

Condensed consolidated interim financial statements of

Lithium Americas Corp.

FOR THE NINE-MONTH PERIOD AND QUARTER ENDED NOVEMBER 30, 2011

(Unaudited)

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Lithium Americas Corp.

November 30, 2011

Table of contents

Condensed consolidated interim statements of loss	1
Condensed consolidated interim statements of comprehensive loss	2
Condensed consolidated interim statements of financial position	3
Condensed consolidated interim statements of changes in equity	4
Condensed consolidated interim statements of cash flows	5
Notes to the condensed consolidated interim financial statements	6-19

Lithium Americas Corp.

Condensed consolidated interim statements of loss

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amounts - unaudited)

		Three months ended		Nine months ended	
		Nov. 30, 2011	Nov. 30, 2010	Nov. 30, 2011	Nov. 30, 2010
	Notes	\$	\$	\$	\$
Interest revenue		41	101	180	167
Net foreign exchange gains		-	54	537	62
Employee benefits expense		(371)	(208)	(1,224)	(592)
Professional fees		(148)	(111)	(472)	(435)
Administrative expenses		(256)	(376)	(1,157)	(1,006)
Consulting expenses		(135)	(114)	(477)	(221)
Share-based payment expense	4	(259)	(630)	(1,210)	(2,251)
Depreciation expense	5	(105)	(76)	(289)	(200)
Loss before tax		(1,233)	(1,360)	(4,112)	(4,476)
Loss for the period		(1,233)	(1,360)	(4,112)	(4,476)
Loss per share, basic and diluted		(0.02)	(0.02)	(0.05)	(0.07)
Weighted average number of shares outstanding		77,216	73,725	76,551	67,046

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

Lithium Americas Corp.

Condensed consolidated interim statements of comprehensive loss

November 30, 2011

(Expressed in thousands of Canadian dollars - unaudited)

	Three months ended		Nine months ended	
	Nov. 30, 2011	Nov. 30, 2010	Nov. 30, 2011	Nov. 30, 2010
	\$	\$	\$	\$
Loss for the period	(1,233)	(1,360)	(4,112)	(4,476)
Other comprehensive loss:				
Foreign exchange difference on translating foreign operations with a different functional currency				
Foreign exchange differences arising during the period	(1,387)	(816)	(3,619)	(942)
Total comprehensive loss for the period	(2,620)	(2,176)	(7,731)	(5,418)

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

Lithium Americas Corp.

Condensed consolidated interim statements of financial position

November 30, 2011

(Expressed in thousands of Canadian dollars - unaudited)

		As at November 30, 2011	As at February 28, 2011
ASSETS	Notes	\$	\$
Non-current assets			
Property, plant and equipment	5	1,160	754
Property rights and exploration costs	6	35,914	28,390
Total non-current assets		37,074	29,144
Current assets			
Cash and cash equivalents		11,485	25,801
Investments	7	1,006	-
Other assets	8	356	108
Total current assets		12,847	25,909
Total assets		49,921	55,053
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	4	56,444	53,772
Reserves		4,764	8,277
Deficit		(12,529)	(8,417)
Total equity		48,679	53,632
Current liabilities			
Accounts payable and accrued liabilities		1,140	1,048
Due to related parties	9	102	373
Total current liabilities		1,242	1,421
Total liabilities		1,242	1,421
Total equity and liabilities		49,921	55,053

Approved by the Board of Directors on January 12, 2012.

"David D'Onofrio" Director

"Waldo Perez" Director

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

November 30, 2011

(Expressed in thousands of Canadian dollars - unaudited)

	Notes	Issued capital	Warrants reserve	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance, February 28, 2011		53,772	7,925	3,823	(3,471)	(8,417)	53,632
Loss for the period		-	-	-	-	(4,112)	(4,112)
Other comprehensive loss for the period		-	-	-	(3,619)	-	(3,619)
		53,772	7,925	3,823	(7,090)	(12,529)	45,901
Stock options exercised	4	68	-	(30)	-	-	38
Warrants exercised	4	2,604	(1,171)	-	-	-	1,433
Recognition of share based payments:		-	-	-	-	-	-
- expensed	4	-	-	1,210	-	-	1,210
- capitalized	4	-	-	97	-	-	97
Balance November 30, 2011		56,444	6,754	5,100	(7,090)	(12,529)	48,679
Balance, February 28, 2010		12,845	6,675	1,347	(279)	(2,626)	17,962
Loss for the period		-	-	-	-	(4,476)	(4,476)
Other comprehensive loss for the period		-	-	-	(942)	-	(942)
		12,845	6,675	1,347	(1,221)	(7,102)	12,544
Initial public offering		45,000	-	-	-	-	45,000
Issue of broker warrants		-	1,250	-	-	-	1,250
Share issue costs:							
- warrants issued to brokers		(1,250)	-	-	-	-	(1,250)
- paid in cash		(3,669)	-	-	-	-	(3,669)
Stock options exercised		253	-	(103)	-	-	150
Recognition of share based payments:							
- expensed	4	-	-	2,251	-	-	2,251
- capitalized	4	-	-	147	-	-	147
Balance, November 30, 2010		53,179	7,925	3,642	(1,221)	(7,102)	56,423

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

Lithium Americas Corp.

Condensed consolidated interim statements of cash flows

November 30, 2011

(Expressed in thousands of Canadian dollars - unaudited)

		Nine months ended November 30,	
		2011	2010
	Notes	\$	\$
Cash flows from operating activities			
Loss for the period		(4,112)	(4,476)
Net foreign exchange gains		(537)	(62)
Depreciation expense	5	289	200
Interest revenue		(180)	(167)
Loss on disposal of equipment		14	-
Expense recognized in respect of equity-settled share-based payments expense	4	1,210	2,251
		(3,316)	(2,254)
Movements in working capital			
Decrease (increase) in other assets		(248)	(60)
Increase (decrease) in accounts payable and accrued liabilities		92	776
Increase in amounts due to related parties		(271)	200
		(3,743)	(1,338)
Cash interest received	15	175	167
Net cash used by operating activities		(3,568)	(1,171)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(809)	(531)
Purchase of investment	7	(1,000)	-
Acquisition of property rights, exploration and evaluation costs	6	(10,017)	(18,010)
Net cash used in investing activities		(11,826)	(18,541)
Cash flows from financing activities			
Proceeds from the issuance of shares (initial public offering)		-	45,000
Exercise of stock options	4	38	150
Exercise of stock warrants	4	1,433	-
Share issuance costs		-	(3,669)
Net cash generated by financing activities		1,471	41,481
Net decrease in cash and cash equivalents during the period		(13,923)	21,769
Effects of exchange rate changes on cash		(393)	(69)
Cash and cash equivalents at the beginning of the period		25,801	9,064
Cash and cash equivalents at the end of the period		11,485	30,764
Cash		11,325	30,557
Money market instruments		160	207
Cash and cash equivalents at the end of the period		11,485	30,764
Non-cash transactions	11		
Supplemental cash flow information	15		

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

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

1. Nature of operations and going concern

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

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

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

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

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

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

As the Company has not yet achieved profitable operations the Company incurred a loss for the three and nine-month periods ended November 30, 2011 of \$1,233 and \$4,112, respectively, and as at November 30, 2011 reported an accumulated deficit of \$12,529. These conditions, along with other matters relevant to exploration companies, such as continuing losses, dependence upon key individuals and the ability to secure adequate financing, indicate the existence of material uncertainties about the Company's ability to continue as a going concern.

As at November 30, 2011 the Company had \$11,485 in cash and cash equivalents which it believes is sufficient to finance its current operating and exploration and evaluation expenditures for the foreseeable future. Longer term, the Company will pursue opportunities to raise additional capital through debt, equity issuances, or other available means in order to continue funding operating and exploration and evaluation expenditures. However, there can be no assurance it will be able to raise funds in the future.

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

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

These condensed consolidated interim financial statements were approved by the Board of Directors on January 12, 2012.

2. Significant accounting policies

Statement of compliance

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

Basis of preparation

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

3. Segment information

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

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

	As at November 30, 2011			As at February 28, 2011		
	Canada	Argentina	Total	Canada	Argentina	Total
	\$	\$	\$	\$	\$	\$
Non-current assets	3,464	33,610	37,074	2,635	26,509	29,144
Current assets	12,491	356	12,847	25,357	552	25,909
Non-current liabilities	-	-	-	-	-	-
Current liabilities	671	571	1,242	717	704	1,421

for the nine months ended	November 30, 2011			November 30, 2010		
	Canada	Argentina	Total	Canada	Argentina	Total
	\$	\$	\$	\$	\$	\$
Interest revenue	179	1	180	166	1	167
Net foreign exchange gains	537	-	537	62	-	62
Depreciation expense	7	282	289	21	179	200
Share-based payment expenses	1,201	9	1,210	2,236	15	2,251
Loss before tax	(2,841)	(1,271)	(4,112)	(3,739)	(561)	(4,300)
Income tax expense	-	-	-	-	(176)	(176)
Loss for the period	(2,841)	(1,271)	(4,112)	(3,739)	(737)	(4,476)

for the three months ended	November 30, 2011			November 30, 2010		
	Canada	Argentina	Total	Canada	Argentina	Total
	\$	\$	\$	\$	\$	\$
Interest revenue	41	-	41	101	-	101
Net foreign exchange gains	-	-	-	54	-	54
Depreciation expense	3	102	105	8	68	76
Share-based payment expenses	253	6	259	626	4	630
Loss before tax	(825)	(408)	(1,233)	(1,081)	(223)	(1,304)
Income tax expense	-	-	-	-	(56)	(56)
Loss for the period	(825)	(408)	(1,233)	(1,081)	(279)	(1,360)

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

4. Issued capital, warrants and share options

Issued capital

	Note	Number of shares	Amount (in thousands)
			\$
Special shares	(i)		
Balance as at February 28 and November 30, 2011 and 2010		1	1
Common shares	(ii)		
Balance as at February 28, 2010		49,200,000	12,845
Issued for cash (net of broker warrants)	(iii)	24,324,400	40,081
Issued for exercise of stock options	(iv)	299,500	253
Balance as at November 30, 2010		73,823,900	53,179
Issued for exercise of stock options	(v)	683,334	593
Balance as at February 28, 2011		74,507,234	53,772
Issued for exercise of stock options	(vi)	25,000	68
Issued for exercise of warrants	(vii)	2,683,747	2,604
Balance as at November 30, 2011		77,215,981	56,444

(i) Special shares have the right to ensure representation on the board of directors but hold no other voting powers.

(ii) Common shares with no par value carry one vote per share and carry a right to dividends.

(iii) On May 13, 2010 the Company completed an initial public offering of 24,324,400 shares at \$1.85 per share for gross proceeds of \$45,000. As consideration for services provided, underwriters received cash commissions equal to 5.5% of the gross proceeds other than in respect of the value of shares subscribed by Symatec Inc. and Mitsubishi Corporation, for which the cash commission was 3.75%, and 1,300,565 broker warrants. As consideration for services provided, an agent received a cash advisory fee equal to 1.0% of the gross proceeds other than in respect of the value of shares subscribed by Symatec Inc. and Mitsubishi Corporation, for which the cash commission was 0.75%, and 237,918 broker warrants. Each broker warrant entitles the holder to purchase one common share at \$1.85 until May 13, 2012. The fair value of the broker warrants was \$1,251 determined using the Black-Scholes option-pricing model using the following assumptions: expected life - 2 years; volatility - 115%; dividend rate - nil; risk-free interest rate - 1.62%. The Company paid issue costs of \$3,669 (\$3,599 during the three months ended May 31, 2010 and an additional \$69 during the three months ended August 31, 2010), including the commissions and advisory fee noted above.

(iv) For the nine months ended November 30, 2010 a total of 299,500 share options were exercised at \$0.50 for total proceeds of \$150. Pursuant to the exercise of these share options a total of \$103 was reallocated from the share-based payment reserve to share capital.

(v) For the three months ended February 28, 2011 a total of 675,000 and 8,334 share options were exercised at \$0.50 and \$1.50, respectively, for total proceeds of \$350. Pursuant to the exercise of these share options a total of \$243 was reallocated from the share-based payment reserve to share capital.

(vi) For the nine months ended November 30, 2011 a total of 25,000 share options were exercised at \$1.50 for total proceeds of \$38. Pursuant to the exercise of these share options a total of \$30 was reallocated from the share-based payment reserve to share capital.

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

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

Issued capital (continued)

(vii) For the nine months ended November 30, 2011 a total 2,683,747 warrants (1,050,000 at \$0.15, 1,200,000 at \$0.50, 383,747 at \$1.50, and 50,000 at \$2.00) were exercised for total proceeds of \$1,433. Pursuant to the exercise of these warrants a total of \$1,171 was reallocated from the warrants reserve to share capital.

Warrants

The following table provides a summary of common share purchase warrants outstanding at November 30, 2011:

Number	Exercise price	Expiry date	Weighted average remaining contractual life
	\$		
3,641,874	2.00	May 13, 2012	0.40 years
1,538,483	1.85	May 13, 2012	0.40 years
5,180,357			0.40 years

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

	Note	Number	Weighted average exercise price
			\$
Balance as at February 28, 2010		6,325,621	1.38
Issued	(iii)	1,538,483	1.85
Balance as at November 30, 2010 and February 28, 2011		7,864,104	1.47
Exercised	(vii)	2,683,747	0.53
Balance as at November 30, 2011		5,180,357	1.96

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

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

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

Share options

The following table summarizes information about the share options outstanding at November 30, 2011:

Number outstanding	Number vested and exercisable	Exercise price \$	Expiry date	Average remaining contractual life
1,650,500	1,650,500	0.50	August 4, 2014	2.7 years
225,000	225,000	1.50	December 1, 2014	3.0 years
508,334	333,334	1.50	January 25, 2015	3.1 years
1,133,334	400,000	1.85	May 13, 2015	3.5 years
200,000	133,334	1.85	June 21, 2015	3.6 years
200,000	133,334	1.85	July 12, 2015	3.6 years
891,667	583,333	1.73	September 23, 2015	3.8 years
83,334	83,334	1.49	November 16, 2015	4.0 years
450,000	150,000	1.63	June 16, 2016	4.6 years
1,510,000	503,333	1.43	August 24, 2016	4.7 years
6,852,169	4,195,502			3.7 years

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

A summary of the Company's outstanding share options at February 28, 2010, November 30, 2010, February 28, 2011 and November 30, 2011 is presented below:

	Note	Number	Weighted average exercise price \$
Balance as at February 28, 2010		3,450,000	0.82
Granted	(viii, xi)	3,025,000	1.78
Exercised	(iv)	(299,500)	0.50
Balance as at November 30, 2010		6,175,500	1.30
Exercised	(v)	(683,334)	0.51
Balance as at February 28, 2011		5,492,166	1.35
Granted	(x)	1,960,000	1.48
Exercised	(vi)	(25,000)	1.50
Cancelled	(xi)	(250,000)	1.85
Forfeitures	(xi)	(324,997)	1.59
Balance as at November 30, 2011		6,852,169	1.36

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

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

Share options (continued)

- (viii) During the nine months ended November 30, 2010, the Company granted 1,400,000 share options to directors at an exercise price of \$1.85 with an expiry date of May 13, 2015; 200,000 share options to a director at an exercise price of \$1.85 expiring June 21, 2015; 200,000 share options to a director at an exercise price of \$1.85 expiring July 12, 2015.
- (ix) During the three months ended February 28, 2011 the Company granted; 925,000 share options to directors, officers and a consultant at an exercise price of \$1.73 expiring September 23, 2015; 50,000 share options to a director at an exercise price of \$1.85 expiring October 19, 2015; and 250,000 share options to an officer at an exercise price of \$1.49 expiring November 16, 2015.
- (x) During the nine months ended November 30, 2011 the Company granted; 450,000 share options to directors at an exercise price of \$1.63 expiring June 15, 2016; and, 1,510,000 share options to a directors, officers and employees at an exercise price of \$1.43 expiring August 24, 2016.
- (xi) During the nine months ended November 30, 2011, 324,997 share options were forfeited as a result of employee departures. There were also 250,000 share options cancelled during the nine months ended November 30, 2011.

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

Due to the departure of an employee, 166,666 of the November 16, 2010 options were forfeited

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

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

Share options (continued)

	<u>Option series - 2011</u>			
	<u>June</u>		<u>August</u>	
Acquisition date share price	\$	1.51	\$	1.40
Exercise price	\$	1.63	\$	1.43
Expected volatility		95%		93%
Option life		3.00		3.00
Dividend yield		0%		0%
Risk-free interest rate		2.02%		1.40%

	<u>Option series - 2010</u>											
	<u>May</u>	<u>June</u>	<u>July</u>	<u>September</u>	<u>October</u>	<u>November</u>						
Acquisition date share price	\$	1.85	\$	1.60	\$	1.40	\$	1.73	\$	1.85	\$	1.49
Exercise price	\$	1.85	\$	1.85	\$	1.85	\$	1.73	\$	1.85	\$	1.49
Expected volatility		115%		140%		131%		102%		103%		100%
Option life		3.50		2.50		2.50		2.00		2.00		1.83
Dividend yield		0%		0%		0%		0%		0%		0%
Risk-free interest rate		2.51%		1.81%		1.86%		1.59%		1.43%		1.72%

Share options are expensed or capitalized to property rights and exploration costs according to the recipient and respective vesting periods and credited to the share-based payment reserve. For the three months ended November 30, 2011, \$259 (November 30, 2010 – \$630) was expensed and \$21 (November 30, 2010 - \$29) was capitalized to property rights and exploration costs. For the nine months ended November 30, 2011 \$1,210 (November 30, 2010 - \$2,251) was expensed and \$97 (November 30, 2010 - \$147) was capitalized to property rights and exploration costs (Note 6).

Effect on diluted earnings per share

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

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

5. Property, plant and equipment

	Office furniture	Geological and communications equipment	Vehicles	Total
	\$	\$	\$	\$
Cost				
Balance as at February 28, 2011	10	655	385	1,050
Additions	3	805	1	809
Disposals	-	-	(14)	(14)
Effect of foreign exchange differences	(5)	(90)	(23)	(118)
Balance as at November 30, 2011	8	1,370	349	1,727
Accumulated depreciation				
Balance as at February 28, 2011	(1)	(176)	(119)	(296)
Depreciation expense	(2)	(199)	(88)	(289)
Effect of foreign exchange differences	1	11	6	18
Balance as at November 30, 2011	(2)	(364)	(201)	(567)
Carrying amount as at November 30, 2011	6	1,006	148	1,160

Cost				
Balance as at February 28, 2010	2	185	216	403
Additions	9	530	262	801
Disposals	-	-	(50)	(50)
Effect of foreign exchange differences	(1)	(60)	(43)	(104)
Balance as at February 28, 2011	10	655	385	1,050

Accumulated depreciation				
Balance as at February 28, 2010	-	(15)	(14)	(29)
Depreciation expense	(1)	(173)	(114)	(288)
Effect of foreign exchange differences	-	12	9	21
Balance as at February 28, 2011	(1)	(176)	(119)	(296)
Carrying amount as at February 28, 2011	9	479	266	754

The following useful lives were determined:

Office furniture	10 years
Geological and communications equipment	3 years
Vehicles	3 years

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

6. Property rights and exploration costs

	Note	Property rights \$	Exploration Costs \$	Total \$
Balance as at February 28, 2011		3,780	24,610	28,390
Additions by way of the following consideration:				
Cash		1,419	8,598	10,017
Share-options granted	4	-	97	97
Total additions for the nine months ended November 30, 2011				
		1,419	8,695	10,114
Effect of foreign currency exchange differences		(434)	(2,156)	(2,590)
Balance as at November 30, 2011		4,765	31,149	35,914

		Property rights \$	Exploration Costs \$	Total \$
Balance as at February 28, 2010		2,875	7,015	9,890
Additions by way of the following consideration:				
Cash		1,379	19,283	20,662
Share-options granted		-	167	167
Total additions for the year ended February 28, 2011				
		1,379	19,450	20,829
Effect of foreign currency exchange differences		(474)	(1,855)	(2,329)
Balance as at February 28, 2011		3,780	24,610	28,390

7. Investments

During the nine-month period ended November 30, 2011, the Company invested \$1,000 in Government Bonds redeemable at the option of the Company and maturing on June 21, 2016. The bond was redeemed in December 2011. For the nine-month period ended November 30, 2011, the Company earned \$6 in accrued interest from these investments. The Company has classified these investments as financial assets at fair value through profit and loss, and the investments are considered to be Level 1 investments.

8. Other assets

As at	November 30, 2011	February 28, 2011
	\$	\$
Accounts receivable	26	16
Harmonized sales tax receivable	26	-
Deposits and prepaid expenses	304	92
Total other assets	356	108

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

9. Related party transactions

During the nine months ended November 30, 2011 the Company contracted a construction company, Magna Construcciones, related to a director of the Company, for \$368 (November 30, 2010 - \$1,279) of which \$23 was included in due to related parties (February 28, 2011 - \$144). These transactions were in the normal course of business and were measured at the exchange amount established and agreed to by the related parties.

During the nine-month period ended November 30, 2010 the Company shared resources with Latin American Minerals Inc. ("LAT") and paid \$53 to LAT to cover its proportionate share of office expenses. These transactions were in the ordinary course of business and the amounts were mutually agreed upon between the parties. LAT ceased to be a related party subsequent to November 30, 2010.

During the nine months ended November 30, 2010 the Company paid cash in the amount of \$440 plus 237,918 warrants with various terms and expiry dates to PowerOne Capital Market Limited ("PowerOne") as consideration for registered exempt market dealer services. There were no transactions between the Company and PowerOne during the nine months ended November 30, 2011.

During the nine months ended November 30, 2011, a partner of the Company's primary legal counsel became an officer of the Company. During the nine months ended November 30, 2011, the Company incurred legal fees of \$266 of which \$20 was included in due to related parties (February 28, 2011 - \$nil).

Due to related parties

As at	November 30 2011	February 28, 2011
	\$	\$
Magna Construcciones	23	144
Gowling Lafleur Henderson LLP	20	-
Due to Management and Directors	59	229
Total due to related parties	102	373

Compensation of key management personnel and directors

	For the three months ended		For the nine months ended	
	November 30,	2010	November 30,	2010
	2011		2011	
	\$	\$	\$	\$
Short-term benefits	445	298	616	451
Termination payments	-	-	126	-
Share-based payments	684	1,171	1,354	1,791
Total compensation of key management personnel	1,129	1,469	2,096	2,242

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

10. Commitments for expenditures

As at November 30, 2011:

	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
Commitments for:				
Maintenance and acquisition of property rights	1,509	2,121	4,895	8,525
Acquisition of property, plant & equipment	889	-	-	889
Total commitments for expenditures	2,398	2,121	4,895	9,414

Commitments contingent on future events

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

- A further payment of US\$300 (\$306) is contingent upon production commencement;
- The original vendor of the property is entitled to 3% of the net profit of the mining profits from production on the property, which right may be bought out by the Company by the payment of US\$7,000 (\$7,138) at any time.

11. Non-cash transactions

During the nine months ended November 30, 2011, the Company has entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

The capitalization of share-based payment amounts to property rights and exploration and evaluation costs in the amount of \$97 (November 30, 2010 - \$147). Refer to notes 4 and 6.

12. Subsidiaries

At November 30, 2011 and 2010, the Company held a 100% beneficial ownership in its subsidiary, Minera Exar S.A. The subsidiary is incorporated in Argentina and its principal activity is the exploration and evaluation of mineral properties.

At November 30, 2011, the Company also held a 100% ownership in its subsidiary, 2265866 Ontario Inc. The subsidiary is incorporated in Ontario and held 11% of the Company's 100% ownership in its subsidiary, Minera Exar S.A.

13. Financial instruments

Capital and risk management

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

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

13. Financial instruments (continued)

Capital and risk management (Continued)

Company's defined exploration programs and to meet its ongoing administrative costs. As at November 30, 2011, total equity was \$48,679 (February 28, 2011 - \$53,632).

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

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

Liquidity risk management

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

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

As at				November 30,	February 28,
				2011	2011
	Less than	3 months			
	1 month	1-3 months	to 1 year	Total	Total
	\$	\$	\$	\$	\$
Accounts payable					
accrued liabilities	-	1,140	-	1,140	1,048
Due to related parties	59	43	-	102	373
	59	1,183	-	1,242	1,421

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

Foreign currency risk management

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash. As at November 30, 2011, the cash and cash equivalents balance was \$11,485 (February 28, 2011 - \$25,801). The Company's cash and cash equivalents are denominated in the following currencies:

As at	November 30, 2011	February 28, 2011
	\$	\$
Denominated in Canadian dollars	11,155	25,179
Denominated in US dollars	126	92
Denominated in Argentine pesos	204	530
Cash and cash equivalents	11,485	25,801

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

13. Financial instruments (continued)

Foreign currency risk management (continued)

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by maintaining low levels of foreign currencies and related obligations. The carrying amounts of the Company's foreign currency denominated assets and monetary liabilities in Canadian dollars are:

As at	November 30 2011		February 28, 2011	
	Assets	Liabilities	Assets	Liabilities
	\$	\$	\$	\$
Argentine pesos	438	543	546	709
United States of America dollars	126	60	92	162

Based on the above balances, had the Canadian Dollar strengthened/weakened by 5% against the Argentine peso, the Company's equity would have been \$5 higher/lower (February 28, 2011 - \$8 higher/lower). If the Canadian Dollar strengthened/weakened by 5% against the United States of America dollar, the Company's equity would have been \$3 lower/higher (February 28, 2011 - \$4 higher/lower).

Interest rate risk management

The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank balances. At present rates, the impact on interest income is minimal.

Credit risk management

The Company's main credit risk arises from its cash deposit with banks. The Company limits its counterparty credit risk on its deposits by dealing only with financial institutions with high credit ratings. The Company is also exposed to credit risk on other assets. Refer to note 14 for maximum exposure on these balances.

14. Categories of financial instruments

	November 30, 2011	February 28, 2011
	Carrying amount	Carrying amount
	\$	\$
Financial assets		
Fair valued through profit and loss		
Investments	1,006	-
Loans and receivables		
Cash and cash equivalents	11,485	25,801
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	1,140	1,048
Due to related parties	102	373

Lithium Americas Corp.

Notes to the condensed consolidated interim financial statements

November 30, 2011

(Expressed in thousands of Canadian dollars, except per share amount - unaudited)

14. Categories of financial instruments (continued)

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

15. Supplemental cash flow information

During the nine months ended November 30, 2011 the Company received cash interest receipts of \$175 (November 30, 2010 - \$167) and made nil cash interest payments (November 30, 2010 - nil).

16. Subsequent events

In January 2012, the Company announced that it has secured a \$10 million stand-by credit facility ("Credit Facility") from a syndicate of Lenders comprised of significant shareholders of the Company, with the Lenders collectively owning approximately 38% of the Company's outstanding shares. Under the Credit Facility, the Company has the ability to draw down amounts in increments of \$2 million, with repayment of any draw down to be made by January 6, 2015. Any amounts drawn down will bear interest at 9% per annum, payable semi annually in arrears. In consideration for the Lenders' commitment under the Credit Facility, the Company has agreed to issue the Lenders, in aggregate, 2 million common share purchase warrants of the Company (the "Warrants"). Each Warrant is exercisable into one common share of the Company until January 6, 2015 at a price of \$1.68 (the "Exercise Price"). The Exercise Price is equal to 125% of the volume weighted average price of the Company's common shares over the 20 trading days immediately preceding the date of the Credit Facility. The Credit Facility contains certain positive and negative covenants typical of a transaction of this nature including covenants to not encumber the Company's properties without lender consent and to grant a general security agreement providing a fixed and floating charge over all of its assets if requested by not less than 50% of the number of lenders or in the case of a material adverse change in its assets or performance.