

With The Need For Lithium On The Rise Due To Its Use In Batteries For Electronics Such As Cell Phones And Electric Cars, Lithium Americas Corp. Is In The Right Industry At The Right Time Developing Its Project In Mining Friendly Argentina

**Resources
Exploration - Lithium
(TSX: LAC)**

Lithium Americas Corp.

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**Waldo A. Perez, Ph.D. Geo
President, CEO and Director**

BIO:

- Dr. Perez has 24 years of academic and industry experience in mineral exploration in South America
- Has directed project generation for Barrick Gold Corp and IAMGold Inc., throughout South America, including Peru, Chile, Paraguay and, more extensively, Argentina
- Previously President, CEO and Director of Latin American Minerals Inc.

Company Profile:

Lithium Americas Corp. is a company focused on the development of lithium and potash projects in Argentina. The company has completed an extensive 53 hole exploration drilling program - identifying one of the largest known lithium brine deposits in the world. Now in the development phase, a preliminary economic assessment is targeted for Q1 2011. With the electrification of the automobile using lithium ion battery technology well underway, the company is in an enviable position having Magna International and Mitsubishi Corporation as equity shareholders in the company, in addition to both having off-take arrangements with Lithium Americas.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Perez, you have a long history in the industry, what attracted you to this particular project?

Mr. Perez: A group of investors were looking for potash projects, and we suggested that they focus within the Puna Plateau (an area where the borders of Argentina, Chile, and Bolivia are in close proximity). In this area, potash is known to be found in salt lakes, with some of the salt lakes also having the potential to contain lithium. We toured the entire region and discovered that it had more lithium potential than potash potential. We will continue looking for potash, but the market for lithium has started to develop thanks to the significant demand expected to arise from the electric car (including the hybrid) and the technologies related to the batteries that they run on. So as usually happens in this business it was a mixture of good fortune and good luck that we did our work at the right time and found the right market.

CEOCFO: Would you tell us about your properties?

Mr. Perez: Lithium Americas is focused on the development of lithium and potassium projects in South America. The Company currently has rights to approximately 145,000 hectares in five salt lakes in the Jujuy and Salta Provinces of Argentina. The Company's principal and most advanced property comprises a significant portion of two adjacent Argentinian salt lakes, Cauchari and Olaroz, covering 64,572 hectares located in the Puna Plateau. The Company holds additional exploration prospects within 3

other salt lakes in the Puna Plateau, aggregating to approximately 80,000 ha.

CEOCFO: What is happening on the ground today at your properties?

Mr. Perez: We just completed our advanced exploration project, and have now transitioned into the development phase of the project. What we are doing today on the ground is pumping the core via a large diameter well, which has the capacity to extract large volumes of brine from the ground. We need to know how many holes will be needed to put the project into production. We have also completed the construction of our on-site pilot evaporation pond and test laboratory facilities. The importance of this is because when you have for example a copper mine, you can actually go and take a tonne of rock, send it to a laboratory and that lab will actually process the ore faster than you would do at the mine. However, lithium brine is processed using evaporation technology, so you have to process the brine at your actual site to take into account the exact weather conditions associated with your project (ie sun, wind, rain). That is the only way to know if you are on the right path. Processing lithium from brine is different from processing it from hard rock, where you can test your process always in labs. Here you have to process on-site, so you basically have to build a lab on-site. Therefore, we are very advanced in the processing part. We have completed our exploration and we are really on track.

CEOCFO: You have a very experienced team; would you tell us a little about the expertise?

Mr. Perez: The team that we have put together is coming from different compa-

nies such as Barrick Gold. Basically, we have a combination of very experienced geologists and geophysicists, along with an engineering team that combines our own engineers with those of ARA WorleyParsons. ARA WorleyParsons is the international engineering firm that built the largest lithium brine processing facility in the world, so they are an excellent resource to have engaged to assist us in our development. The caliber of our team is definitely a key factor in why we were able to advance the project so quickly.

CEOCFO: We know the demand for lithium is increasing; what is the supply like worldwide?

Mr. Perez: The demand for lithium really depends on the consumption of batteries. Today, we have Blackberrys, handheld tools and all kinds of electronic equipment that requires lithium, which is used in the batteries. In addition, you have the electric cars and if they become a reality over the next couple of years, then their will be a significant increase in the need for the supply of lithium. So it is a very unique situation. Usually most industries have an appropriate amount of competition, where many companies supply the market. Currently in the lithium industry, there are only a few suppliers providing product to many large manufacturers.

Therefore, we will see in the next several years (between 2014 and 2017), new lithium mines come into production in order to keep up with the demand for batteries used in these electronic devices and cars.

CEOCFO: Do you own your project 100% or do you have it as a joint venture?

Mr. Perez: Yes we own our projects 100%.

CEOCFO: What is the financial picture like for the company today?

Mr. Perez: We recently completed our IPO where we raised \$45 million. Last year, we raised about \$20 million as a private company. So we raised a total of about \$65 million and that is expected to

be enough funding to get us through the completion of our final feasibility, expected to be completed in Q4 2011. As it relates to the funding required for the capital costs to actually build our mine, we are in the enviable position of having Mitsubishi Corporation and Magna International as shareholders in our company, in addition to both having off-take arrangements which are conditional on arranging for project financing of the mine. Although we already have 2 arrangements with Mitsubishi Corporation and Magna International, we continue to explore opportunities with other companies to buy our products because lithium is not like gold that can be sold on the corner. So you need a buyer for the lithium and in our case we have a couple of arrangements already and we are searching for more.

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CEOCFO: Are you still doing anything with potash or other resources

Mr. Perez: Potash is actually a by-product of lithium production, so it is expected to account for approximately 20% of our revenue. We are expecting to be one of the first potash producers in Argentina.

CEOCFO: Is the investing community paying attention?

Mr. Perez: Absolutely! We have an institutional investor road show scheduled for Europe next week, and we were in Asia for an industry conference last week. In addition, we have been doing numerous interviews and participating in many industry panel discussions. We have re-

ceived a lot of interest in our company and what we are doing.

CEOCFO: In closing, there are a number of companies working with lithium; why should potential investors choose Lithium Americas out of the crowd?

Mr. Perez: We are an advanced stage company that will be able to get product to the market. There are so many things that an investor has to think about when evaluating a project. First of all, you have to have the assets and the assets have to have the grade. You also have to take into account if your project has high levels of magnesium, because magnesium is a barrier to economic lithium production. It is also important to know if the brine is going to be extractable and amenable to processing. The other thing that investors have to take into account is the location

of the property and if the infrastructure is in place. In our case, our project has excellent logistical infrastructure as we are located on a paved international highway connected to a port facility in Chile. The third element that you have to take into account is if there is a friendly political climate and favorable mining laws. Our project is located in Argentina. Argentina already has a lithium company in production and has numerous mining friendly provinces. However, in some place like Bolivia, there is no infrastructure in place

and politically it is very toxic for mining. Finally, is there appropriate weather, because the weather is key to the lithium evaporation process. This is because the weather has to be dry enough to be able to process the brine. Therefore, all of these aspects have to be taken into account for an investor to decide where to put their money and we have all of those aspects. We have the right environment, with the right weather, the right chemistry, and we have right strategic investors in Mitsubishi Corporation and Magna International. Finally, we are the most advanced lithium brine exploration company. Not only do we have the assets, but we have also completed a NI 43-101 inferred resource identifying that we have one of the largest lithium brine deposits in the

world, and we will be upgrading our resource estimate to indicated and measured before the end of the year. My final

point is that these projects are very expensive to develop from an exploration perspective. Over the last 18 months, we

have spent approximately \$30 million advancing the project to where it is today, and that type of money is hard to raise.



Evaporation Ponds



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