

## Extractive Sector Transparency Measures Act - Annual Report

<b>Reporting Entity Name</b>	Lithium Americas Corp.					
<b>Reporting Year</b>	<b>From</b>	01/01/2017	<b>To:</b>	31/12/2017	<b>Date submitted</b>	30/05/2018
<b>Reporting Entity ESTMA Identification Number</b>	E517256		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
<b>Other Subsidiaries Included</b> (optional field)						
<b>Not Consolidated</b>						
<b>Not Substituted</b>						
<b>Attestation Through Independent Audit</b>						
<p><i>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(ies) 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.</i></p> <p><i>The auditor expressed an unmodified opinion, dated 2018-05-29, on the ESTMA Report for the entity(ies) and period listed above.</i></p> <p><i>The independent auditor's report can be found at <a href="http://www.lithiumamericas.com/investors/estma">www.lithiumamericas.com/investors/estma</a>.</i></p>						
<b>Full Name of Director or Officer of Reporting Entity</b>	Eduard Epshtein			<b>Date</b>	30/05/2018	
<b>Position Title</b>	CFO					

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<b>Reporting Entity Name</b>	Lithium Americas Corp.				<b>Currency of the Report</b>	USD
<b>Reporting Entity ESTMA Identification Number</b>	E517256					
<b>Subsidiary Reporting Entities (if necessary)</b>	0					

### Payments by Payee

Country	Payee Name <sup>1</sup>	Departments, Agency, etc... within Payee that Received Payments <sup>2</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes <sup>34</sup>
United States of America	Federal Government of the United States of America	Bureau of Land Management			413,000					413,000	

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<b>Reporting Entity Name</b>	Lithium Americas Corp.						<b>Currency of the Report</b>	USD		
<b>Reporting Entity ESTMA Identification Number</b>	E517256									
<b>Subsidiary Reporting Entities (if necessary)</b>	0									
<b>Payments by Project</b>										
Country	Project Name <sup>1</sup>	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes <sup>23</sup>
United States of America	Thacker Pass Project (Formerly Stage 1 of Lithium Nevada project)			413,000					413,000	

## Introduction

Lithium Americas Corp. and its subsidiaries (collectively the “Company” or “LAC”) has prepared the following consolidated report (“the Report”) of payments made to government entities for the year ended December 31, 2017 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 (US\$) and has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications.

The following is a summary of 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, if any, 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 Report. Payments to the “same payee” that meet or exceed CA\$100,000 (US\$77,000) in one category of payment are disclosed.

### **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 also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Indigenous groups and organizations within Canada and in other jurisdictions may be regarded as governments for purposes of qualifying as a payee under the Act. However, the Act deferred the requirement to report on payments made to Indigenous governments in Canada, with reporting on these payments commencing on June 1, 2017. The Act does require that payments to foreign Indigenous governments be reported prior to June 1, 2017. For the year ended December 31, 2017, there were no reportable payments to an Indigenous payee.

### **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 that are required to be reported include corporate income taxes, resources taxes, property taxes, and other levied taxes, excluding consumption, personal income taxes and taxes withheld by the Company on behalf of others.

For the year ended December 31, 2017, 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 year ended December 31, 2017, 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 year ended December 31, 2017, 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 year ended December 31, 2017, 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 year ended December 31, 2017, 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 year ended December 31, 2017, 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 the following 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.

### ***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’s reportable payments to payees by the Joint Venture did not exceed the reporting threshold in 2017 and were not included in its Report.



May 29, 2018

## **Independent Auditor's Report**

### **To the Audit Committee of 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 year ended December 31, 2017, 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 notes, 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 “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 year ended December 31, 2017 is prepared, in all material respects, in accordance with the basis of accounting described in the note “Basis of Preparation”.

**Basis of accounting**

Without modifying our opinion, we draw attention to the note “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.

*/s/ PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**