Lithium Americas Announces Completion of Positive Definitive Feasibility Study

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- Updated Measured & Indicated Resource Estimate Validates and Increases the Previous Estimate and Confirms Cauchari-Olaroz as the World's Third Largest Lithium Brine Resource

- The Estimated Reserve supports a 40 Year Project Life based on the Company's Stage 1 and Stage 2 Production Plan

- Battery Grade Lithium Carbonate Operating Costs Remain one of the Lowest in the Industry, and Significantly Lower than Hard Rock Lithium Projects

- Robust Project Economics Outline Stage 1 Project Revenue of US$6.6 Billion and EBITDA Margin of 65%

- Stage 1 Project NPV Increases by more than 40% vs. Initial PEA Results (at 8% pre-tax discount rate) to US$738 million

TORONTO, ONTARIO -- (Marketwire) -- 06/18/12 -- Lithium Americas Corp. (TSX: LAC)(OTCQX: LHMAF) ("Lithium Americas" or the "Company"), is pleased to announce the results of a National Instrument ("NI") 43-101 compliant report with the definitive Feasibility Study ("FS") for its Cauchari-Olaroz lithium and potash brine project in Argentina. A conference call will be held today at 10:00am Eastern Standard Time to discuss the FS results (see details below).

The FS was prepared by the independent engineering firm ARA WorleyParsons ("ARAWP"), the hydrogeologic modelling experts AquaResource a division of Matrix Solutions Inc., ("AQR"), and by hydrogeology expert Groundwater Insight ("GWI"). The FS builds upon the Company's Preliminary Economic Assessment ("PEA"), also prepared by ARAWP and GWI and filed in May 2011, and is expected to be the first FS prepared for a lithium brine project to be filed in SEDAR. According to the Reserve Estimate outlined in the FS, Lithium Americas' Cauchari-Olaroz property has proven and probable reserves sufficient to operate at a production rate of up to 40,000 tonnes per annum ("TPA") of lithium carbonate and up to 80,000 TPA of potash for 40 years, which would include an initial five year ramp-up period. Consistent with the Company's previously released PEA, Lithium Americas' business plan is to build the project in two Stages, with each Stage consisting of a 20,000 TPA lithium carbonate facility and a 40,000 TPA potash facility. ARAWP has developed the Stage 1 results at a FS level (+/- 15%). The second Stage is not expected to commence until 2018 and it will be the subject of a separate study to be undertaken by the Company. Stage 2 is expected to improve the already robust project financials for Stage 1, as outlined in the FS. No estimated financial results associated with Stage 2 are included in the FS results identified below.

FS BASE CASE HIGHLIGHTS
Stage 1 20,000 TPA Lithium Carbonate and 40,000 TPA Potash Production

Pre-Tax Net Present Value ("NPV") @ 8% Discount Rate	US$ 738 million
Pre-Tax Internal Rate of Return ("IRR")	23%
Net Cash Operating Costs (per tonne of Lithium Carbonate)(i)	US$ 1,332
Project Revenue	US$ 6.6 billion
Project EBITDA(ii)	US$ 4.3 billion or 65%
Initial Capital Expenditure (lithium)	US$ 269 million
Initial Capital Expenditure (potash)	US$ 45 million
Revenue Generation Commences	Year 2015

(i) Cash operating margin benefits of potash are deducted from the cash operating costs of lithium carbonate
(ii) EBITDA is defined as net income before income tax expense, depreciation and amortization, and net interest expense

"Completion of the FS is a significant milestone for the development of our Cauchari-Olaroz project," stated Waldo Perez, President and CEO of Lithium Americas. "We have now confirmed that 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. This is the result of 3 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."

Mineral Reserves and Resources

Lithium Americas' Cauchari-Olaroz project is the third largest lithium brine resource in the world according to available public records of resources and reserves. A NI 43-101 report "Preliminary Assessment and Economic Evaluation of the Cauchari-Olaroz Lithium Project, Jujuy Province, Argentina" was filed on SEDAR on May 3rd, 2011. In conjunction with the completion of the FS, the mineral resource estimate has been updated, and a reserve estimate completed. The reserve and resource estimate for the Cauchari-Olaroz project is summarized in the tables below for both lithium and potassium. The reserve and resource estimates are expressed relative to a lithium grade cut-off of = 354 milligrams per litre ("mg/L"), which was identified as a brine processing constraint.

Lithium Reserve and Resource Summary

Description	mg/L	Lithium (tonnes)	Lithium Carbonate (tonnes)	Brine (m(3))
Proven Reserves	679	37,000	197,000	5.50 x 10(7)
Probable Reserves	665	477,000	2,517,000	7.16 x 10(8)
Updated Measured Resource	630	576,000	3,039,000	9.14 x 10(8)
Updated Indicated Resource	570	1,650,000	8,713,000	2.89 x 10(9)

Potassium Reserve and Resource Summary

Description	mg/L	Potassium (tonnes)	Potash (tonnes)	Brine (m(3))
Proven Reserves	5,483	302,000	576,000	5.50 x 10(7)
Probable Reserves	5,395	3,863,000	7,378,000	7.16 x 10(8)
Updated Measured Resource	5,156	4,714,000	9,003,000	9.14 x 10(8)
Updated Indicated Resource	4,753	13,755,000	26,271,000	2.89 x 10(9)

The reserve estimate was based on a target maximum production rate of 40,000 TPA of lithium carbonate. The estimate indicates that this rate would be sustainable for 40 years, including an initial five year ramp-up period. However, the FS is based on Stage 1 production levels of only 20,000 TPA of lithium carbonate and 40,000 TPA of potash for 40 years. As such, the Company expects to achieve significant upside on the FS financial results through the execution of its business plan to build Stage 2 of the project, currently anticipated to include an additional 20,000 TPA lithium carbonate facility and a 40,000 TPA potash facility, with construction scheduled to commence in 2018.

Base Case Assumptions

The FS base case represents the Stage 1 20,000 TPA lithium carbonate facility and a 40,000 TPA potash facility, with a project life of 40 years. Potash will be produced as a by-product of lithium brine processing. Both lithium carbonate and potash are produced in two steps. The first step utilises a solar evaporation process to concentrate lithium in the brine and precipitate potash and other salts in large-scale ponds. The solar evaporation process significantly reduces operating costs with respect to hard rock mining and takes only 180 days (average) in the Cauchari salar. The second step utilizes the processing facilities, which transform the concentrated lithium brine into lithium carbonate, and separates the potash from the other salts. Potash concentrates in the ponds in volumes large enough to be harvested after two years of the production of lithium, hence the potash plant construction is delayed with respect to the lithium carbonate plant. Once the ramp-up Stage (2015 & 2016) of the project is complete, lithium carbonate is expected to represent approx. 88% of the project's total revenue, while potash is expected to represent approx. 12% of the project's total revenue. The tables below identify the annual production ramp-up for both lithium carbonate and potash, as well as the annual price assumptions per tonne of lithium carbonate.

Stage 1 Production Ramp-Up Assumptions

	2015 (tonnes)	2016 (tonnes)	2017 to 2054 (tonnes)	Total Production Over Project Life (tonnes)	Total Revenue (US$ Thousands)
Lithium Carbonate	10,000	15,000	20,000	785,000	5,804,000
Potash	0	0	40,000	1,520,000	792,560

Annual Price Assumption per Tonne of Lithium Carbonate

	Price Assumption per tonne of Lithium Carbonate (US$)		
Year	High Case	Base Case	Low Case
2015	5,800	5,700	4,600
2016	5,900	5,800	4,700
2017	5,900	5,700	4,500
2018	6,300	5,800	4,600
2019	6,700	6,000	4,700
2020	7,200	6,300	4,800
2021	7,700	6,600	4,900
2022	8,300	6,900	5,000
2023	8,800	7,200	5,100
2024	9,300	7,500	5,200
2025 to 2054	9,600	7,700	5,300

The lithium carbonate price assumptions were obtained from a lithium carbonate market study report prepared by the Chilean consulting firm signumBOX Inteligencia de Mercados. The Company believes the pricing forecast to be conservative given current world prices and the recent price increases by major producers. In that regard, the FS includes a sensitivity analysis with respect to pricing scenarios, further demonstrating the exceptional economics of the project.

Stage 1 Sensitivity Analysis

In US$ Millions	High Case	Base Case	Low Case
Annual Revenue(i)	213	175	127
Pre-tax NPV (8% discount rate)	988	738	368
Pre-tax IRR	26.3%	23.4%	16.8%
After- tax NPV (8% discount rate)	627	464	218
After-tax IRR	22.3%	19.9%	14.3%

(i)Once steady state pricing is achieved in 2025

Potash Production and Marketing

Of the 40,000 TPA potash production for Stage 1, the Company is expecting to sell 10,000 TPA domestically within Argentina, and export the remaining 30,000 TPA to Brazil. The annual price assumption per tonne of potash, for both sales within Argentina and to Brazil, is provided in the chart below. The potash price assumption for sales to Brazil was obtained from a potash market study report prepared by CRU International Limited of London, England. The potash price assumption for sales within Argentina was derived by ARAWP based on Chilean export statistics.

Annual Price Assumption per Tonne of Potash

In US$ Millions	2017	2018	2019	2020 to 2054
Argentina	543	543	575	600
Brazil	445	444	476	500

Cash Operating Costs

Lithium Americas' projected Stage 1 cash operating costs remain one of the lowest in the industry, and are significantly lower than hard rock lithium projects. Lithium carbonate cash operating costs are calculated by applying a 75% / 25% cost split between lithium carbonate production and potash production. Cash operating costs, expressed in terms of US$'s per tonne, are presented in the table below for both lithium carbonate and potash. The FS operating costs are estimated with an accuracy of +/- 15%.

Summary of Stage 1 Cash Operating Costs

In US$ per tonne	Lithium Carbonate	Potash
Chemicals and Reagents	1,163	60
Energy	191	29
Manpower	134	33
Salt Removal and Transport	124	38
Maintenance	103	19
Transportation	62	50
Catering and Camp Services	44	11
Total Direct Costs	1,821	240
Indirect Costs	55	9
Total Cash Operating Costs	1,876	249

If the cash operating margin benefits of potash are deducted from the cash operating costs of lithium carbonate, which is customary when reporting the costs of the main product vs the by-product, Lithium Americas' net cash operating costs per tonne are projected to be US$1,332.

Several factors contribute to the projected low operating cost, including:

- Existing Infrastructure: The Cauchari-Olaroz property is located on a paved highway which connects Argentina to the Chilean port, approximately 580 kilometres from the project.

- Access to Fresh Water: Fresh water is required for industrial use and is available on site.

- Low Cost Energy: Power for the processing plant can be produced from natural gas accessed from a pipeline located 50 km north of the site.

- Brine Chemistry: The low magnesium content of the brine reduces the cost requirements associated with chemical reagents used in the production process.

Capital Costs

Initial capital costs associated with Stage 1 lithium carbonate production are estimated to be US$269 million, and initial capital costs associated with Stage 1 potash production are estimated to be US$45 million. The potash plant does not need to be constructed until 2 years after the lithium plant. Given the robust project financials, the Company anticipates being in the position to finance a substantial portion of Stage 2 capital costs via internally generated cash flow derived from Stage 1 production. The table below summarizes the total initial capital costs required for the project, with an accuracy of +/- 15%.

Stage 1 Total Initial Capital Costs

In US$ Thousands	Lithium Carbonate Capital Costs	Potash Capital Costs
Direct Costs		
Evaporation Ponds	112,589	
Lithium Carbonate Plant	72,296	
Infrastructure & General	26,251	
Brine Extraction Wells and Piping	17,158	
Potash Plant		34,080
Total Direct Cost	228,293	34,080
Total Indirect Cost	16,172	6,693
Contingencies	24,446	4,077
Total Capital	268,912	44,850

Base Case Sensitivity Analysis

The FS demonstrates robust economic returns across a broad range of discount rate scenarios as reflected in the table below.

Stage 1 Sensitivity Analysis

Discount Rate	Pre-Tax NPV (US$ in Millions)	After-Tax NPV (US$ in Millions)
6%	1,076	691
8%	738	464
10%	513	312

The PEA established the pre-tax Base Case NPV (8% discount rate) for a 40,000 TPA lithium carbonate production facility, built in two 20,000 tonne per year Stages, at U$ 983 million. Stage 1 pre-tax NPV (8% discount rate) of the PEA was estimated at US$ 520 Million. Stage 1 pre-tax NPV (8% discount rate) of the FS increased by over 40% compared to equivalent projections assumed in the PEA. The payback for Stage 1 pre-tax is similar with respect to the equivalent projections assumed in the PEA.

Lithium Americas expects to achieve significant upside on the FS financial results through the execution of its business plan to build Stage 2 of the project. Revenue generation from Stage 2 production is expected to commence in 2020, and is expected to be approximately equal to Stage 1.

Permitting and Land Use Agreements

Lithium Americas has completed and submitted its Environmental Impact Statement ("EIS") for approval to the Director of Mines and Energy Resources for the Province of Jujuy and is currently working with the Committee of Experts, the Minister of Production, and the Secretary General of the Provincial Government in order to obtain final government approval of the EIS in a timely manner. The EIS is the only remaining permit required to build and operate a lithium/potash extraction and production facility in the province of Jujuy. Lithium Americas has already secured long term land use agreements with the five aboriginal communities

on which its Cauchari-Olaroz reserve estimate is calculated and has granted mining permits over the entire area of exploitation.

Conclusions and Next Steps

The FS concludes that the Cauchari-Olaroz lithium and potash project has favourable economic potential. Its low operating cost and large brine reserves compare very favourably to existing lithium carbonate producers, and suggest that Lithium Americas has the potential to become one of the largest and lowest cost lithium operations in the world.

Next steps for the project include:

- Detailed engineering
- Receipt of final environmental permit
- Negotiation of project financing and agreements with strategic partners

Report Filing

The complete FS will be filed on SEDAR (http://www.sedar.com) and the Company's website (http://www.lithiumamericas.com) within 45 days.

Qualified Persons

The FS was prepared in accordance with NI 43-101 standards by ARAWP, GWI and AQR in conjunction with a team of globally recognized consultants. The three independent qualified experts that lead the team of consultants are:

- Roger Kelley, Chemical Engineer registered as a Fellow with the South African Institute of Mining and Metallurgy is the independent qualified person signing the report for ARAWP.

- Mark King, Ph.D., P.Geo. a Canadian Professional Geoscientist registered with the Association of Professional Geoscientists of Nova Scotia is the independent qualified person signing the report for GWI.

- Daron Abbey, M.Sc., P.Geo. a Canadian Professional Geoscientist registered with the Association of Professional Geoscientists of Ontario is the independent qualified person signing the report for AQR.

All professionals have reviewed and approved this press release.

Conference Call

The Company has scheduled a conference call to discuss the FS at 10:00 a.m. Eastern Standard Time (EST) on Monday, June 18th 2012. Dr. Waldo Perez, President and CEO, and Tom Hodgson, Executive Chairman of Lithium Americas will host the call, and invite analysts and investors to participate.

Date: Monday, June 18, 2012
Time: 10:00 a.m. Eastern Standard Time
Dial in Number: 1-888-219-1217 or 1-913-312-0863
Taped Replay: 1-877-870-5176 or 1-858-384-5517
Taped Replay Pass
Code: 1453010
Webcast
Presentation Link: https://viavid.webcasts.com/starthere.jsp?ei=1006728

About the Company

Lithium Americas is developing one of the world's largest and lowest cost lithium operations. The Company has defined the world's third largest lithium brine resource, and a completed definitive Feasibility Study identified that Lithium Americas' operating cost per tonne of lithium carbonate is expected to be one of the lowest in the industry. Mitsubishi Corporation and Magna International are shareholders in the Company, in addition to both companies having off-take arrangements with Lithium Americas.

Cautionary Note and Forward-looking statements

This press release contains forward-looking statements, which can be identified by the use of statements that include words such as "plan", "developing", "estimate", "could", "potential", "believe", "expect", "anticipate", "intend", "likely", "will" or other similar words or phrases. Forward-looking statements express, as at the date of this press release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. Forward-looking statements are based on certain assumptions, including the key assumptions and parameters on which such estimates are based, involve risks and uncertainties and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resource and reserve estimates, grade/concentration or recovery rates, lithium or potash prices, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated or other unanticipated difficulties or interruptions; political, community relations, regulatory, environmental and other risks of the mining industry and other risks more fully described in the Company's Annual Information Form dated May 28, 2012 and its most recent management's discussion and analysis available on SEDAR.

The Cauchari-Olaroz project has no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop any new project is considerable and changes in capital and/or operating costs or construction schedules can affect project economics. It is possible that actual capital and/or operating costs may increase significantly and economic returns may differ materially from the Company's estimates or that prices of lithium and/or potash may decrease significantly or that the Company could fail to obtain the satisfactory governmental approvals necessary for the operation of a project or obtain project financing on acceptable terms and conditions or at all, in which case, the project may not proceed either on its original timing or at all. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results to be materially different from those planned, estimated, forecasted, projected or expected. The Company does not intend, and does not assume any obligations, to update forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities laws. Readers should not place undue reliance on forward looking statements.

The mineral reserve and resource figures referred to herein are estimates only and no assurance can be given that the anticipated tonnages and grades/concentrations will be achieved, that the indicated level of recovery will be realized or that mineral reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and hydrogeological interpretation. In addition, there can be no assurance that lithium and/or potash recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its reserve estimates from time to time or may render the Company's reserves uneconomic to exploit. Reserve data are not indicative of future results of operations. If the Company's actual mineral reserves and mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of reserves and resources occurs from time to time and they may change depending on further hydrogeological interpretation, drilling results and mineral prices. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Until mineral reserves and resources are actually mined and processed, the quantity of mineral reserve and resource grades/concentrations must be considered as estimates only.

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