



**LITHIUM  
AMERICAS**

**Developing One of the World's Largest  
and Lowest Cost Lithium Operations**

## Quick **FACTS**

### Company Highlights:

- World's 3rd Largest lithium brine resource with reserve estimate large enough to support a 40-year project life confirmed by feasibility study
- Advanced stage project – battery grade lithium carbonate produced by pilot plant and shipped to potential customers for qualification
- Favorable project economics – recently completed positive definitive feasibility study projects 23% IRR with total revenues of \$6.6 billion and a pre-tax net present value of \$738 million.
- Mine construction anticipated to commence in 2013 with commercial production beginning in 2015.
- Two strategic investors with off-take arrangements; Mitsubishi Corporation and Magna International collectively own approximately 17% of the shares outstanding with the option to purchase up to 37.5% of the Company's future lithium production, subject to providing debt financing to construct the project
- Long term land agreements secured
- Environmental and social baseline studies completed
- Environmental impact statement recommended for approval – final project approval in process
- Near Term Milestones
  - Granting of final project approval by Provincial Government
  - Finalization of project financing with strategic partners

Lithium Americas is developing one of the world's largest and lowest cost lithium operations – with rights to over approximately 165,000 hectares (ha) in five salt lakes in the Jujuy and Salta Provinces of Argentina. The company's main property (about 83,000 ha) comprises a significant portion of two adjacent salt lakes Cauchari and Olaroz.

Based on the company's recently completed Feasibility Study, the Cauchari-Olaroz property hosts the third largest known lithium brine resource in the world. The reserve estimate was based on exploration results obtained from approximately one-third of the main property, with all drill holes still open at depth – suggesting the potential to significantly increase the size of the resource estimate in the future. The FS concludes that the company's lithium project has favorable economic potential, supported by a number of factors including its proximity to established energy and transportation infrastructure, the size and quality of the brine resource, and availability of fresh water on site, which combined are expected to produce one of the lowest cost lithium projects in the industry.

**LITHIUM AMERICAS CORP**

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Shares Outstanding:

77,290,981

52 Week Trading Range:

Hi: C\$1.70 Low: C\$0.70



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Corporate  
Presentation



## Lithium Americas Completes Feasibility Study, Confirming Cauchari-Olaroz Project as World's 3rd Largest Lithium Brine Resource



**Battery Grade Lithium Carbonate Operating Costs Expected to be One of the Lowest in the Industry, and Significantly Lower than Hard Rock Lithium Projects**

**Mitsubishi, Magna International are Strategic Investors in Project that has Projected Revenues of \$6.6 Billion and \$4.3 Billion EBITDA**

There is now no question that Lithium Americas Corp. (TSX: LAC; OTCQX: LHMAF) has a world-class deposit of lithium, a resource critical in the development of high-capacity, long-lasting batteries used by so much of modern technology.

Lithium Americas' feasibility study, filed in July, confirmed the company has identified the world's 3rd largest lithium brine resource, and that its reserve estimate is large enough to support a 40 year project life based on the company's stage 1 and stage 2 production plan.

According to the updated resource estimate, the Cauchari-Olaroz resource is estimated to contain 2.7 million tonnes of proven and probable lithium carbonate reserves as well as a measured and indicated lithium carbonate resource of 11.8

million tonnes. Adding further value to the property is approximately 8.0 million tonnes of proven and probable potash reserves (35.3 million tonnes measured and indicated). Given the large size of the resource, the company plans to develop the project in 2 stages, with each stage consisting of a 20,000 tonne per annum lithium carbonate facility and a 40,000 tonne per annum potash facility.

The extremely positive definitive feasibility study addressed just the first stage of the lithium project, projecting an impressive 23% IRR with total revenues of \$6.6 billion and a pre-tax net present value of \$738 million. Stage 2 is expected to significantly add to the already robust financials associated with stage 1.

"We have now confirmed our

battery grade lithium carbonate operating costs will be one of the lowest in the industry, that our reserve estimate is large enough to allow us having an extremely long project life, and that our project is projected to generate robust financial returns," says Lithium Americas President and CEO Waldo Perez. "This is the result of three years of hard work that has allowed us to identify a world class project in an industry with significant expected demand growth over the foreseeable future."

Furthermore, the company has already constructed its pilot plant and successfully produced battery grade lithium carbonate samples. These samples have been sent globally to potential customers for qualification purposes.

## Lithium Production Planned to Begin in 2015

The future value of Lithium Americas' Cauchari-Olaroz project was recognized early by Mitsubishi Corporation and Magna International, which collectively hold 17% of the company's shares. Both Mitsubishi and Magna are global industry leaders intent on securing a guaranteed supply of lithium vital to their development of electric car batteries. And Lithium Americas certainly has a lot of lithium.

Now the company is about to begin negotiations with these and other key investors for the \$314 million in capital needed to commence construction in 2013 of the infrastructure and facilities to commercially produce, beginning in 2015, a projected 20,000 tonnes of lithium carbonate and 40,000 tonnes of potash annually. Lithium Americas plans to double that production rate by 2022, subject to completion of a positive Stage 2 feasibility study and construction of an expanded plant.

Lithium Americas has secured a long term land use agreement with area aboriginal communities, agreeing to pay annual fees over 30 years, provide employment priority for individuals in the communities, and to help develop local service providers.

The company has also completed an Environmental and Social Baseline Study, and its Environmental Impact Statement has been recommended for approval by the provincial environmental agency. The final project approval process is underway and expected to be finalized shortly.

### Lithium Project Strategically Located

Lithium Americas' Cauchari-Olaroz property in Argentina encompasses a significant portion of two adjacent salt lakes, now proven to contain the world's third largest known lithium brine resource.

The project could not be located in a better place for lithium production – adjacent to a paved international highway and 50 km from a natural gas pipeline. Situated in the heart of the Puna Plateau, the area is home to 80% of the world's lithium brine reserves, which today are the dominant raw material for low-cost lithium carbonate production worldwide. Salar de Atacama in Chile, the world's largest lithium producing salt lake, is just 200 km to the west of Lithium Americas' property, while the



### – LITHIUM AMERICAS –

#### ON THE ROAD TO BECOMING A PURE LITHIUM PLAY, LOW COST LITHIUM PRODUCER

The demand for lithium is expected to more than double over the next 10 years, after already doubling over the past decade. Historical growth was driven largely by small format lithium-ion batteries – the rechargeable batteries used in many consumer devices such as cell phones, laptops, digital cameras, and hand held power tools.

Future growth in lithium demand is expected to come from continued growth in the small format lithium-ion battery and from new demand for large format lithium-ion batteries used in applications such as hybrid, plug-in-hybrid, and full electric vehicles, as well as for battery applications in the utility grid storage industry.



Although the demand growth for lithium is largely attributable to the battery industry (lithium demand for batteries had a 28% compound annual growth rate (CAGR) from 2000-2009, while the total demand for lithium had a 6% CAGR over the same period), lithium has many other end uses.

The fact that lithium has numerous end-use markets diversifies the market risk from dependence on any one industry.

Four companies – Talison, SQM, Chemetall, and FMC – account for producing about 85% of the world's total lithium supply. Of these, Talison is the only pure-play lithium company. Talison is a "hard rock" producer, while the other three are "brine" producers. Hard rock production is typically twice as expensive as brine production. And while the other three are lower cost brine producers, they are not pure-play lithium companies. In fact, it is estimated that lithium revenue typically represents less than 20% of each firm's total revenue

Lithium Americas has the best of both groups – given the size of its project, the company is clearly a pure lithium play. Add to that Lithium Americas is expected to become a very low cost brine producer, and the role this company will soon play in the worldwide market becomes markedly apparent.



second largest, Salar del Hombre Muerto, is about the same distance to the south in Argentina.

One factor that makes Lithium Americas' project so impressive is that the resource estimate is based on only one-third of the ~ 83,000 hectare (~ 640 square miles) Cauchari-Olaroz property. Drill holes in the identified resource area remain open at depth. Lithium Americas total land package of over 165,000 hectares includes three other salt lakes on Argentina's Puna Plateau.

"There is a tremendous potential to increase the size of our lithium deposit in the future," says Perez.

### Rechargeable Lithium Battery Market Could Reach \$21.4 Billion by 2017

In 2011, demand for rechargeable lithium batteries sharply boosted their market share over other types of batteries in cellular telephones, cordless tools, MP3 players, and portable computers and tablets, according to the U.S. Geological Survey.

That trend is expected to continue in the future, with the global market for rechargeable batteries projected to reach \$21.4 billion by 2017, according to a recent report by Global Industry Analysts. That growth will be driven largely by the vehicle market, where demand for lithium-ion batteries is expected to grow exponentially for use in hybrid and fully electric cars, electric bikes, and buses.

Another potentially huge and growing market for lithium batteries is for electrical power storage to ease demand on grids serving major cities. Just consider that electrical grid batteries are capable of storing enough electricity to power 20 million cell phones and such batteries are already being used in major cities in North America, Europe and Asia.

"Lithium's many uses diversify the risk from concentration on only



Lithium grades in brine expected to hold for 40+ years.

one industry," says Perez. "Over the past 10 years, lithium prices have nearly tripled and demand for lithium is expected to more than double over the next 10 years."

### Strong Leadership Team

Lithium Americas' management team is not wasting any time bringing their project to full development. That is not surprising, given their strong track records in the mining, financial and automotive sectors. The team includes:

- Dr. Waldo Perez, a professional geologist, who has more than 24 years of academic and industry experience in mineral exploration in South America, directing projects for Barrick Gold Corp. and IAMGold, Inc.

- Omar Salas, Chief Financial Office, who has 25 years of international financial and operational experience in the mining industry, including eight years with Placer Dome, as well as extensive experience in South America.

- Hugo Barrientos, Engineer Project Manager, who has worked for over 20 years with major multinational companies, including as

chief project engineer for SQM, the world's largest lithium carbonate producer.

- Tom Hodgson, the company's Executive Chairman, has over 30 years of international experience in capital markets, finance, and M&A, and previously served as a consultant and advisor to Magna International.

### Investment Considerations

Lithium Americas basically has everything an emerging lithium producer and its investors could possibly wish for – a massive deposit of a critical commodity in an established area with excellent infrastructure, an incredibly long projected mine life with tremendous blue sky potential, a projected 65% operating margin, and globally recognized strategic investors with deep pockets who could potentially provide financing for much of the project's capital costs. Significantly, the company plans to be in production just as the worldwide demand for lithium is expected to skyrocket.

The lithium market is dominated by four companies who are now approaching their production limits. World demand is expected to be double that of current production capacity by 2020 and nearly triple by 2025. When you consider that future shortage and that lithium currently sells for more than \$6,000 a tonne compared to Lithium Americas' net operating cost of only \$1,332 per tonne, Lithium Americas is enjoying a tremendous profit opportunity.

"From everyday products like iPads and smartphones, to electric vehicles, to massive batteries for grid storage, consider that Lithium Americas is part of the supply chain that makes all these products possible," Perez says. "Lithium is vital to future technologies and we have lithium in abundance."

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