50,000 tonnes per annum ("tpa") of battery-grade lithium carbonate ("Li₂CO₃") in two stages, with each stage consisting of 25,000 tpa of Li₂CO₃. The Stage 1 DFS covers the first stage ("Stage 1") and the plant for Stage 1 has been engineered to integrate production from the second stage ("Stage 2"). No estimated financial results or reserve estimate associated with Stage 2 are included in the Stage 1 DFS. The results of the Stage 1 DFS are provided below:

Cauchari-Olaroz Stage 1 DFS Results

	Stage 1 DFS
Lithium carbonate price	\$12,000/t Li ₂ CO ₃
Average annual production	25,000 tpa Li ₂ CO ₃
Expected project life	40 years
Project capital costs	\$425 million
Operating costs	\$2,495/t Li ₂ CO ₃
Average annual EBITDA	\$233 million
Pre-tax NPV 10% discount	\$1,266 million
After-tax NPV 10% discount	\$803 million
Pre-tax IRR	34.0%
After-tax IRR	28.4%
Payback period	3 years, 5 months

The Company has recently filed an NI 43-101 compliant technical report that summarizes the Stage 1 DFS on SEDAR (<http://www.sedar.com>) and on the Company’s website (<http://www.lithiumamericas.com>).

**LITHIUM AMERICAS CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

Political and Economic Changes in Argentina

The Argentine economy underwent significant positive changes in late 2015 and early 2016 as a result of measures that the new government has taken to reduce or remove controls and restrictions on capital flows. Since taking office in December 2015, President Mauricio Macri has moved swiftly to appoint a business-friendly cabinet and implement a series of major fiscal, political and regulatory policy measures. President Macri lifted foreign exchange controls that had been in place since 2011, and abolished export taxes on many agricultural and industrial goods, including lithium.

Lithium Nevada Project, Nevada, USA

The Company is advancing its lithium project to extract lithium from its clay at its Lithium Nevada project. During the fifteen months ended December 31, 2016, the Company completed the most recent pilot plant program at its demonstration plant in Germany. This work has greatly increased the Company’s understanding of the processing and engineering requirements for the production of lithium products from the Lithium Nevada project. In light of the recent results, the Company has determined that additional engineering work will be required to optimize the process for commercial scale lithium hydroxide monohydrate production. In addition, the Company has become aware of recent technological advancements in lithium processing methods, and believes these innovative and sustainable technologies warrant further review for potential incorporation into the Lithium Nevada processing plant design.

In June 2016, the Company filed on Sedar an updated 43-101 technical report on Lithium Nevada project and reported that mineral resource estimates remained unchanged from the mineral resource estimates disclosed in the prior technical report.

The Company is in the process of determining the optimal path to advance the Lithium Nevada. There is strong local and national support from both commercial and political bases to advance a Nevada based project and a clear and well-defined permitting process exists. Lithium Americas shares the vision of making Nevada a center of renewable energy and sustainable mining technologies. The Company is committed to advancing the Lithium Nevada project on the fastest timetable possible, as dictated by further studies and market conditions, additional engineering work and pursuing strategic partnership opportunities to advance the project on a timely basis.

RheoMinerals Business

The organoclay plant, operated by the Company’s wholly-owned subsidiary RheoMinerals, is located in Fernley, Nevada, was considered to be completed and ready for intended use on April 1, 2016. Accordingly, sales and costs of sales are recorded in respect of these operations commencing April 1, 2016. Prior to April 1, 2016, sales of organoclay product amounted to US\$0.7 million and have been accounted for as a reduction of the capitalized costs of organoclay plant property, plant and equipment. From April 1 to December 31, 2016 the Company reported US\$1.2 million in organoclay sales and US\$1.2 million during the three months ended March 31, 2017. Most of Rheominerals sales during the quarter ended March 31, 2017 were to oil and gas service sector customers.

In addition to clays for use in the oil and gas sector, RheoMinerals is a certified vendor with a Fortune 500 industrial group to sell its products internationally to the animal feed market as mycotoxin binders. RheoMinerals is also collaborating with industry participants on a specialty organophilic clay product for environmental applications. The product will service the existing market to remove organic compounds from industrial wastewater effluent.

In fiscal year 2016, RheoMinerals entered into a Technical Assistance and Royalty Agreement (the “Agreement”) with Delmon Co. Ltd., part of The Delmon Group of Companies (“Delmon”) in Saudi Arabia. Delmon has business interests spanning wide market segments of products and services, and is a leading local supplier of oilfield minerals and chemicals to Saudi Aramco. Under this agreement, RheoMinerals will collaborate with Delmon in the design and construction of a manufacturing facility (the “Delmon Plant”) for specialty additives used in oil based drilling fluids. The initial product offering will include organophilic bentonite and organophilic lignite products. RheoMinerals will receive US\$1.2 million (US\$0.3 million received in 2016) in progress payments upon Delmon achieving certain construction and operational milestones in addition to the reimbursements of expenses and costs of technical personnel. Under the Agreement, RheoMinerals will also receive royalties from the future Delmon Plant production. Delmon expects to commission the new facility in 2018.

**LITHIUM AMERICAS CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

Significant Events from the Start of Fiscal Year to Date

- In March 2017, the results of positive feasibility study were announced by the Company for Stage 1 of the Cauchari-Olaroz project.
- In February 2017, the Company announced the expected capital expenditures for the construction of Stage 1 of Cauchari-Olaroz project, amounting to approximately US\$210–US\$215 million for the Company’s contribution to the Joint Venture before VAT taxes and working capital.
- In January 2017, the Company announced investment agreements totalling approximately US\$286 million:
 - the Company signed an investment agreement with GFL International Co., Ltd., a wholly-owned subsidiary of Jiangxi Ganfeng Lithium Co. Ltd. (“Ganfeng Lithium”) for funding to advance the construction of the Cauchari-Olaroz lithium project. Pursuant to the agreement, Ganfeng Lithium has agreed to financing terms in an aggregate amount of US\$174 million in exchange for approximately 19.7% of the outstanding common shares of Lithium Americas pro-forma; the right to buy a fixed portion of the lithium carbonate production from the Cauchari-Olaroz project; and a US\$125 million debt facility. During the three months ended March 31, 2017 the Company received CDN\$9.6 million from the initial common share subscription contemplated under the investment agreement with Ganfeng Lithium and issued 11,250,000 common shares at a price of CDN\$0.85 per share. The closing of the financing is subject to formal acceptance by appropriate Chinese authorities.
 - the Company signed an investment agreement with BCP Innovation Pte Ltd., a wholly-owned subsidiary of The Bangchak Petroleum Public Company Limited (“Bangchak”) for funding to advance the construction of the Cauchari-Olaroz project. Pursuant to the agreement, Bangchak has agreed to financing terms in an aggregate amount of approximately US\$112 million in exchange for increasing its ownership stake to 16.4% of the outstanding common shares of Lithium Americas pro-forma; the right to buy a fixed portion of the lithium carbonate production from the Cauchari-Olaroz project; and a US\$80 million project debt facility. The closing of the Bangchak financing is subject to the closing of the Ganfeng Lithium financing.

Selected Financial Information

The following selected financial information is presented in thousands of US dollars, shares in thousands, unless otherwise stated and except per share amounts.

Summary of Selected Assets and Quarterly Results

	2017	2016*					2015	
	Q1 \$	Q5 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$
Total assets	48,517	45,301	50,537	53,845	57,664	57,876	68,541	27,572
Exploration and evaluation assets	1,457	1,447	1,444	1,010	1,010	31,361	42,623	508
Investment in Joint Venture	11,649	13,136	16,074	17,673	18,163	-	-	-
Property, plant and equipment	18,066	18,502	18,618	18,862	19,164	18,932	18,713	18,383
Working capital	9,620	8,593	11,260	13,384	13,667	2,532	840	4,595
Organoclay sales	1,167	534	452	168	-	-	-	-
Organoclay sales capitalized during the development stage	-	-	-	156	307	99	126	-
Expenses	(4,390)	(5,308)	(3,651)	(3,276)	(2,743)	(2,707)	(1,546)	(1,263)
Net loss for the period	(4,960)	(5,598)	(3,723)	(3,766)	(11,366)	(3,272)	(2,202)	(1,419)
Basic loss per common share	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.06)	(0.01)
Diluted loss per common share	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.06)	(0.01)

Quarterly amounts added together may not equal to the total reported for the period due to rounding or reclassifications.

*2016 had five quarters due to the change in year end from September 30 to December 31 during the year.

**LITHIUM AMERICAS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

Total Assets

The Company's total assets increased by \$3,216 in Q1 2017 compared to Q5 2016 mostly due to net proceed of \$7,233 received from the investment agreement with GFL International Co., Ltd.

The Company's total assets decreased in Q1 2016 compared to Q4 2015 mostly due to the decrease in exploration and evaluation asset as result of significant change in Argentinian peso/US\$ exchange rate. The significant change in foreign exchange rate was due to the implementation of new economic policies by newly elected president in Argentina.

The Company's total assets increased by \$40,969 in Q4 2015 compared to Q3 2015 mainly due to the acquisition costs of \$41,665 allocated to the Cauchari-Olaroz project as a result of Lithium Americas and Western Lithium merger in September 2015.

The Company's total assets increased by \$7,500 in Q3 2015 compared to Q2 2015 due to net proceeds of \$5,827 from a bought deal offering, net proceeds of \$2,613 from a convertible security financing, offset by cash expenses of \$1,159.

Exploration and Evaluation Assets

In Q2 2016, the decrease of \$30,351 in exploration and evaluation assets was mainly due to the declining Argentinian Peso and accounting for the Joint Venture with SQM.

In Q1 2016, the significant decrease of \$11,262 in exploration and evaluation assets is mostly due to the decline in the carrying amount of the Company's Cauchari-Olaroz project due to the significant foreign exchange rate fluctuation for Argentinian pesos.

In Q4 2015, the Company recorded additions of \$41,665 net of \$251 for foreign exchange differences for the acquisition of the Cauchari-Olaroz project.

Investment in Joint Venture

The increase in the investment in the Joint Venture in Q2 2016 is due to the completion of the transaction with SQM which closed on March 28, 2016.

Property, Plant and Equipment

Most of the Company's property, plant and equipment amounts relate to the RheoMinerals organoclay plant. The plant was constructed during 2014 and considered to be completed and ready for use on April 1, 2016. Sales and costs of sales for the organoclay plant are recorded commencing April 1, 2016.

Working Capital

The increase in working capital of \$1,027 in Q1 2017 is mostly attributable to the net proceed of \$7,233 received in connection with the Ganfeng Lithium Investment Agreement, \$550 proceeds received from the stock options and warrants exercises, offset by a \$5,000 loan provided to Joint Venture and general and administrative expenses. In Q1 2017, the Company reclassified \$833 escrow deposit from its non-current assets to current assets. The \$833 deposit released from escrow was received in April 2017.

The increase in working capital of \$11,135 in Q2 2016 is mostly attributable to the \$13,333 receivable from the Joint Venture, which was formed on March 28, 2016.

**LITHIUM AMERICAS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The decrease in working capital of \$3,755 in Q4 2015 was mostly due to addition of consolidated negative net working capital as a result of Western Lithium and Lithium Americas merger partially offset by net proceeds of \$1,330 from a subscription receipts financing.

The increase in working capital in Q3 2015 was mostly due to the net proceeds of \$5,891 from a bought deal offering.

Organoclay Sales

The Company started to recognize organoclay sales on April 1, 2016, upon the organoclay plant achieving intended use status.

Expenses and Net Loss

The decrease in the Company's expenses in Q1 2017 compared to Q5 2016 was primarily due to the Company's share of loss in Joint Venture and lower stock based compensation expense.

The increase in the Company's expenses in Q5 2016, compared to Q4 2016 was mostly due to increase in consulting fees, legal expenses, marketing, and wages and salaries due to an increase in corporate activities and increase in the number of employees.

The increase in the Company's expenses in Q4 2016, Q3 2016, and the quarter ended December 31, 2016, compared to other quarters was primarily due to the Company's share of loss in Joint Venture, which was formed on March 28, 2016. The increase in the Company's share of loss in the Joint Venture from quarter to quarter was due to the increase of exploration activities on the Cauchari-Olaroz project.

In Q1 2016 expenses increased by \$1,161 mainly due to the increase in exploration expenditures in Nevada and Argentina.

Included in Q1 2017 other losses is RMI's equipment write down of \$369 and Lithium Nevada's property costs write off of \$49. In Q2 2016, the Company recorded a loss of \$8,979 (including \$74 in related costs incurred in Q1 2016) on the sale of a 50% of its equity interest in Minera Exar to SQM mainly due to \$15,098 of cumulative exchange differences ("CTA") in Minera Exar. In March 2016, the Company received a favorable court judgement on the litigation between the Company and its former officer and reversed a previously recorded provision of \$544 included in accounts payable and accrued liabilities and recorded the reversal as a gain in other income (loss).

Results of Operations – Three Months March 31, 2017

For the three months ended March 31, 2017, the Company reported a loss of \$4,960 compared to a loss of \$11,366 for the three months ended March 31, 2016, of which a \$443 loss (Q2 2016 - \$Nil) is attributed to organoclay sales, \$4,390 (Q2 2016 - \$2,743) is attributed to expenses, and a loss of \$127 (Q2 2016 - \$8,623) is attributed to other items discussed in the summary of the quarterly results.

Organoclay Sales and Cost of Sales

The organoclay sales revenue in Q1 2017 were \$1,167 (Q2 2016-\$Nil), related production costs of \$1,214 (Q2 2016 - \$Nil), depreciation expense of \$324 (Q2 2016 - \$Nil), and inventory adjustment of \$72 (Q2 2016 - \$Nil) resulting in gross loss from organoclay sales of \$443 (Q2 2016 - \$Nil). The Company's sales increased from \$534 in Q5 2016 to \$1,167 in Q1 2017. The Company is a new entrant in the organoclay business and is continuing to receive new sales orders for the existing products and certifications of the new products. The financial results of the organoclay business are expected to improve in the future with the anticipated higher volume of products in 2017.

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Expenses

Exploration expenditures of \$563 (Q2 2016 – \$769) includes expenditures incurred for the Lithium Nevada project of \$424 (Q2 2016 - \$303) and \$139 (Q2 2016 - \$466) expenditures incurred directly by the Company related to the Cauchari-Olaroz project. Included in the Lithium Nevada’s project expenditures of \$424 is \$54 (Q2 2016 - \$135) in costs for the lithium demonstration plant.

Organoclay research and development costs are consistent from period to period and include costs of operating a small research team and lab for new organoclay products development.

Loss from the Joint Venture of \$1,746 (Q2 2016 - \$113) represents the Company’s share of the Joint Venture expenses for the Cauchari-Olaroz project.

Stock-based compensation of \$234 (Q2 2016 - \$274) is a non-cash expense and consists of the \$163 estimated fair value of stock options vested during the period and the \$71 fair market value of restricted shares. Stock-based compensation expense related to stock options is accounted for at fair value as determined by the Black-Scholes Option Pricing Model using estimates and assumptions that are believed to approximate the volatility of the trading price of the Company’s stock, the expected lives of awards of stock-based compensation, the fair value of the Company’s stock and the risk-free interest rate. Stock-based compensation expense related to restricted shares is accounted for at fair market value on the date of grant. Stock-based compensation expense varies from period to period based on the number and valuation of the stock options and restricted shares granted during the period, vesting provisions, and an amortization schedule of previously granted stock options and restricted shares.

Included in General and Administrative expenses of \$1,361 (Q2 2016 - \$1,461):

- Marketing expenses of \$132 (Q2 2016 - \$185) include salaries, travel expenses, and other miscellaneous expenses of RheoMinerals marketing staff;
- Office expenses of \$211 (Q2 2016 – \$166) include Vancouver, Reno and Toronto office rent, insurance, IT, telephone and other related expenses and general office expenses;
- Professional fees of \$296 (Q2 2016 - \$157) consist of legal fees of \$126 (Q2 2016 - \$87), consulting fees of \$142 (Q2 2016 - \$49), public relations fees of \$18 (Q2 2016 - \$6), and accounting fees of \$10 (Q2 2016 - \$15);
- Salaries and benefits of \$498 (Q2 2016 – \$628) include salaries and benefits for the Company’s employees. Salaries and benefits were higher in Q2 2016 due to management changes as a result of merger of Western Lithium and Lithium Americas Corp.

Convertible security accretion in Q2 2016 was \$183. In Q3 2016, the Company repaid the remaining balance of the convertible security note.

Liquidity and Capital Resources

Cash Flow Highlights	Three months ended March 31,	
	2017	2016
	\$	\$
Cash used in operating activities	(2,837)	(2,641)
Cash used by investing activities	(5,293)	(689)
Cash provided by financing activities	7,742	3,458
Effect of foreign exchange on cash	(303)	(68)
Change in cash and cash equivalent	(691)	60
Cash and cash equivalents - beginning of period	8,056	2,646
Cash and cash equivalents - end of period	7,365	2,706

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As at March 31, 2017, the Company had cash and cash equivalents of \$7,365 and working capital of \$9,620 compared to cash and cash equivalents of \$8,056 and working capital of \$8,593 on December 31, 2016.

On January 27, 2017, pursuant to the Ganfeng Lithium Investment Agreement, the Company issued to Ganfeng Lithium 11,250 common shares at a price of CDN\$0.85 per share, for an aggregate cash subscription of \$7,297 and incurred related costs of \$64.

In January 2016, the Company received \$3,500 from non-brokered private placement of subscription receipts and incurred related costs of \$42.

The Company will require additional working capital to continue development of its organoclay business and for further development of its lithium projects. The timing and the amount of RheoMinerals and Lithium Nevada expenditures are within the control of the Company due to its direct and sole ownership. Pursuant to the agreements governing the Joint Venture on the Cauchari-Olaroz project, decisions regarding capital and operating budgets for the project require unanimous approval.

The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that the Company will be successful in obtaining the required financing to develop its projects.

Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity and capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity and capital resources are substantially determined by the success or failure of the exploration and development programs.

The Company does not now nor does it expect in the future to engage in currency hedging to offset any risk of currency fluctuations.

Financings

Ganfeng Lithium Investment

On January 17, 2017, the Company signed an investment agreement with Ganfeng Lithium for funding to advance the construction of the Cauchari-Olaroz lithium project.

Pursuant to the Ganfeng Lithium investment agreement:

- Ganfeng Lithium has agreed to purchase, by way of a private placement, 75,000 common shares at a price of CDN\$0.85 per common share for gross proceeds of CDN\$64,000 (US\$49,000);
- Ganfeng Lithium will provide to Lithium Americas a US\$125,000 debt facility to be used to fund a portion of Lithium Americas' share of Cauchari-Olaroz construction costs. The debt facility has a term of six years, with an interest rate of 8.0% for the first three years that increases to 8.5% in year four, 9.0% in year five and 9.5% in year six;
- Ganfeng Lithium and the Company have agreed to terms for an offtake entitlement in favour of Ganfeng Lithium for the purchase of up to 70% of Lithium Americas' share of Cauchari-Olaroz Stage 1 lithium carbonate production at market prices;
- Ganfeng Lithium will be entitled to one nominee on Lithium Americas' board of directors and anti-dilution protection to maintain its proportionate interest in Lithium Americas for a two-year term.

On January 27, 2017, pursuant to the Ganfeng Lithium investment agreement, the Company issued to Ganfeng Lithium 11,250 common shares at a price of CDN\$0.85 per share, for an aggregate cash subscription of \$7,297.

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Bangchak Investment

On January 19, 2017, the Company signed an investment agreement with Bangchak for funding to advance the construction of the Cauchari-Olaroz lithium project.

Pursuant to the Bangchak investment agreement:

- Bangchak has agreed to purchase, by way of a private placement, 50,000 common shares at a price of CDN\$0.85 per common share for gross proceeds of C\$42,500 (US\$32,000) ;
- Bangchak will provide to Lithium Americas a US\$80,000 project debt facility to be used to fund a portion of Lithium Americas' share of Cauchari-Olaroz construction costs. The project debt facility has a term of six years, with an interest rate of 8.0% for the first three years that increases to 8.5% in year four, 9.0% in year five and 9.5% in year six;
- Bangchak and the Company have agreed to terms for an offtake entitlement in favour of Bangchak for the purchase of 15% of Lithium Americas' share of Cauchari-Olaroz Stage 1 lithium carbonate production at market prices;
- Bangchak will be entitled to one nominee on Lithium Americas' board of directors and anti-dilution protection to maintain its proportionate interest in Lithium Americas for a two-year term.

The Company agreed to increase Ganfeng Lithium's offtake entitlement from 70% to 80% of Lithium Americas' share of Cauchari-Olaroz Stage 1 lithium carbonate production in return for one-time waiver of the anti-dilution clause for Bangchak's investment agreement and subject to completion of the financings contemplated in the Bangchak investment agreement. Included in receivables, prepaids and deposits are deferred financings costs related to the Ganfeng Lithium and Bangchak financings of \$272.

Operating Activities

Cash used in operating activities during the three month period ended March 31, 2017, was \$2,837 compared to \$2,641 net cash used during the three months period ended March 31, 2016. The significant components of operating activities are discussed in the Results of Operations sections.

Investing Activities

Investing activities required cash of \$5,293 in Q1 2017, compared to \$689 used during the three months period ended March 31, 2016. The cash used in investing activities was for the additions to capital assets of \$243 (Q2 2016 - \$501) and additions to exploration and evaluation assets of \$50 (Q2 2016 - \$95). In Q1 2017, the Company signed a loan agreement with the Joint Venture for a \$5,000 loan. The rate of interest on the principal amount is 12-months LIBOR plus 3% and calculated on the basis of a 360-day year. The interest is accrued on a non-compounding basis. The maturity date of the loan is 2 years following the drawdown date. The loan will be used by the Joint Venture for mining exploration or mining construction and development purposes.

Investment in Joint Venture

On March 28, 2016, the Company entered into an agreement with SQM to form a 50/50 Joint Venture on the Cauchari-Olaroz project in Jujuy, Argentina.

The Joint Venture is governed by a Shareholders Agreement which provides for (i) equal representation by the Company and SQM on its Management Committee, (ii) unanimous approval by the Company and SQM on budgets and timing of expenditures, (iii) the ability of the Company to take its share of any production in kind and (iv) buyout and termination provisions in the event that SQM chooses not to proceed with the project.

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In May 2016, SQM and the Company entered into an escrow agreement, according to which the Company deposited \$2,500 (the “Escrow Amount”) into an escrow account. Subject to certain provisions, the Escrow Amount will be released to the Company over the three years as follows: \$833 on March 28, 2017 (received in April 2017), \$833 on March 28, 2018, and \$833 on March 28, 2019. The Escrow Amount can be used to pay certain contingent liabilities of the Joint Venture, if any arise, related to the actions prior to the Joint Venture formation. The Company has also provided a guarantee for up to \$354 in transaction related costs in the event that such costs arise in the future.

Financing Activities

In Q1 2017, the Company received \$7,297 in connection with the Ganfeng Lithium investment agreement and incurred related costs of \$64, \$356 (Q2 2016 - \$Nil) from the exercise of stock options and \$194 (Q2 2016 - \$Nil) from the warrants exercises.

During the three month period ended March 31, 2016, the Company received \$3,500 from Bangchak subscription receipt financing and incurred \$191 in related costs. Accounts payable and accrued liabilities related to the subscription receipts financing on March 31, 2016, were \$263.

Current Share Data

Subsequent to March 31, 2017, the Company granted approximately 2,825 RSs to its directors, executive officers, employees, and consultants, of which 1,908 vest immediately, 819 on April 4, 2018, and 98 on April 4, 2019.

Subsequent to March 31, 2017, the Company granted approximately 5,175 stock options at the exercise price of CDN\$0.98 per option to its directors, executive officers, employees, and consultants.

Subsequent to March 31, 2017, the Company awarded 297 DSUs in connection with fees payable to independent directors of the Company from April 1, 2016 to March 31, 2017.

As at the date of this report, the Company has 316,080 common shares issued and outstanding, 4,332 restricted shares, 344 deferred share units, 20,203 stock options and 9,029 warrants outstanding.

Related Party Transactions

The Company pays its non-executive directors a base annual fee of \$35 per year and an additional \$5 per year to a Committee Chair, \$10 to the Company’s Audit Committee Chair, and \$25 to the Company’s Board Chair. The fees will be settled through a combination of cash and the issuance of the DSUs with each board member obligated to receive a minimum of 50% and a maximum of 100% of all such compensation in DSUs. In addition, the Company pays \$1 per meeting in cash for Board meetings in excess of six meetings per year.

There were no contractual or other commitments from the related party transactions. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms for repayment.

Contractual Obligations

As at March 31, 2017, the Company had the following contractual obligations:

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	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
Rent of office spaces	211	346	-	557
Promissory note for RheoMinerals plant	172	861	58	1,091
Equipment finance leases	48	60	-	108
Total	431	1,267	58	1,756

Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

All of the Company’s financial instruments are classified into one of two categories: loans and receivables, or other financial liabilities. All financial instruments are initially measured in the statement of financial position at fair value.

Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

Cash and receivables have been designated as loans and receivables and are included in current assets due to their short term nature. The Company’s other financial liabilities include accounts payable and accrued liabilities, long-term borrowing, convertible security obligation, and obligations under finance leases. Accounts payable, accrued liabilities, convertible security obligation, and the current portion of long-term borrowing and finance leases that is due within twelve months from the financial statement reporting date are included in current liabilities due to their short-term nature. Long-term borrowing and obligations under finance leases are included in long-term liabilities due to their long-term nature.

Off-Balance Sheet Arrangements

The Company’s off-balance sheet arrangements related to the exploration and evaluation assets are disclosed in notes 4 and 6 of the Company’s December 31, 2016, audited consolidated financial statements and will only be incurred if the Company continues to hold the subject property, starts production or exercises purchase option. The Company’s reclamation bond arrangement is disclosed below.

Decommissioning Provision and Reclamation Bond

The Company estimated the carrying value of the liability for decommissioning provision that arose to date as a result of exploration activities to be \$179 for the Lithium Nevada project. The fair value of the liability was determined to be equal to the estimated remediation costs. In May 2014, the Company’s \$908 reclamation bond payable to the Bureau of Land Management was guaranteed by a third-party insurance company upon the issuance of Lithium Nevada clay mine project permit to the Company in 2014. The bond guarantee is renewed annually and secured by the Company’s \$150 security deposit.

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Significant Accounting Policies

Please refer to the Company’s annual MD&A for the Significant Accounting Policies.

Critical Accounting Estimates and Judgements

Please refer to the Company’s annual MD&A for the Critical Accounting Estimates and Judgements.

Risks and Uncertainties

Please refer to the Company’s annual MD&A in the section entitled “Risks and Uncertainties” for additional risks and uncertainties faced by the Company.

New Accounting Standards and Recent Pronouncements

The Company has not yet adopted IFRS 9 – Financial Instruments: Classification and Measurement, which have been published, but is effective January 1, 2018, IFRS 15-Revenue from Contracts with Customers which is effective on or after January 1, 2018, and IFRS 16 – Leases, which is effective on or after January 1, 2019.

Changes in Directors and Management

On May 10, 2017 the Company announced the appointment of Gabriel Rubacha as the Company’s President, South American Operations. Mr. Rubacha was previously the Commercial Director of Techint Engineering and Construction S.A. (“Techint”). Mr. Rubacha remains to serve as a director of the Company and as the Company’s representative on the Board of the Joint Venture company Minera Exar S.A.

Investor Relations

Tom Hodgson, CEO, and John Kanellitsas, President and Vice-Chairman coordinate investor relations’ activities for the Company.

Interest of Experts

All technical and scientific information discussed in this report in respect of the Cauchari-Olaroz Project has been reviewed and approved by Ernest Burga, a consultant of the Company, who is considered, by virtue of his education, experience and professional association, a QP for the purposes of NI 43-101.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed under securities legislation is recorded, processed, summarized and reported within the time periods specified by securities regulators and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed under securities legislation is accumulated and communicated to the issuer’s management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. The Company’s management designed the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to them on a timely basis. The Company’s management believes that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

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Internal Controls over Financial Reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is responsible for the design of the Company's internal controls over financial reporting.

The Company's internal controls over financial reporting include policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of assets, provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company, and provide reasonable assurance regarding prevention or timely detection of authorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There has been no change in the Company's internal controls over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Information concerning mineral resource and mineral reserve estimates also may be deemed to be forward-looking statements in that it reflects a prediction of mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this report and are expressly qualified, in their entirety, by this cautionary statement. In particular, this report contains forward-looking statements, pertaining to the following: capital expenditure programs; estimates of the quality and quantity of the mineral resources and mineral reserves at its mineral properties; development of mineral resources and mineral reserves; treatment under governmental and taxation regimes; expectations regarding the Company's ability to raise capital; expenditures to be made by the Company on its properties; the Company's expectations regarding the preparation of a feasibility study for lithium carbonate production at the Lithium Nevada project; the Company's expectations regarding the preparation of an updated feasibility study at the Cauchari-Olaroz project; the expectation for the development of the Cauchari-Olaroz project through the Company's joint venture with SQM; work plans to be conducted by the Company, including expectations with respect to the operational status of, and timing of commercial production at, its Fernley plant; the Company's plans to introduce certain products to the market; and the Company's ability to source sales contracts for its organoclay products.

With respect to forward-looking statements listed above and contained in this report, the Company has made assumptions regarding, among other things:

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- uncertainties relating to receiving mining, exploration, environmental and other permits or approvals in Nevada, USA and Jujuy Province, Argentina;
- the impact of increasing competition in the lithium business;
- unpredictable changes to the market prices for lithium and clay-based organoclay products;
- exploration and development costs for the Cauchari-Olaroz project and the Lithium Nevada project;
- anticipated results of exploration and development activities;
- availability of additional financing;
- the Company's ability to obtain additional financing on satisfactory terms;
- the ability to achieve production at any of the Company's mineral exploration and development properties;
- preparation of a development plan for lithium carbonate production at the Lithium Nevada project; the market price of organoclay, the Company's ability to produce RheoMinerals products at a competitive price and to source sales contracts; and
- the continued growth of the shale gas and ultra-deep oil drilling and lithium industries.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this report including the following: volatility in the market price for minerals; uncertainties associated with estimating mineral resources and mineral reserves, including uncertainties relating to the assumptions underlying mineral resource and mineral reserve estimates; uncertainty of whether there will ever be production at the Company's mineral exploration properties; geological, technical, drilling or processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral extraction operations; fluctuations in currency exchange and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners; unpredictable weather conditions; unanticipated delays at the lithium demonstration plant or at the Fernley Facility or in preparing feasibility studies; the ability to manufacture an organoclay product that meets customer requirements; an increase in the costs of manufacturing organoclay, including the costs of any raw materials used in the process; and a reduction in the demand for shale or ultra-deep drilling.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this report are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.