

# ALTERNATIVE AIF DISCLOSURE DOCUMENT

DATED SEPTEMBER 30, 2023

## INFORMATION CONCERNING NEW LAC POST-ARRANGEMENT

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## GLOSSARY OF TERMS

**“Annual Carve-Out Financial Statements for the North American Business”** means the audited carve-out financial statements for the North American Business of LAC for the years ended December 31, 2022, 2021 and 2020.

**“Arrangement”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“Arrangement Agreement”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“Arrangement Effective Date”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“Arrangement Effective Time”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“Arrangement Resolution”** means the special resolution considered and approved by the LAC Shareholders at the Meeting to approve the Arrangement, as required by the BCBCA.

**“Ascend Elements”** has the meaning given to that term under *“Description of the Business – Overview”*.

**“ATVM Loan Program”** means the DOE’s Advanced Technology Vehicles Manufacturing loan program, which is designed to provide funding to U.S. companies engaged in the manufacturing of advanced technologies vehicles and components used in those vehicles.

**“Audit and Risk Committee”** has the meaning given to that term under *“Directors and Officers – Name and Occupation”*.

**“BCBCA”** means the *Business Corporations Act* (British Columbia).

**“BLM”** means the U.S. Department of the Interior Bureau of Land Management.

**“Canadian Tax Ruling”** has the meaning given to that term under *“Description of the Business – Risk Factors – Risks Relating to the Arrangement – Risks Relating to Exposure to Substantial Tax Liabilities if the Tax-Deferred Separation Requirements are not met”*.

**“Carve-Out Financial Statements for the North American Business”** means, collectively, (i) the Annual Carve-Out Financial Statements for the North American Business, and (ii) the Q2 Carve-Out Financial Statements for the North American Business.

**“CIM”** means Canadian Institute of Mining, Metallurgy and Petroleum.

**“CIM Definition Standards”** means the CIM Definition Standards on Mineral Resources and Reserves.

**“CL Committee”** has the meaning given to that term under *“Directors and Officers – Name and Occupation”*.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended.

**“Code of Conduct”** has the meaning given to that term under *“Audit Committee and Corporate Governance – The Board – Ethical Business Conduct”*.

**“Convertible Notes”** means the \$258,750,000 aggregate principal amount of convertible senior notes of LAC which are unsecured, bear interest at a rate of 1.75% per annum, payable semi-annually in arrears, and mature on January 15, 2027.

**“COVID-19”** means the COVID-19 coronavirus.

**“Current Market Price”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“Current Tranche 2 Ceiling Price”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“Dissenting Shareholder”** means a registered LAC Shareholder who has duly and validly exercised dissent rights in respect of the Arrangement Resolution in strict compliance with the dissent rights and who has not withdrawn or been deemed to have withdrawn such exercise of dissent rights prior to the Arrangement Effective Date, but only in respect of such LAC Common Shares for which dissent rights are validly exercised and not withdrawn or deemed to have been withdrawn by such registered LAC Shareholder.

**“Document”** means this alternative annual information form disclosure document.

**“DOE”** means the U.S. Department of Energy.

**“ESSH Committee”** has the meaning given to that term under *“Directors and Officers – Name and Occupation”*.

**“Federal District Court”** means the U.S. District Court, District of Nevada.

**“Final Order”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“forward-looking statements”** has the meaning given to that term under *“Cautionary Notice Regarding Forward-Looking Statements”*.

**“Ganfeng”** has the meaning given to that term under *“Material Contracts – Lock-Up Agreements”*.

**“Ganfeng Lock-Up”** has the meaning given to that term under *“Material Contracts – Lock-Up Agreements”*.

**“GM”** means General Motors Holdings LLC.

**“GM Transaction”** has the meaning given to that term under *“Description of the Business – Recent Developments – Thacker Pass Project – Financing Strategy”*.

**“GN Committee”** has the meaning given to that term under *“Directors and Officers – Name and Occupation”*.

**“GT1”** has the meaning given to that term under *“Description of the Business – Overview”*.

**“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board.

**“Initial ROD Challenge”** has the meaning given to that term under *“Description of the Business – Recent Developments – Thacker Pass Project – Regulatory and Permitting Update”*.

**“Investor Rights Agreement”** means the investor rights agreement between LAC and GM dated February 16, 2023.

**“IRS”** means the United States Internal Revenue Service.

**“LAC”** means Lithium Americas Corp., a corporation existing under the BCBCA, at any time prior to the completion of the Arrangement, which will exist as Lithium Argentina upon the completion of the Arrangement.

**“LAC Board”** means the board of directors of LAC.

“**LAC Common Shares**” means the existing common shares in the capital of LAC at any time prior to the completion of the Arrangement, which will represent Lithium Argentina Common Shares upon the completion of the Arrangement.

“**LAC DSU**” means a deferred share unit in respect of a LAC Common Share granted by LAC to a holder under the LAC Incentive Plan that is issued and outstanding, whether or not vested, immediately before the Arrangement Effective Time.

“**LAC Incentive Plan**” means the second amended and restated equity incentive plan of LAC dated May 15, 2023, as amended.

“**LAC PSU**” means a performance based restricted share right in respect of a LAC Common Share granted by LAC to a holder under the LAC Incentive Plan that is issued and outstanding, whether or not vested, immediately before the Arrangement Effective Time.

“**LAC RSU**” means a restricted share right in respect of a LAC Common Share granted by LAC to a holder under the LAC Incentive Plan that is issued and outstanding, whether or not vested, immediately before the Arrangement Effective Time.

“**LAC Shareholders**” means all holders of LAC Common Shares, whether registered or beneficial (unless otherwise specified) at the applicable time.

“**LCE**” means lithium carbonate equivalent.

“**LiTDC**” has the meaning given to that term under “*Description of the Business – Recent Developments – Thacker Pass Project – Recent Significant Events*”.

“**Lithium Argentina**” has the meaning given to that term under “*Information Concerning New LAC Post-Arrangement – The Arrangement*”.

“**Lithium Argentina Common Shares**” means the LAC Common Shares having the special rights and restrictions set out in Exhibit I to the Plan of Arrangement, to be issued under the Arrangement, which will represent common shares in the capital of Lithium Argentina upon the completion of the Arrangement.

“**Lithium Nevada**” has the meaning given to that term under “*Description of the Business – Overview*”.

“**LTI**” has the meaning given to that term under “*Director and Executive Compensation*”.

“**Master Purchase Agreement**” means the master purchase agreement between LAC and GM dated January 30, 2023.

“**Meeting**” has the meaning given to that term under “*Information Concerning New LAC Post-Arrangement – The Arrangement*”.

“**NDEP**” has the meaning given to that term under “*Description of the Business – Recent Developments – Thacker Pass Project – Regulatory and Permitting Update*”.

“**NDWR**” has the meaning given to that term under “*Description of the Business – Recent Developments – Thacker Pass Project – Regulatory and Permitting Update*”.

“**NEPA**” has the meaning given to that term under “*Description of the Business – Recent Developments – Thacker Pass Project – Regulatory and Permitting Update*”.

“**New LAC**” has the meaning given to that term under “*Information Concerning New LAC Post-Arrangement – The Arrangement*”.

“**New LAC Board**” means the board of directors of New LAC.

“**New LAC Common Shares**” means the common shares in the capital of New LAC.

**“New LAC DSU”** means a deferred share unit in respect of a New LAC Common Share, including those to be issued by New LAC on the exchange of a LAC DSU pursuant to the Plan of Arrangement.

**“New LAC Equity Awards”** means, collectively, the New LAC RSUs, New LAC PSUs and New LAC DSUs.

**“New LAC Financial Statements”** means the audited financial statements of New LAC from the period from incorporation on January 23, 2023 to June 30, 2023.

**“New LAC Incentive Plan”** means the equity incentive plan of New LAC.

**“New LAC Preference Shares”** means the preference shares without par value of New LAC as constituted immediately before the Arrangement Effective Time.

**“New LAC PSU”** means a performance based restricted share right in respect of a New LAC Common Share, including those to be issued by New LAC on the exchange of a LAC PSU pursuant to the Plan of Arrangement.

**“New LAC RSU”** means a restricted share right in respect of a New LAC Common Share, including those to be issued by New LAC on the exchange of a LAC RSU pursuant to the Plan of Arrangement.

**“New LAC Separation Committee”** has the meaning given to that term under *“Audit Committee and Corporate Governance – The Board – Board Skills Matrix”*.

**“New LAC Shareholders”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares”*.

**“New LAC Tranche 2 Subscription Agreement”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

**“NI 52-110”** means National Instrument 52-110 – *Audit Committees*.

**“NI 58-101”** means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

**“Ninth Circuit”** means the United States Court of Appeals for the Ninth Circuit.

**“North American Business”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“NYSE”** means the New York Stock Exchange.

**“Offtake Agreement”** means the lithium offtake agreement between LAC and GM dated February 16, 2023.

**“PFIC”** has the meaning given to that term under *“Description of the Business – Risk Factors – Risks Relating to the Securities and Business of New LAC – Risks Relating to Classification as a “Passive Foreign Investment Company””*.

**“Phase 1”** means, in relation to the Thacker Pass Project, the initial development towards the targeted production capacity of 40,000 tpa of lithium carbonate.

**“Phase 2”** means, in relation to the Thacker Pass Project, the ramp up following Phase 1 to a targeted total production capacity of 80,000 tpa of lithium carbonate.

**“Plan of Arrangement”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“PwC”** means PricewaterhouseCoopers LLP, Chartered Professional Accountants.

**“Q2 Carve-Out Financial Statements for the North American Business”** means the unaudited carve-out interim financial statements for the North American Business of LAC for June 30, 2023 and the comparative periods.

**“Relative New LAC Value Ratio”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“ROD”** means Record of Decision.

**“SEC”** means the U.S. Securities and Exchange Commission.

**“Separation”** has the meaning given to that term under *“Information Concerning New LAC Post-Arrangement – The Arrangement”*.

**“STI”** has the meaning given to that term under *“Director and Executive Compensation”*.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“Tax Indemnity and Cooperation Agreement”** means the tax indemnity and cooperation agreement to be made between Lithium Argentina and New LAC, in the form and content and on terms and conditions to be agreed upon by the parties.

**“Tax Rulings”** has the meaning given to that term under *“Description of the Business – Risk Factors – Risks Relating to the Arrangement – Risks Relating to Exposure to Substantial Tax Liabilities if the Tax-Deferred Separation Requirements are not met”*.

**“Thacker Pass Project”** means the lithium project property located in Humboldt County, Nevada, as further described in the Thacker Pass TR.

**“Thacker Pass TR”** has the meaning given to that term under *“Description of the Business – Overview”*.

**“TP Available Capital Notice”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“tpa”** means tonnes per annum.

**“Tranche 1”** means the first tranche of the GM Transaction.

**“Tranche 2”** means the second tranche of the GM Transaction.

**“Tranche 2 AEWs”** has the meaning given to that term under *“Description of the Business – Recent Developments – Thacker Pass Project – Financing Strategy”*.

**“Tranche 2 Price Ceiling”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“Tranche 2 Subscription Price”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

**“Transitional Services Agreement”** means the transitional services agreement to be made between Lithium Argentina and New LAC, providing for the provision of certain transitional services and facilities between the parties thereto, which agreement is to be on terms and conditions to be agreed upon by the parties.

**“TSX”** means the Toronto Stock Exchange.

**“U.S. Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and all rules and regulations thereunder.

**“U.S. Shareholder”** means a beneficial owner of New LAC Common Shares that is for U.S. federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that (a) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (b) has a valid election in effect under application treasury regulations to be treated as a U.S. person.

**“U.S. Tax Ruling”** has the meaning given to that term under *“Description of the Business – Risk Factors – Risks Relating to the Arrangement – Risks Relating to Exposure to Substantial Tax Liabilities if the Tax-Deferred Separation Requirements are not met”*.

**“volume-weighted average trading price”** has the meaning given to that term under *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”*.

## CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Document includes statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements include, but are not limited to, statements regarding LAC’s management’s expectations, hopes, beliefs, intentions or strategies regarding New LAC’s future and other statements other than statements of historical fact. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

In particular, this Document contains forward-looking statements including, but not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto; the tax treatment of the Arrangement; the expected operations, financial results and condition of New LAC following the Arrangement; New LAC’s future objectives and strategies to achieve those objectives, including the future prospects of New LAC as an independent company; the listing of New LAC on the TSX and NYSE; any market created for New LAC Common Shares; the estimated cash flow, capitalization and adequacy thereof for New LAC following the Arrangement; the expected benefits of the Arrangement to, and resulting treatment of, New LAC Shareholders and New LAC; the anticipated effects of the Arrangement; the estimated costs of the Arrangement; the satisfaction of the conditions to consummate the Arrangement; the capital structure, principal shareholders, directors and officers, compensation arrangements and structure, audit committee and corporate governance practices, auditors and transfer agent, and the material contracts of New LAC; development of the Thacker Pass Project, including timing, progress, approach, continuity or change in plans, construction, commissioning, milestones, anticipated production and results thereof and expansion plans; expectations regarding accessing funding from the ATVM Loan Program; anticipated timing to resolve, and the expected outcome of, any complaints or claims made or that could be made concerning the environmental permitting process in the United States for the Thacker Pass Project, including the lawsuit against the BLM filed in February 2023; capital expenditures and programs; estimates, and any change in estimates, of the Mineral Resources and Mineral Reserves at the Thacker Pass Project; development of Mineral Resources and Mineral Reserves; government regulation of mining operations and treatment under governmental and taxation regimes; the future price of commodities, including lithium; the realization of Mineral Resources and Mineral Reserves estimates, including whether certain Mineral Resources will ever be developed into Mineral Reserves and information and underlying assumptions related thereto; the timing and amount of future production; currency exchange and interest rates; New LAC’s ability to raise capital; expected expenditures to be made by New LAC on the Thacker Pass Project; ability to produce high purity battery grade lithium products; settlement of agreements related to the operation and sale of mineral production as well as contracts in respect of operations and inputs required in the course of production; the timing, cost, quantity, capacity and product quality of production at the Thacker Pass Project; successful development of the Thacker Pass Project, including successful results from New LAC’s testing facility and third-party tests related thereto; capital costs, operating costs, sustaining capital requirements, after tax net present value and internal rate of return, payback period, sensitivity analyses, and net cash flows of the Thacker Pass Project; expected capital expenditures for the construction of the Thacker Pass Project; ability to achieve capital cost efficiencies; expectations and anticipated impact of the COVID-19 pandemic; the GM Transaction and the potential for additional financing scenarios for the Thacker Pass Project; the expected timetable for completing Tranche 2 of the GM Transaction; the ability of New LAC to complete Tranche 2 of the GM Transaction on the terms and timeline anticipated, or at all; the receipt of required stock exchange and regulatory approvals and authorizations, and the securing of sufficient funding to complete the development of Phase 1 of the Thacker Pass Project, required for Tranche 2 of the GM Transaction; the expected benefits of Tranche 2 of the GM Transaction; the ability to complete the Arrangement on the terms and timeline anticipated, or at all; the receipt of board of directors and required third party, stock exchange and regulatory approvals required for the Arrangement, to the extent not already obtained; the expected holdings and assets of New LAC following the Arrangement; the expected benefits of the Arrangement for New LAC and New LAC Shareholders and other stakeholders; the strategic advantages, future opportunities and focus of New LAC as a result of the Arrangement; as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-

looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in this Document, certain assumptions have been made with respect to, among other things, the anticipated receipt of any required regulatory approvals and consents; the expectation that LAC and New LAC will comply with the terms and conditions of the Arrangement Agreement; the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement; that no unforeseen changes in the legislative and operating framework for New LAC will occur; that New LAC will meet its future objectives and priorities; that New LAC will have access to adequate capital to fund its future projects and plans; that New LAC's future project and plans will proceed as anticipated; assumptions regarding New LAC's ability to secure sufficient additional financing to develop the Thacker Pass Project; as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement not being realized; the risk of tax liabilities as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the risk that the Arrangement may not be tax-free for income tax purposes and potential significant tax liabilities that New LAC may be exposed to if the tax-deferred spinoff rules are not met; the risk of tax indemnity obligations owed by New LAC to Lithium Argentina following the Arrangement becoming payable, including as a result of events outside of New LAC's control; there being no established market for the New LAC Common Shares; LAC's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis; the reduced diversity of Lithium Argentina and New LAC as separate companies; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; uncertainties inherent to feasibility studies and Mineral Resource and Mineral Reserve estimates; the potential inability or unwillingness of current LAC Shareholders to hold Lithium Argentina Common Shares and/or New LAC Common Shares following the Arrangement; risks related to New LAC's status as an independent reporting issuer following the Arrangement; the ability of New LAC to secure sufficient additional financing, advance and develop the Thacker Pass Project, and to produce battery grade lithium; the respective benefits and impacts of the Thacker Pass Project when production operations commence; settlement of agreements related to the operation and sale of mineral production as well as contracts in respect of operations and inputs required in the course of production; New LAC's ability to operate in a safe and effective manner, and without material adverse impact from the effects of climate change or severe weather conditions; uncertainties relating to receiving and maintaining mining, exploration, environmental and other permits or approvals in Nevada; demand for lithium, including that such demand is supported by growth in the electric vehicle market; current technological trends; the impact of increasing competition in the lithium business, and New LAC's competitive position in the industry; continuing support of local communities and the Fort McDermitt Paiute and Shoshone Tribe for the Thacker Pass Project; continuing constructive engagement with these and other stakeholders, and any expected benefits of such engagement; the stable and supportive legislative, regulatory and community environment in the jurisdictions where New LAC operates; impacts of inflation, currency exchanges rates, interest rates and other general economic and stock market conditions; the impact of unknown financial contingencies, including litigation costs, environmental compliance costs and costs associated with the impacts of climate change, on New LAC's operations; estimates of and unpredictable changes to the market prices for lithium products; development and construction costs for the Thacker Pass Project, and costs for any additional

exploration work at the project; estimates of Mineral Resources and Mineral Reserves, including whether certain Mineral Resources will ever be developed into Mineral Reserves; reliability of technical data; anticipated timing and results of exploration, development and construction activities, including the impact of ongoing supply chain disruptions and availability of equipment and supplies on such timing; timely responses from governmental agencies responsible for reviewing and considering New LAC's permitting activities at the Thacker Pass Project; availability of technology, including low carbon energy sources and water rights, on acceptable terms to advance the Thacker Pass Project; New LAC's ability to obtain additional financing on satisfactory terms or at all, including the outcome of the ATVM Loan Program application; government regulation of mining operations and M&A activity, and treatment under governmental, regulatory and taxation regimes; ability to realize expected benefits from investments in or partnerships with third parties; accuracy of development budgets and construction estimates; changes to New LAC's current and future business plans and the strategic alternatives available to New LAC; the ability of New LAC to satisfy all closing conditions for Tranche 2 of the GM Transaction and complete Tranche 2 of the GM Transaction in a timely manner; the impact of Tranche 2 of the GM Transaction on dilution of shareholders and on the trading prices for, and market for trading in, the securities of New LAC; and all the other risk factors discussed in "*Description of the Business – Risk Factors*" and identified elsewhere in this Document.

All forward-looking statements included in this Document are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Document and, except as required by applicable law, neither LAC or Lithium Argentina, as applicable, nor New LAC undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by LAC or New LAC that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

#### **CAUTIONARY NOTICE REGARDING NON-GAAP FINANCIAL MEASURES**

This Document includes disclosure of certain non-GAAP financial measures or ratios, including expected average annual EBITDA with respect to the results of the feasibility study for the Thacker Pass Project. Such measures have no standardized meaning under IFRS and may not be comparable to similar measures used by other issuers. New LAC believes that these measures and ratios provide investors with an improved ability to evaluate the prospects of New LAC and, in particular, the Thacker Pass Project. As the Thacker Pass Project is not in production, the prospective non-GAAP financial measures or ratio presented may not be reconciled to the nearest comparable measure under IFRS and the equivalent historical non-GAAP financial measure for the prospective non-GAAP measure or ratio discussed herein is nil\$.

#### **CAUTIONARY NOTICE REGARDING MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES**

The disclosure included in this Document uses Mineral Reserves and Mineral Resources classification terms that are in accordance with reporting standards in Canada. The Mineral Reserves and Mineral Resources estimates use the terms defined in the CIM Definition Standards adopted by the CIM Council on May 10, 2014 and are incorporated by reference into NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The following definitions are reproduced from the CIM Definition Standards:

A **Mineral Resource** is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An **Inferred Mineral Resource** is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An **Indicated Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve. "Modifying Factors" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A **Mineral Reserve** is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

A **Probable Mineral Reserve** or a **Probable Reserve** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A **Proven Mineral Reserve** or a **Proven Reserve** is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Unless otherwise indicated, all Mineral Reserves and Mineral Resources estimates included in this Document have been prepared in accordance with NI 43-101 and the CIM Definition Standards. These standards are similar to, but differ in some ways from, the requirements of the SEC that are applicable to domestic United States reporting companies and foreign private issuers not eligible for the multijurisdictional disclosure system adopted by the United States and Canada. Any Mineral Reserves and Mineral Resources reported by New LAC in accordance with NI 43-101 may not qualify as such under SEC standards under Subpart 1300 of Regulation S-K. Accordingly, information included in this Document that describes New LAC's Mineral Reserves and Mineral Resources estimates may not be comparable with information made public by United States companies subject to the SEC's reporting and disclosure requirements.

## INFORMATION CONCERNING NEW LAC POST-ARRANGEMENT

### THE ARRANGEMENT

*The following contains only a summary of certain matters relating to the Plan of Arrangement, the Arrangement Agreement and the Arrangement and certain related matters. New LAC Shareholders are urged to read the Arrangement Agreement.*

1397468 B.C. Ltd., being New LAC, was incorporated under the BCBCA on January 23, 2023 as part of a reorganization of LAC, a public company listed on the TSX and the NYSE, that will result in the separation of LAC's North American and Argentina business units into two independent public companies (the "**Separation**"): (i) an Argentina focused lithium company owning LAC's current interest in its Argentine lithium assets, including the Cauchari-Olaroz lithium brine project in Jujuy, Argentina, which recently achieved its first lithium production and continues to move towards reaching full production, and the Pastos Grandes lithium brine mineral project located in the Province of Salta in Northwest Argentina, which company will be named "Lithium Americas (Argentina) Corp." upon completion of the Separation ("**Lithium Argentina**"), and (ii) New LAC, a North America focused lithium company owning the Thacker Pass Project and LAC's North American investments, which will be re-named "Lithium Americas Corp." upon completion of the Separation.

The Separation is to be implemented by way of a plan of arrangement (the "**Plan of Arrangement**") under the laws of British Columbia (the "**Arrangement**") pursuant to an amended and restated arrangement agreement entered into between New LAC and LAC on June 14, 2023 (the "**Arrangement Agreement**"). The Plan of Arrangement was approved by special resolution of the LAC Shareholders at a meeting held on July 31, 2023 (the "**Meeting**") and by final order of the Supreme Court of British Columbia issued on August 4, 2023 (the "**Final Order**"). Under the Arrangement, LAC will, among other things, contribute its interest in the Thacker Pass Project, LAC's North American investments in the shares of certain companies, certain intellectual property rights and cash (collectively, the "**North American Business**") to New LAC, and New LAC will distribute New LAC Common Shares to LAC Shareholders in a series of share exchanges.

The Separation will be pro rata to the LAC Shareholders, such that holders will maintain the same proportionate interest in LAC (which will be Lithium Argentina after the Separation) and in New LAC both immediately before and immediately after the Separation. More specifically, LAC Shareholders will receive, for every one LAC Common Share owned immediately before the effective time of the Arrangement (the "**Arrangement Effective Time**"), one Lithium Argentina Common Share and one New LAC Common Share. Registered LAC Shareholders will receive direct registration statements representing their New LAC Common Shares and Lithium Argentina Common Shares upon submitting the share certificates or direct registration statements representing the LAC Common Shares and a letter of transmittal to a depository appointed by LAC within three years following the completion of the Arrangement. The Arrangement will be effective on or about October 3, 2023 (or such other date as the parties may agree in writing) (the "**Arrangement Effective Date**"). Incentive securities of LAC outstanding immediately before the Arrangement Effective Time will be exchanged for one equivalent incentive security of Lithium Argentina and one of New LAC, subject to adjustment, as set out in the Plan of Arrangement.

As at June 30, 2023, the North American Business to be transferred to New LAC as part of the Separation had \$261.8 million in cash and cash equivalents (which includes unspent net proceeds from Tranche 1 of the GM Transaction). Such funds are utilized by LAC for the advancement of the Thacker Pass Project. It is anticipated that approximately \$200.7 million, being the remainder of the unspent net proceeds from Tranche 1 of the GM Transaction as at September 30, 2023, will be transferred to New LAC (directly and through the transfer of Lithium Nevada) upon completion of the Separation. In accordance with the Plan of Arrangement, it is also contemplated that an additional \$75 million will be transferred from LAC to New LAC to establish sufficient working capital for New LAC which will result in New LAC holding an aggregate of approximately \$275.7 million in cash and cash equivalents upon completion of the Separation.

## **PRESENTATION OF INFORMATION CONCERNING NEW LAC**

The disclosure in this Document describes the proposed business of New LAC, post-Arrangement. Except where the context otherwise requires, all of the information contained in this Document is made on the basis that the Arrangement has been completed.

All currency in this Document is stated in U.S. dollars unless otherwise indicated.

### **CORPORATE STRUCTURE**

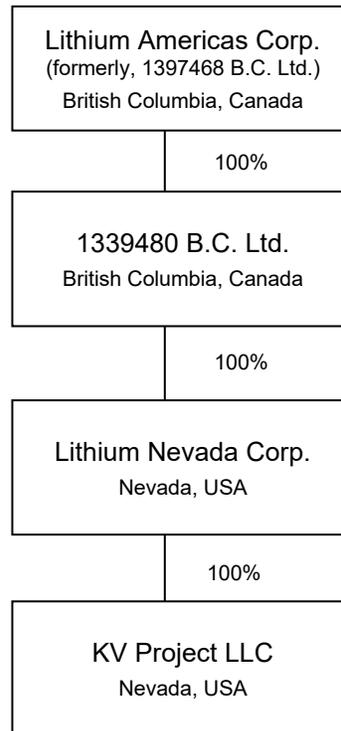
#### **PRE-ARRANGEMENT TRANSACTIONS**

1397468 B.C. Ltd., being New LAC, was incorporated under the BCBCA on January 23, 2023 in order to carry out the Arrangement. Until the Arrangement is effected, New LAC will have no assets or liabilities, will conduct no operations and will not issue any shares in its capital stock. New LAC's head office and registered office is located at 400 - 900 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E5.

#### **INTERCORPORATE RELATIONSHIPS**

In connection with the completion of the Arrangement, New LAC will be renamed "Lithium Americas Corp." and become New LAC.

The post-Arrangement corporate structure of New LAC, its subsidiaries, the jurisdiction of incorporation of such corporations and the percentage of equity ownership are set out in the following chart:



## DESCRIPTION OF THE BUSINESS

### OVERVIEW

New LAC is not currently a reporting issuer and the New LAC Common Shares are not currently listed on any stock exchange. If the Arrangement is completed, it is expected that New LAC will be a reporting issuer in each of the provinces and territories of Canada and be a registrant subject to the U.S. Exchange Act.

Upon completion of the Arrangement, New LAC will be a Canadian-based lithium resource company owning LAC's existing assets in North America, including its Thacker Pass Project in which it holds a 100% interest, investments in Green Technology Metals Limited ("**GT1**") and Ascend Elements, Inc. ("**Ascend Elements**"), and exploration properties in the United States and Canada.

The Thacker Pass Project is currently a development stage property in which Lithium Nevada Corp. ("**Lithium Nevada**"), a wholly owned subsidiary of LAC, has a 100% interest. The Thacker Pass Project is located in Humboldt County in northern Nevada, approximately 100 kilometers (km) north-northwest of Winnemucca, approximately 33 km west-northwest of Orovada, Nevada, and 33 km due south of the Oregon border. It is situated within 44 North (T44N), Range 34 East (R34E), and within portions of Sections 1 and 12; T44N, R35E within portions of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17; and T44N, R36E, within portions of Sections 7, 8, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 29, and encompasses approximately 4,236 hectares (ha).

The Thacker Pass Project is well aligned with the U.S. national agenda to enhance domestic supply of critical minerals and has the potential to be a leading near-term source of lithium for the North American battery supply chain. With a measured and indicated mineral resource estimate of 16.1 million (M) tonnes (t) of LCE, the Thacker Pass Project is one of the largest lithium resources and most advanced lithium development projects known in the United States. In the near-term, New LAC will be focused on advancing the Thacker Pass Project towards Phase 1 production. In March 2023, LAC announced the start of construction of the Thacker Pass Project, following a favorable ruling from the Federal District Court declining to vacate the ROD. Once complete, Phase 1 of the Thacker Pass Project targets 40,000 tpa of lithium carbonate production.

In January 2023, LAC entered into the Master Purchase Agreement with GM pursuant to which GM agreed to make an approximately US\$650 million equity investment in two tranches to fund the development of the Thacker Pass Project and entered into the Offtake Agreement with GM to purchase lithium carbonate produced from Phase 1 of the Thacker Pass Project. LAC received proceeds from the first tranche in the amount of approximately US\$320 million. New LAC expects to receive the second tranche of approximately US\$330 million when it secures sufficient funding to complete the development of Phase 1 of the Thacker Pass Project. Separately, LAC has received a Letter of Substantial Completion from the DOE with respect to its application for a loan under the ATVM Loan Program. The loan application process is subject to confirmatory due diligence and negotiation. If secured, New LAC expects the ATVM Loan Program loan to provide up to 75% of the total eligible capital costs for the Thacker Pass Project's Phase 1 construction.

The Thacker Pass Project's significant resource provides New LAC with opportunities for meaningful growth beyond Phase 1. Following the completion of Phase 1, it is expected that New LAC will commence the development for Phase 2 of the Thacker Pass Project, which targets an additional 40,000 tpa of lithium carbonate production. New LAC expects to grow its execution team as the development of the Thacker Pass Project progresses.

Beyond the development of the Thacker Pass Project, it is expected that New LAC will pursue other growth opportunities in North America should such opportunities and their timing be viewed as attractive and desirable to New LAC and its shareholders. Through a strategic collaboration agreement with GT1, it is expected that New LAC will maintain dialogue with GT1 with respect to any joint exploration and development opportunities in North America, leveraging GT1's extensive experience exploring and developing hard rock resources in the region.

For a detailed description of the Thacker Pass Project, please refer to “*Information Concerning the Thacker Pass Project*” attached as Appendix “C” to this Document as well as the technical report filed by New LAC in accordance with NI 43-101 titled “Feasibility Study National Instrument 43-101 Technical Report for the Thacker Pass Project, Humboldt County, Nevada, USA” with an effective date of November 2, 2022 (the “**Thacker Pass TR**”).

## **RECENT DEVELOPMENTS**

The following is a summary of significant developments in LAC’s North American Business, which forms the business of New LAC, over the past three years:

### **Thacker Pass Project**

#### ***Recent Significant Events***

On February 7, 2023, LAC announced that it received a favorable ruling from the Federal District Court for the appeal filed against the BLM for the issuance of the ROD relating to the Thacker Pass Project. The Federal District Court declined to vacate the ROD, ordered the BLM to consider one issue under the mining law relating to the area designated for waste storage and tailings, and did not impose any restrictions expected to impact the construction timeline for the Thacker Pass Project. On March 2, 2023, LAC announced the commencement of construction at the Thacker Pass Project, including site preparation, geotechnical drilling, well installation, water pipeline development and associated infrastructure, following the receipt of notice to proceed from the BLM. On May 16, 2023, the BLM issued its determination of the remand ordered by the Federal District Court on February 6, 2023, which concluded that tailings and other waste storage areas have sufficient mineralization to meet BLM’s standards, with the exception of limited acreage at the two waste rock facilities where the BLM indicated LAC could instead proceed with alternative measures to establish suitable mining-claim tenure, which LAC intends to pursue in due course. On June 19, 2023, major earthworks construction commenced at the Thacker Pass Project. On July 17, 2023, the Ninth Circuit affirmed the Federal District Court’s February 6, 2023 decision. See “*Regulatory and Permitting Update*” for further details concerning the ruling on the ROD appeal as well as details concerning subsequent appeals and motions filed in connection with the ruling and new lawsuits filed against the BLM relating to the ROD.

On January 31, 2023, LAC announced the results of the feasibility study on the Thacker Pass Project and the filing of the Thacker Pass TR. See “*Information Concerning the Thacker Pass Project*” attached as Appendix “C” to this Document for further details concerning the feasibility study and the Thacker Pass TR.

On July 20, 2022, LAC celebrated the inauguration of its Lithium Technical Development Center (“**LiTDC**”) in Reno, Nevada, with a formal ribbon-cutting ceremony. The center was developed to demonstrate the chemical process designed for the Thacker Pass Project in an integrated process testing facility. Production commenced in June 2022 to replicate the Thacker Pass Project flowsheet from raw ore to final product samples and the center will support ongoing optimization work, confirm assumptions in the design and operational parameters and provide product samples for potential customers and partners.

#### ***Regulatory and Permitting Update***

The Thacker Pass Project was issued a ROD by the BLM on January 15, 2021 for the proposed mine, plant and ancillary facilities that are part of the Thacker Pass Project. The BLM also approved LAC’s proposal to conduct exploration work to the north and south of the proposed Thacker Pass Project site and processing facilities. The ROD was issued following the BLM’s National Environmental Policy Act of 1969 (“**NEPA**”) review process for the Thacker Pass Project. This NEPA process is designed to help public officials complete permitting decisions that are protective of the environment and includes a public engagement process. The approved Mine Plan of Operations contemplates production of battery-grade lithium hydroxide, lithium carbonate and lithium metal (up to 60,000 tpa of LCE).

The BLM’s issuance of the ROD was challenged in Federal District Court in 2021 (the “**Initial ROD Challenge**”), with the court rendering a favorable ruling on February 6, 2023, which declined to vacate the ROD for the Thacker Pass Project. The Federal District Court did not impose any restrictions expected to

impact the construction timeline for the Thacker Pass Project, but the court did remand one legal issue to the BLM for consideration under U.S. mining law for which the BLM has since issued a determination. See *“Recent Developments – Thacker Pass Project – Recent Significant Events”*.

A subsequent appeal of the Federal District Court’s ruling in the Initial ROD Challenge was filed in the Ninth Circuit in February 2023. The plaintiff’s requests to stay the effect of the ROD pending appeal were denied by both the Federal District Court and the Court of Appeals. On July 17, 2023, the Ninth Circuit unanimously affirmed the Federal District Court’s decision.

Separately, a new lawsuit was filed in Federal District Court in February 2023 by the Reno Sparks Indian Colony, the Burns Paiute Tribe, and the Summit Lake Paiute Tribe, concerning among other things, adequacy of consultation by the BLM for the issuance of the ROD. The arguments advanced in the new lawsuit overlap with certain of the arguments advanced during the Initial ROD Challenge. LAC (or, post-Arrangement, New LAC) intervened in this new lawsuit in support of the ROD. In March 2023, the Federal District Court denied the plaintiffs’ requests for a temporary restraining order and preliminary injunction.

For a description of the risks associated with the challenges to the permit issued for the Thacker Pass Project, see *“Risk Factors – Risks Relating to Resource Development – Thacker Pass Project Development Risk”* and *“Risk Factors – Risks Relating to the Securities and Business of New LAC – Risks of Legal Proceedings”*.

LAC’s application with the State of Nevada Division of Water Resources (“**NDWR**”) for the transfer of certain water rights for Phase 1 of the Thacker Pass Project was approved by the State Engineer in February 2023. The State Engineer’s Office issued the final water rights permits to LAC on June 30 and July 3, 2023, authorizing LAC to use its water production wells. The State Engineer’s decision was appealed by a local ranching company in March 2023. The case is pending as of the date of this Document. LAC has commenced using the water rights for construction activities at the Thacker Pass Project site consistent with the State Engineer’s authorization.

On February 25, 2022, the Nevada Division of Environmental Protection (“**NDEP**”) issued the final key environmental permits from the state for the Thacker Pass Project. The three approved permits include the Water Pollution Control Permit, Mine Reclamation Permit and Class II Air Quality Operating Permit. An administrative appeal of NDEP’s issuance of the Water Pollution Control Permit, which was filed with the Nevada State Environmental Commission in March 2022, was unanimously rejected by the Nevada State Environmental Commission on June 28, 2022.

### ***Financing Strategy***

On January 30, 2023, LAC entered into the Master Purchase Agreement with GM pursuant to which GM agreed to make an approximately US\$650 million equity investment in LAC in two tranches (the “**GM Transaction**”), to be used for the development of the Thacker Pass Project. In connection with the closing of Tranche 1 on February 16, 2023, GM subscribed for 15,002,243 subscription receipts of LAC which were automatically converted into 15,002,243 units comprising an aggregate of 15,002,243 LAC Common Shares and 11,890,848 LAC Common Share purchase warrants (the “**Tranche 2 AEWs**”) for gross proceeds of approximately US\$320 million and entered into the Offtake Agreement and the Investor Rights Agreement with LAC, thereby becoming a significant shareholder of LAC and offtake partner. See *“Material Contracts – Agreements Relating to the GM Transaction”* for the material agreements in respect of the GM Transaction.

As the Tranche 2 investment is contemplated to occur following the completion of the Arrangement, the transaction agreements provide that upon the completion of the Arrangement, the relevant agreements reflecting the Tranche 2 investment will be superseded by equivalent agreements between GM and New LAC, with maximum pricing (being US\$27.74 per share) being adjusted to reflect the relative value of New LAC compared to the value of Lithium Argentina. See *“Description of Capital Structure – New LAC Common Shares – The New LAC Tranche 2 Subscription Agreement”* and *“Material Contracts – Agreements Relating to the GM Transaction”* for further details.

In April 2022, LAC submitted, and is currently progressing, a formal application to the DOE for funding to be used at the Thacker Pass Project through the ATVM Loan Program, which is designed to provide funding to U.S. companies engaged in the manufacturing of advanced technologies vehicles and components used in those vehicles. On February 22, 2023, LAC announced that it received a Letter of Substantial Completion from the DOE Loan Programs Office for its application to support the financing of the Thacker Pass Project. The Letter of Substantial Completion determines that LAC's application for the DOE's ATVM Loan Program contains all the information necessary to conduct an eligibility assessment and can commence the process to engage in confirmatory due diligence and term sheet negotiation. If LAC is offered a loan by DOE, it expects funding from the ATVM Loan Program to provide up to 75% of the Thacker Pass Project's total eligible capital costs for construction for Phase 1. Relevant development costs incurred at the Thacker Pass Project may qualify as eligible costs under the ATVM Loan Program as of January 31, 2023. DOE's invitation to enter into due diligence is not an assurance that DOE will offer a term sheet to the applicant, or that the terms and conditions of a term sheet will be consistent with terms proposed by the applicant. The foregoing matters are wholly dependent on the results of DOE advanced due diligence and DOE's determination whether to proceed. See "*Risk Factors – Risks Relating to Resource Development – Risks Relating to the U.S. DOE ATVM Loan Program*".

### **Equity Investments**

On July 18, 2022, LAC made an equity investment in Ascend Elements, a U.S.-based lithium-ion battery recycling and engineered material company, by way of a subscription for Series C-1 preferred shares for US\$5 million.

On April 28, 2022, LAC acquired a 5% stake in GT1, a North American focused lithium exploration and development company with hard rock spodumene assets in northwestern Ontario, Canada, in a private placement, for total consideration of US\$10 million. On September 20, 2022, LAC entered into a strategic collaboration agreement with GT1, in which it owns a 5% stake, to advance a common goal of developing an integrated lithium chemical supply chain in North America.

### **COMPETITIVE CONDITIONS**

Lithium currently has many end uses, including ceramics and glass, batteries, greases, air treatment and pharmaceuticals. However, it is the battery industry that is expected to predominantly drive future demand growth for lithium. This is expected to come from several areas: (i) the continued growth of small format batteries for cell phones, laptops, digital cameras and hand-held power tools, (ii) the transportation industry's electrification of automobiles, buses, delivery vehicles, motorcycles, bicycles and boats using lithium-ion battery technology, and (iii) large format batteries for utility grid-scale storage.

A small number of companies dominate the production of end-use lithium products such as lithium carbonate and lithium hydroxide. The bulk of production occurs in brine deposits in South America and spodumene hard-rock deposits in Australia. There are a small number of additional companies who have initiated lithium-based production in recent years, as well as numerous additional companies pursuing the development of lithium mineral deposits globally.

### **MINERAL PRICE AND ECONOMIC CYCLES**

The principal end-use product for New LAC's business will be lithium-based chemicals, including in particular battery-grade lithium carbonate. The markets for lithium-based products are affected by worldwide economic cycles and the volatility in supply and pricing that is commonly associated with commodity-based products. In the case of lithium-based products, demand is driven largely by the rate of adoption and manufacturing of lithium batteries, particularly those used in electric vehicles. Meanwhile, supply is driven by the production capacity of lithium producers and the ability of those operations to produce lithium products. Lithium refinery capacity has significantly expanded to refine technical grade lithium into a higher concentration of lithium with fewer impurities than non-battery grade lithium products.

At present, the market for lithium-based products is responding to recent supply constraints, as electric vehicle adoption has increased and corresponding demand for lithium-based products for electric vehicle

batteries has increased. This increased demand has been accompanied by delayed supply increases, as the timeline for new production to become available is, in most cases, measured over several years and is not responsive to short-term demand increases. This has resulted in an overall rise in price volatility over the last 30 months. The increase in demand, as well as efforts by the governments to promote domestic industry through industrial policy and related efforts, has led to a significant increase in exploration and development stage lithium companies and projects being advanced worldwide.

## **INTANGIBLES**

New LAC will hold patents in several countries on certain beneficiation processes and techniques concerning sedimentary deposits. The length of the patents varies by jurisdiction.

## **ECONOMIC DEPENDENCE**

New LAC's business will be substantially dependent on the continued validity of the Offtake Agreement, pursuant to which New LAC will supply GM with lithium carbonate production from Phase 1 of the Thacker Pass Project. The price within the Offtake Agreement is based on an agreed price formula linked to prevailing market prices. For further details, see "*Material Contracts – Agreements Relating to the GM Transaction*".

## **CHANGES TO CONTRACTS**

As construction activities have commenced at the Thacker Pass Project, New LAC will be working to settle agreements related to the construction of the project. The terms of these contracts will have important financial implications for the construction of the Thacker Pass Project and New LAC itself.

## **ENVIRONMENTAL PROTECTION**

New LAC's operations will be subject to various laws and governmental regulations concerning environmental protection. LAC has secured all environmental permits required to start the development of the Thacker Pass Project under its currently contemplated development plan. The state environmental permits secure authorization for the initial phase of mining and processing activities; in some cases, LAC or New LAC, as applicable, would seek future authorizations to complete the full mine plan. This would include updating the Air Permit for Phase 2 plant operations, updating the Water Pollution Control Permit for mining below the water table and authorizing the use of water for dust suppression on the Kings River Basin side of the project for a portion of the mine and waste rock storage. The administrative process for issuance of the federal permit was challenged by third parties and on February 6, 2023, the Federal District Court rejected arguments by such third parties, ultimately ruling to decline to vacate the ROD for the Thacker Pass Project. For further information, see "*Recent Developments – Thacker Pass Project – Regulatory and Permitting Update*". Environmental protection measures are included in development planning, and the costs of such measures are reflected in applicable capital cost, operating cost and financial performance estimates for New LAC's projects.

## **ESG APPROACH**

New LAC will continue to be committed to safely and responsibly developing and operating its sites and building strong relationships with local communities and all stakeholders, as well as adhering to the highest governance standards. New LAC's environmental, social, governance and safety (ESG-S) vision will continue to be to create shared value by being a safe, environmentally responsible and inclusive lithium company. New LAC's goal will be to minimize the impact on local communities and the environment, and to develop the Thacker Pass Project in a responsible and sustainable manner.

In August 2023, LAC published two ESG-S reports for its North America and Argentina business units. The two ESG-S reports, themed *Accelerating Toward a New Era of Sustainable Value*, highlight overall ESG-S progress during the January 1, 2022 through June 30, 2023 reporting period and reflect LAC's commitment to creating sustainable value by being a safe, environmentally responsible and inclusive lithium company. The scope of the ESG-S report for the North America business includes the activities and interests of LAC

located in North America and the wholly owned Thacker Pass Project. The full report for the North America business is available at [www.lithiumamericas.com](http://www.lithiumamericas.com).

In 2022, LAC worked with a leading global engineering firm to baseline expected operational Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (GHG) carbon emissions intensity for the Thacker Pass Project, including benchmarking against comparable peer projects for which carbon intensity is publicly disclosed. Estimated operational Scope 1 and Scope 2 carbon intensity per tonne of lithium carbonate ( $\text{tCO}_2\text{e}/\text{tLi}_2\text{CO}_3\text{e}$ ) is expected to be 6.02  $\text{tCO}_2\text{e}/\text{tLi}_2\text{CO}_3\text{e}$  for the life of mine, which is approximately 40% less than mining peers (when including processing), placing it in a competitive position relative to other South American-based brine operations and substantially lower than U.S. and Australian-based spodumene operations. In the first half of 2023, LAC preliminarily-estimated operational Scope 3 carbon intensity. Ten regents that will be used during operations at the Thacker Pass Project were estimated for Scope 3 upstream Category 1 (Purchased Goods and Services) and Category 4 (Upstream Transportation and Distribution). Total Scope 1, Scope 2 and Category 1 and 4 Scope 3 estimated carbon intensity total 12.8  $\text{tCO}_2\text{e}/\text{tLi}_2\text{CO}_3\text{e}$  for the life of mine. The environmental and project teams are working together to identify opportunities to further reduce overall expected carbon intensity.

LAC is, and New LAC will be, committed to measuring, managing and mitigating water-resource impacts over the life cycle of its operations. From the outset, LAC has prioritized water stewardship in its project decisions and design – a reflection of our driving focus on using water efficiently and limiting water quality impacts. Demonstrating its commitment to low water consumption and recycling, in 2022, LAC conducted a detailed water cycle assessment for the Thacker Pass Project. The Zero Liquid Discharge facility is designed for low-water consumption, heavily relying on water recycling to meet its needs. LAC's estimated annual well-water withdrawal for Phase 1 is 3.5 million cubic meters. Every cubic meter of process water is estimated to be recycled and reused an average of seven times within the production process.

LAC partnered with the University of Nevada in Reno's Department of Mining and Metallurgical Engineering at the Mackay School of Earth Sciences and Engineering in 2021, to assess the socioeconomic and environmental footprint for the Thacker Pass Project. Professor Ehsan Vahidi, Ph.D. will run the two-year program, which will include developing a lifecycle inventory database, quantifying the environmental performance of lithium production from claystone ore and analyzing the socioeconomic impacts from activity at the Thacker Pass Project along with the impacts of other lithium production facilities around the world. In spring 2023, LAC engaged with University of Nevada in Reno's Cooperative Extension Economic Development team to determine the socioeconomic impact the Thacker Pass Project will have in both Humboldt County and the State of Nevada, based on the Thacker Pass TR and feasibility study. The results are expected to be announced in Q4 2023.

In October 2022, building on several years of engagement and relationship-building, a Community Benefits Agreement was jointly signed with the Fort McDermitt Paiute and Shoshone Tribe to establish a framework for continued collaboration and to define the long-term benefits for the Fort McDermitt Paiute and Shoshone Tribe. The Fort McDermitt Paiute and Shoshone Tribe is the closest Native American community to the project site, located approximately 40 miles from the Thacker Pass Project. The Community Benefits Agreement is intended to provide infrastructure development, training and employment opportunities, support for cultural education and preservation, and synergistic business and contracting opportunities.

In September 2021, LAC joined as an IRMA (Initiative for Responsible Mining Assurance) Pending Member, which means LAC commits to having the Thacker Pass Project audited against the new draft IRMA Ready Standard for Responsible Mineral Exploration and Development framework within 12 months of the standard's availability for application, expected in 2024. IRMA is currently among the most stringent ESG standards for mining. In the first half of 2022, LAC worked with IRMA to pilot the new IRMA Ready Standard for Responsible Mineral Exploration and Development at the Thacker Pass Project. LAC continues to identify and address areas of opportunities for improvement, in preparation for commencing an external audit upon adoption of the IRMA Ready Standard.

## **SPECIALIZED SKILL AND KNOWLEDGE**

All aspects of New LAC's business will require specialized skills and knowledge. Such skills and knowledge include the areas of project execution including construction, logistical planning and procurement, operations and business readiness, community and government relations, engineering, regulatory, human resources management, finance and accounting, as well as exploration-related skills and knowledge, including geology and drilling. New LAC will rely upon its management, employees and various consultants for such expertise in addition to new hires as they are required with the advancement of the Thacker Pass Project.

## **EMPLOYEES**

Upon the completion of the Arrangement, it is expected that New LAC and its subsidiaries will have a total of approximately 85 employees. The New LAC Board will evaluate on an ongoing basis the expertise and skills required to meet New LAC's goals.

## **RISK FACTORS**

Below are certain risk factors relating to New LAC that New LAC Shareholders should carefully consider in connection with and following the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in this Document.

### **Risks Relating to the Arrangement**

#### ***Risks Relating to Achieving the Expected Benefits of the Arrangement***

LAC believes that New LAC, as a publicly-traded company, will be able to, among other things, better focus its financial and operational resources on the Thacker Pass Project, implement and maintain a capital structure designed to meet its specific needs, design and implement corporate strategies and policies that are targeted to its business and geographic focus of operations, more effectively respond to industry dynamics and create effective incentives for management and employees that are more closely tied to New LAC's business performance. However, by separating from LAC, New LAC may be more susceptible to market fluctuations, will not receive the benefit of the expected near-term cash flow positive operations of LAC from its Argentinian project interests, and may experience other adverse events. In addition, New LAC may be unable to achieve some or all of the benefits that it expects to achieve as a separate company in the time expected, if at all. The completion of the Arrangement and related post-closing matters will also require significant amounts of New LAC's management's time and effort, which may divert management's attention from operating and growing New LAC's business.

#### ***Transition Services Risks***

Following the completion of the Arrangement, New LAC will need to provide internally or obtain from unaffiliated third parties some of the services which the entities holding the North American Business currently receive from LAC, notwithstanding and further to the provision of transitional services and facilities by LAC and its affiliates to New LAC and its affiliates pursuant to the Transitional Services Agreement. New LAC may be unable to replace these services in a timely manner or on terms and conditions as favorable as those received from LAC. New LAC may be unable to successfully establish the infrastructure or implement the changes necessary to operate independently or may incur additional costs. If New LAC fails to obtain the services necessary to operate effectively or if it incurs greater costs in obtaining these services, New LAC's business, financial condition and results of operations may be adversely affected.

#### ***Risks Relating to Carve-Out Financial Information***

New LAC derived the historical financial information included in its public disclosure on a carve-out basis from LAC's consolidated financial statements, and this information does not necessarily reflect the results of operations and financial position New LAC would have achieved as a separate publicly-traded company

during the periods presented or those that New LAC will achieve in the future. This is primarily because of the following factors:

- Prior to the completion of the Arrangement, the operations of the North American Business were part of the operations of LAC's broader corporate organization, and LAC held interests in other mineral projects in addition to the North American Business. New LAC's historical financial information reflects allocations of corporate expenses from LAC for administrative and similar functions. These allocations may not reflect the costs New LAC will incur for similar services in the future as a standalone publicly-traded company.
- New LAC's historical financial information does not reflect changes that New LAC could experience in the future as a result of its separation from LAC, including changes in New LAC's cost structure, personnel needs, tax structure, financing and business operations. The entities holding the North American Business enjoyed certain benefits from LAC's operating diversity, size, borrowing leverage and available capital for investments, which may not be available to New LAC after the completion of the Arrangement. As a separate entity, New LAC may be unable to purchase services and technologies or access capital markets on terms as favorable as those obtained by the entities holding the North American Business as part of LAC prior to the completion of the Arrangement.

Following the completion of the Arrangement, New LAC will also be responsible for the costs associated with being a publicly-traded company, including costs related to corporate governance, investor and public relations and public reporting. In connection with the Arrangement, New LAC and Lithium Argentina are expected to enter into the Transitional Services Agreement for the provision of certain transitional services and facilities between the parties thereto for which New LAC will be required to pay certain costs. Certain costs incurred by LAC, including executive oversight, accounting, treasury, tax, legal, human resources, occupancy, information technology and other shared services, have historically been allocated to the North American Business by LAC; but these allocations may not reflect the future level of these costs as New LAC begins to source these services itself. Therefore, the financial statements of the North American Business may not be indicative of New LAC's future performance as a separate publicly-traded company. New LAC will not be able to provide assurance that its operating results will continue at a similar level when New LAC is a separate publicly-traded company. For additional information about New LAC's past financial performance and the basis of presentation of the financial statements, see New LAC's historical financial statements and the notes thereto included in its public disclosure.

### ***Risks Relating to Access to Capital Markets***

From time to time New LAC may need to access the capital markets to obtain long-term and short-term financing. New LAC has not previously accessed the capital markets as a separate public company, and New LAC's access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including New LAC's business prospects and financial performance, its credit ratings or absence thereof, the liquidity of the overall capital markets and the state of the economy. New LAC will not be able to provide assurance that it will have access to the capital markets at the times and in the amounts needed or on terms acceptable to it.

### ***Risk of Future Losses and Lack of Profitability***

New LAC anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at the Thacker Pass Project. Although New LAC will have cash transferred from LAC in connection with the completion of the Arrangement, New LAC's ability to continue as a going concern following the completion of the Arrangement and the depletion of its capital will be dependent upon its ability to generate profits from its proposed mining operations, or to raise capital through equity or debt financing to continue to meet its obligations and repay its liabilities arising from normal business operations when they come due.

***Risks Relating to Exposure to Substantial Tax Liabilities if the Tax-Deferred Separation Requirements are not met***

In connection with the Arrangement, LAC has applied for and received certain advance income tax rulings in Canada and the United States (together, the “**Tax Rulings**”, and respectively, the “**Canadian Tax Ruling**” and the “**U.S. Tax Ruling**”). The Canadian Tax Ruling requested from Canadian tax authorities and received on July 12, 2023 requires, among other things, that the transfer of the North American Business comply with all requirements of the public company “butterfly” rules in section 55 of the Tax Act. Although the Arrangement is structured to comply with these rules, there are certain requirements of these rules that depend on events occurring (or not occurring) after the Arrangement is completed or that may not be within the control of New LAC and/or Lithium Argentina. For example, under section 55 of the Tax Act, New LAC and/or Lithium Argentina will recognize a taxable gain on the transfer by LAC of the North American Business if: (i) a “specified shareholder” of New LAC or of Lithium Argentina disposes of New LAC or Lithium Argentina shares (or property that derives 10% or more of its fair market value from such shares or property substituted therefor) to an unrelated person or partnership as part of the series of transactions which includes the transfer by LAC of the North American Business, (ii) there is an acquisition of control of New LAC or Lithium Argentina that is part of the series of transactions that includes the transfer by LAC of the North American Business, (iii) a person unrelated to New LAC acquires (generally otherwise than as a result of a disposition in the ordinary course of operations of New LAC), as part of the series of transactions that includes the transfer by LAC of the North American Business, property acquired by New LAC on the Separation that has a fair market value greater than 10% of the fair market value of all property received by New LAC on the Separation, (iv) a person unrelated to Lithium Argentina acquires (generally otherwise than as a result of a disposition in the ordinary course of operations of Lithium Argentina), as part of the series of transactions that includes the transfer by LAC of the North American Business, property retained by Lithium Argentina on the Separation that has a fair market value greater than 10% of the fair market value of all property retained by Lithium Argentina on the Separation, or (v) certain persons acquire shares of Lithium Argentina (other than in specified permitted transactions) in contemplation of, and as part of the series of transactions that includes, the transfer by LAC of the North American Business. If these requirements are not met, New LAC and/or Lithium Argentina would recognize a taxable gain in respect of the transfer by LAC of the North American Business to New LAC as part of the Separation. If incurred, these tax liabilities could be substantial and could have a material adverse effect on the financial position of New LAC and/or Lithium Argentina. Under the terms of the Tax Indemnity and Cooperation Agreement, New LAC and Lithium Argentina would generally be required to indemnify the other party for any such tax if it is the result of the indemnifying party (or its affiliates) breaching its covenant not to take any action, omit to take any action or enter into a transaction that could cause the Arrangement or any related transaction to be treated in a manner inconsistent with the Canadian Tax Ruling.

***Risks Relating to the Receipt of New LAC Common Shares by LAC Shareholders Pursuant to the Arrangement Being Intended to be Treated as Tax-Free for U.S. Federal Income Tax Purposes***

In connection with the Arrangement, LAC has received a U.S. Tax Ruling from the IRS on July 13, 2023 substantially to the effect that the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement will be tax-free for U.S. federal income tax purposes under Section 355(a) of the Code. The U.S. Tax Ruling relies on, among other things, certain facts and assumptions, as well as certain representations, statements, and undertakings of LAC and New LAC (including those relating to the past and future conduct of LAC, Lithium Argentina and New LAC). Notwithstanding the receipt of the U.S. Tax Ruling, the IRS could determine on audit that receipt of New LAC Common Shares by LAC Shareholders was treated as a taxable transaction if the IRS determines that any of the facts, assumptions, representations, statements or undertakings upon which the U.S. Tax Ruling was based are inaccurate or have been violated. If the IRS were successful in taking this position, the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement may be treated as a taxable dividend from LAC or capital gain with respect to such shareholders’ ownership of LAC shares for U.S. federal income tax purposes, in which case U.S. Shareholders may be subject to significant U.S. federal income tax liabilities. In addition, certain events that may or may not be within the control of New LAC could cause the Arrangement to subsequently fail to qualify as generally tax-free for U.S. federal income tax purposes under Section 355 of the Code, resulting in the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement being taxable to U.S. Shareholders as described immediately above.

Accordingly, New LAC cannot provide assurance that the intended U.S. tax treatment will be achieved or that U.S. Shareholders will not incur substantial U.S. federal income tax liabilities from the receipt of New LAC Common Shares pursuant to the Arrangement.

***Risks Relating to Preserving the Intended U.S. Federal Income Tax Treatment of the Receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement***

As described above, pursuant to the U.S. Tax Ruling received from the IRS, it is expected that the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement will be tax-free for U.S. federal income tax purposes under Section 355(a) of the Code. To preserve the intended U.S. federal income tax treatment of the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement, Lithium Argentina and New LAC expect to agree in the Tax Indemnity and Cooperation Agreement to be restricted, except in specific circumstances, from taking or failing to take certain actions that could cause the receipt of New LAC Common Shares by LAC Shareholders pursuant to the Arrangement to be taxed in a manner that is inconsistent with the manner provided for in the U.S. Tax Ruling. These restrictions may limit the ability of New LAC to pursue certain strategic transactions or other transactions that it believes to be in the best interests of its shareholders or that might increase the value of its business for three years following the completion of the Arrangement.

***Risks Relating to New LAC Indemnification Obligations to Lithium Argentina Following the Arrangement***

Pursuant to the Tax Indemnity and Cooperation Agreement, Lithium Argentina and New LAC will agree to a number of representations, warranties and covenants, including agreeing to indemnify and hold harmless the other party against any loss suffered or incurred resulting from, or in connection with, a breach of certain tax-related covenants. Any indemnification claim against New LAC could be substantial, may not be able to be satisfied and may have a material adverse effect upon New LAC.

***Risks Relating to the Securities and Business of New LAC***

***Risks Relating to Incipient Trading Market for New LAC Common Shares***

There is no public market for the New LAC Common Shares prior to the implementation of the Arrangement. The extent to which investor interest will lead to the development of a trading market or how liquid that market might be is not currently known. New LAC Shareholders may not be able to resell their New LAC Common Shares at or above the initial trading price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the New LAC Common Shares and limit the number of investors who are able to buy the New LAC Common Shares.

***Risks Relating to Stability of Stock Price and Availability of a Continuing Public Market***

The market price of the New LAC Common Shares may in the future be subject to significant fluctuations as a result of many factors, some of which will be beyond New LAC's control. Among the factors that could in the future affect New LAC's stock price are:

- quarterly variations in New LAC's results of operations;
- changes in market valuations of similar companies and stock market price and volume fluctuations generally;
- changes in earnings estimates or the publication of research reports by analysts;
- speculation in the press or investment community about New LAC's business or the mining industry generally;
- strategic actions by New LAC or its competitors such as acquisitions or restructurings;
- a thin trading market for the New LAC Common Shares may develop, which could make it somewhat illiquid;

- regulatory developments;
- additions or departures of key personnel;
- the selling price of lithium;
- general market conditions; and
- domestic and international economic, market and currency factors unrelated to New LAC's performance.

The stock markets have experienced extreme volatility that has sometimes been unrelated to the operating performance of individual companies. These broad market fluctuations may adversely affect the trading price of New LAC Common Shares.

Additionally, there is no guarantee of a continuing public market to resell the New LAC Common Shares. New LAC will not be able to provide assurance that an active and liquid public market for the New LAC Common Shares will develop or continue.

### ***Risk of Diluted Interest Resulting from Future Equity Issuances***

New LAC may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future exploration, development and acquisition plans, repayment of outstanding indebtedness or issuances and exercises under the New LAC Incentive Plan, without shareholder approval, in a number of circumstances.

Issuance of additional common shares or other equity securities of equal or senior rank would have the following effects:

- existing shareholders' proportionate ownership interest in New LAC will decrease;
- the amount of cash available for dividends payable on the New LAC Common Shares may decrease or be nil;
- the relative voting strength of each previously outstanding New LAC Common Share may be diminished; and
- the market price of the New LAC Common Shares may decline.

### ***Thacker Pass Financing Risks***

New LAC will have significant capital requirements associated with the development of its Thacker Pass Project, and will require additional financing to advance the project into construction as planned. In addition, a condition of the Tranche 2 investment under the GM Transaction is that LAC (or post-Arrangement, New LAC) must secure sufficient funding to complete the development of Phase 1 of the Thacker Pass Project. New LAC may pursue additional equity or debt financing, which could have a dilutive effect on existing security holders if shares, options, warrants or other convertible securities are issued, or result in additional or more onerous restrictions on New LAC's business, and substantial interest and capital payments if new debt financing is obtained. LAC submitted a loan application to the DOE as partial financing for the Thacker Pass Project, which, if granted, is not expected to have a dilutive effect but would result in New LAC being more highly leveraged, which could have a material adverse effect on New LAC's future prospects if it is unable to satisfy its debt obligations as they become due.

The ability of New LAC to arrange additional financing for the Thacker Pass Project in the future will depend, in part, on prevailing capital market conditions as well as the business performance of New LAC. Failure to obtain additional financing on a timely basis may cause New LAC to postpone, abandon, reduce or terminate its operations and could have a material adverse effect on New LAC's business, results of operations and financial condition.

### ***Risks Relating to the GM Transaction***

There is a risk that Tranche 2 of the GM Transaction is not completed. The GM Transaction will be subject to a number of conditions and approvals, including in connection with Tranche 2, LAC (or, post-Arrangement, New LAC) securing sufficient funding to complete the development of Phase 1 of the Thacker Pass Project as set out in the Thacker Pass TR, among other conditions. Many of these conditions will be outside the control of LAC (or, post-Arrangement, New LAC) and there can be no certainty that all conditions to Tranche 2 of the GM Transaction will be satisfied or completed, that all approvals (regulatory and otherwise) required to complete the GM Transaction will be received, or that the GM Transaction will be completed on the anticipated terms and timeline described herein, or at all.

In addition, there can be no certainty that the potential benefits of the GM Transaction will be realized, and there is a risk that the dilution of the interests of shareholders of LAC (or, post-Arrangement, New LAC) arising from the GM Transaction will have an impact on the trading price for, and the market for trading in, the securities of LAC (or, post-Arrangement, New LAC). As a result of the closing of Tranche 1 of the GM Transaction, GM received a set of investor rights, based upon certain ownership thresholds and production commitments with LAC (or, post-Arrangement, New LAC), which may affect the rights and entitlements of other securityholders of LAC (or, post-Arrangement, New LAC) adversely and restrict certain actions of LAC (or, post-Arrangement, New LAC), including with respect to board nomination rights, oversight and participation in future equity issuances of LAC (or, post-Arrangement, New LAC).

### ***Significant Shareholder and Commercial Relationship Risks***

GM holds approximately 9.4% of the outstanding shares of LAC as of the date hereof, and is anticipated to hold approximately the same amount of interest in New LAC following the completion of the Arrangement. The completion of Tranche 2 will result in an increase to GM's holding subject to a maximum aggregate holding of 30% of New LAC. Additionally, GM has a commercial relationship with LAC (or, post-Arrangement, New LAC) in respect of the Thacker Pass Project under the Offtake Agreement, and possesses board nomination rights, oversight and securities offering participation rights in respect of LAC (or, post-Arrangement, New LAC) pursuant to the Investor Rights Agreement.

As a result of its significant current and anticipated share holdings and investor rights, GM may have the ability to influence the outcome of corporate actions requiring shareholder approval, including the election of directors of New LAC and the approval of certain corporate transactions. There is a risk that the interests of GM may diverge from those of other shareholders and also discourage transactions involving a change of control, including transactions in which an investor, as a holder of New LAC's securities, would otherwise receive a premium for New LAC's securities over the then current market price. The significant holdings of GM could also create a risk that New LAC's securities are less liquid and trade at a relative discount compared to circumstances where GM did not have the ability to influence or determine matters affecting New LAC. Additionally, dispositions by significant shareholders could also have an adverse effect on the market price of the New LAC Common Shares.

### ***Intellectual Property Risks***

New LAC will rely on the ability to protect its intellectual property rights and will depend on patent, trademark and trade secret legislation to protect its proprietary know-how. There is no assurance that LAC has adequately protected, or that New LAC will be able to adequately protect, its valuable intellectual property rights, or will at all times have access to all intellectual property rights that are required to conduct its business or pursue its strategies, or that New LAC will be able to adequately protect itself against any intellectual property infringement claims. There is also a risk that New LAC's competitors could independently develop similar technology, processes or know-how; that New LAC's trade secrets could be revealed to third parties; that any current or future patents, pending or granted, will be broad enough to protect New LAC's intellectual property rights; or, that foreign intellectual property laws will adequately protect such rights. The inability to protect New LAC's intellectual property could have a material adverse effect on New LAC's business, results of operations and financial condition.

### ***Risks of Relying on Consultants***

LAC has relied on, and New LAC may continue to rely on, consultants and others for mineral exploration and exploitation expertise. LAC believes that those consultants are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, New LAC may experience delays or increased costs in developing the Thacker Pass Project or other risks.

### ***Risk of No Dividends***

New LAC has not paid dividends on the New LAC Preference Shares and the New LAC Common Shares, none of which will be issued prior to the Arrangement, since incorporation, and New LAC will not have the ability to generate earnings in the immediate future following the completion of the Arrangement as the Thacker Pass Project is in the development stage. If development of the Thacker Pass Project is successfully completed, New LAC anticipates that it will retain its earnings and other cash resources for future operations and the ongoing development of its business. As such, New LAC does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be solely at the discretion of the New LAC Board, which will consider many factors including New LAC's operating results, financial condition and anticipated cash needs. For these reasons, New LAC may never pay dividends.

### ***Talent Risk***

LAC highly values the contributions of its key personnel. The future success of New LAC will continue to depend largely upon the performance of key officers, employees and consultants who have advanced the North American Business to its current stage of development and contributed to its potential for future growth. The market for qualified talent has become increasingly competitive, with shortages of qualified talent relative to the number of available opportunities being experienced in all markets where New LAC will continue its operations. The ability to remain competitive by offering higher compensation packages and programs for growth and development of personnel, with a view to retaining existing talent and attracting new talent, will become increasingly important to New LAC and its operations in the current climate. Any prolonged inability to retain key individuals, or to attract and retain new talent as LAC (and post-Arrangement, New LAC) grows, could have a material adverse effect upon New LAC's growth potential and prospects. Additionally, the purchase of any "key-man" insurance for any of the proposed directors, officers or key employees of New LAC is not currently anticipated.

### ***Risks of Legal Proceedings***

New LAC may be subject to a variety of regulatory requirements, and resulting investigations, claims, lawsuits and other proceedings in the ordinary course of its business, as a result of its status as a publicly traded company and because of its mining exploration and development business. Litigation related to environmental and climate change-related matters, and ESG disclosure is also on the rise. The occurrence and outcome of any legal proceedings cannot be predicted with any reasonable degree of certainty due to the inherently uncertain nature of litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal claims can be substantial, even with respect to claims that are determined to have little or no merit.

Litigation may be costly and time-consuming, and can divert the attention of management and key personnel away from day-to-day business operations. New LAC and the Thacker Pass Project may, from time-to-time, be subject to legal proceedings or the threat of legal proceedings. Please see "*Description of the Business – Recent Developments*" and "*Legal Proceedings and Regulatory Actions*" for further details. If New LAC were to be unsuccessful in defending any material claims against it, or unable to settle such claims on a satisfactory basis, it may be faced with significant monetary damages, injunctive relief or other negative impacts that could have a material adverse effect on New LAC's business and financial condition. To the extent New LAC is involved in any active litigation, the outcome of such matters may not be determinable, and it may not be possible to accurately predict the outcome or quantum of any such proceedings at a given time.

### ***Risks of Enforcing U.S. Judgments***

New LAC will be a Canadian company, organized under the laws of British Columbia and headquartered in the province. It is anticipated that certain of New LAC's directors and officers, and the experts named in this Document, will not be citizens or residents of the United States. As a result, it may be difficult or impossible for an investor to (i) enforce in courts outside the United States any judgments against New LAC and its directors and officers and the experts named in this Document, which are obtained in U.S. courts based upon the civil liability provisions of U.S. federal securities laws, or (ii) bring in courts outside the United States an original action against New LAC and its directors and officers and the experts named in this Document to enforce liabilities based upon such U.S. securities laws.

### ***Information Technology and Cybersecurity Risks***

Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow and evolve in terms of severity and sophistication, particularly as a result of remote work. A cybersecurity attack would have the potential to compromise the business, financial and other systems of New LAC, and could go unnoticed for some time. Risks associated with cybersecurity threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, loss or damage to worksite data delivery systems, privacy and confidentiality breaches, and increased costs and time to prevent, respond to or mitigate cybersecurity incidents. It is anticipated that New LAC will implement a cybersecurity policy, continue to provide training to its personnel as a mitigation measure (as has been done by LAC) and will develop a response plan to address potential cybersecurity breaches. System and network maintenance, upgrades and similar best practices will also be followed. However, despite these measures, the occurrence of a significant cybersecurity incident could have a material adverse effect on New LAC's business and result in a prolonged disruption to it.

### ***Risks of Loss of Foreign Private Issuer Status***

As a "foreign private issuer", as such term is defined under the U.S. Exchange Act, New LAC will be exempt from certain of the provisions of U.S. federal securities laws. However, if New LAC were to lose its status as a foreign private issuer, New LAC may become subject to additional regulatory and reporting requirements in the United States. Compliance with these additional regulatory and reporting requirements under U.S. securities laws would likely result in increased expenses and would require New LAC's management to devote substantial time and resources to comply with new regulatory requirements. Further, to the extent that New LAC were to offer or sell securities outside of the United States, New LAC would have to comply with the more restrictive Regulation S requirements that apply to U.S. domestic companies, and New LAC will not be able to utilize the multijurisdictional disclosure system forms for registered offerings by Canadian companies in the United States, which could increase the costs of accessing capital markets compared to if New LAC was a foreign private issuer able to rely on the multijurisdictional disclosure system. In addition, New LAC may lose the ability to rely upon exemptions from NYSE corporate governance requirements that are available to foreign private issuers, which may further increase New LAC's costs of compliance.

New LAC could lose its status as a foreign private issuer if more than 50% of New LAC's outstanding voting securities are directly or indirectly held of record by U.S. holders as of the end of New LAC's second fiscal quarter and any one of the following is true: (i) the majority of New LAC's directors or executive officers are U.S. citizens or residents; (ii) more than 50% of New LAC's assets are located in the United States; or (iii) New LAC's business is administered principally in the United States. It is anticipated that, upon completion of the Arrangement, New LAC's only material mining project will be the Thacker Pass Project, which is located in the United States. In addition, it is anticipated that, upon completion of the Arrangement, a majority of New LAC's directors and executive officers will be U.S. citizens or residents and, while its head office will be in Canada, a substantial portion of New LAC's business will be administered principally in the United States. As a result, if more than 50% of New LAC's outstanding voting securities are directly or indirectly held of record by U.S. holders as of the end of New LAC's second fiscal quarter following completion of the Arrangement, New LAC could lose its status as a foreign private issuer.

### ***Risks Relating to Classification as a “Passive Foreign Investment Company”***

If New LAC is classified as a “passive foreign investment company” (“PFIC”) within the meaning of Section 1297 of the Code for U.S. federal income tax purposes, a U.S. Shareholder who owns New LAC Common Shares could be subject to adverse tax consequences, including a greater tax liability than might otherwise apply, an interest charge on certain taxes deemed deferred as a result of New LAC’s non-U.S. status, and additional U.S. tax reporting obligations. In general, a non-U.S. corporation will be a PFIC during a taxable year if, taking into account the income and assets of certain of its affiliates, (i) 75% or more of its gross income constitutes passive income or (ii) 50% or more of its assets produce, or are held for the production of, passive income. Passive income generally includes interest, dividends, and other investment income.

The determination of whether New LAC is a PFIC depends upon the composition of its income and assets and the nature of its activities from time to time and must be made annually as of the close of each taxable year. The PFIC determination also depends on the application of complex U.S. federal income tax rules that are subject to differing interpretations. Based on its current and expected income, assets and activities, New LAC may be classified as a PFIC for the current taxable year or in the foreseeable future. Thus, there can be no assurance that New LAC will not be classified as a PFIC for any taxable year, or that the IRS or a court will agree with New LAC’s determination as to its PFIC status. In addition, in the event that the New LAC Common Shares that a U.S. Shareholder received pursuant to the Arrangement is treated as stock of a PFIC, the U.S. federal income tax treatment is not entirely clear. A U.S. Shareholder, however, can be treated as holding stock of a PFIC in periods prior to the Arrangement, and therefore may not be able to make a timely QEF Election for such stock and may be subject to adverse U.S. tax treatment.

Potential investors who are U.S. Shareholders are urged to consult their own tax advisors regarding the application of the PFIC rules, including the related reporting requirements and the advisability of making any available election under the PFIC rules, with respect to their ownership and disposition of New LAC Common Shares. Each potential investor who is a U.S. Shareholder should consult its own tax advisor regarding the tax consequences of the PFIC rules and the acquisition, ownership and disposition of the New LAC Common Shares.

### ***Risks Relating to Proposed and Recently Enacted Legislation in the United States and Canada***

Changes to U.S. tax laws (which changes may have retroactive application) could adversely affect New LAC or New LAC Shareholders. In recent years, many changes to U.S. federal income tax laws have been proposed and made, and additional changes to U.S. federal income tax laws are likely to continue to occur in the future.

The U.S. Congress is currently considering numerous items of legislation which may be enacted prospectively or with retroactive effect, which legislation could adversely impact New LAC’s financial performance and the value of New LAC Common Shares. Additionally, states in which New LAC will operate or own assets may impose new or increased taxes. If enacted, most of the proposals would be effective for the current or later years. The proposed legislation remains subject to change, and its anticipated impact on New LAC and purchasers of New LAC Common Shares is uncertain.

In addition, the Inflation Reduction Act of 2022 includes provisions that will impact the U.S. federal income taxation of corporations. Among other items, this legislation includes provisions that will impose a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. It is unclear how this legislation will be implemented by the U.S. Department of the Treasury and the impact of how this legislation or any future changes in tax laws might affect New LAC or purchasers of New LAC Common Shares cannot be predicted.

On August 4, 2023, the Department of Finance (Canada) released draft legislation to implement certain previously announced measures. These measures included application rules for a 15% global minimum tax under the Organisation for Economic Co-Operation and Development’s two-pillar plan (OECD Pillar 2). The draft legislative release also included a 2% tax on the net value of share buybacks by public corporations in Canada, and will be subject to certain exceptions and anti-avoidance provisions. If enacted, the global minimum tax rules will apply to New LAC as of its fiscal year commencing January 1, 2024, and the share

buyback tax will apply as of January 1, 2024. The draft legislation remains subject to change, and its impact on New LAC and purchasers of New LAC Common Shares is uncertain.

### ***Risks Relating to Changes in the Tax Laws and Regulations in the Jurisdictions in which New LAC Operates***

New LAC's tax reporting is supported by tax laws in the countries in which it operates and the application of tax treaties between the various countries in which it operates. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to change, with or without notice, due to economic, political, and other conditions, and judgment is required in evaluating and estimating New LAC's provision and accruals for these taxes. Such changes could have a material adverse effect on the holders of shares of New LAC or New LAC's business, financial condition and results of operations. New LAC's income tax reporting is subject to audit by tax authorities in the countries in which it operates. New LAC's effective tax rate may change from year to year, based on (i) changes in the mix of activities and income earned among the different jurisdictions in which New LAC operates, (ii) changes in tax laws in these jurisdictions, (iii) changes in the tax treaties between the countries in which New LAC operates, (iv) changes in New LAC's eligibility for benefits under those tax treaties, and (v) changes in the estimated values of deferred tax assets and liabilities, which could result in a substantial increase in the effective tax rate on all or a portion of New LAC's income.

### ***Pandemic Risks, the Russian War in Ukraine, Inflation and Other Risks***

The COVID-19 pandemic, the Russian war in Ukraine, inflation and other factors continue to impact global markets and cause general economic uncertainty, the impact of which may have a significant adverse effect on New LAC's operations, business and financial condition.

The impacts of the COVID-19 pandemic, and governmental response thereto, on global commerce have and continue to be extensive and far-reaching. There has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has been restricted from time to time. The current global uncertainty with respect to COVID-19, the rapidly evolving nature of the pandemic, including the occurrence of new variants, and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on New LAC and the advancement of the Thacker Pass Project. The precise impact of further COVID-19 outbreak or the emergence of new diseases on New LAC remains uncertain, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which had direct impacts on businesses in Canada, the United States and around the world and could again result in travel bans, work delays, difficulties for contractors and employees to work at site, and diversion of management attention all of which in turn could have a negative impact on development of the Thacker Pass Project and New LAC generally. Although many of these impacts appear to be lessening in most jurisdictions, there continues to be significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it, or governmental responses to it, may have on the advancement of the Thacker Pass Project, on New LAC's suppliers, on New LAC's employees and on global financial markets which may have a material adverse effect on New LAC's operations, business and financial condition.

These concerns, together with concerns over general global economic conditions, fluctuations in interest and foreign exchange rates, stock market volatility, geopolitical issues, Russia's war in Ukraine and inflation have contributed to increased economic uncertainty and diminished expectations for the global economy. This global economic uncertainty may have a material adverse effect on New LAC's operations, business and financial condition.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to fluctuations in the market price of lithium-based products, the development of Thacker Pass Project, the terms and availability of financing, cost overruns, geopolitical concerns, and changes in law, policies or regulatory requirements.

## **Risks Relating to Resource Development**

### ***Lithium Market Growth Uncertainty***

The development of lithium operations at the Thacker Pass Project is highly dependent upon the currently projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by LAC (and post-Arrangement, New LAC), then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the Thacker Pass Project, its potential commercial viability and would otherwise have a negative effect on the business and financial condition of New LAC. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on New LAC and its projects.

### ***Thacker Pass Project Development Risk***

New LAC's business strategy will depend in substantial part on developing the Thacker Pass Project into a commercially viable mine and chemical manufacturing facility. Whether a mineral deposit will be commercially viable depends on numerous factors, including but not limited to: the attributes of the deposit, such as size and grade; proximity to available infrastructure; economics for new infrastructure; market conditions for battery-grade lithium products; processing methods and costs; and government permitting and regulations.

On February 6, 2023, LAC received a favorable ruling from the Federal District Court in respect of the appeal of the issuance of the ROD for the Thacker Pass Project. The Federal District Court declined to vacate the ROD for the Thacker Pass Project, ordered the BLM to determine whether LAC possesses adequate mining-claim rights to the lands over the area designated for waste storage and tailings and did not impose any restrictions expected to impact the construction timeline of the Thacker Pass Project. LAC commenced construction activities, including site preparation, geotechnical drilling, water well drilling, water pipeline development and associated infrastructure after having selected an engineering, procurement and construction management firm to develop and execute the construction plan for the Thacker Pass Project. LAC is also focused on the development of a North American supply chain, and continues to progress the ATVM Loan Program application for financing of the Thacker Pass Project.

There are many additional factors that could impact the project's development, including terms and availability of financing, cost overruns, litigation or administrative appeals concerning the project, delays in development, and any permitting changes, among other factors. The Thacker Pass Project is also subject to the development and operational risks described elsewhere in this Document. Accordingly, there can be no assurance that New LAC will complete development of the Thacker Pass Project as currently contemplated, or at all. If New LAC is unable to develop the Thacker Pass Project into a commercial operating mine, its business and financial condition could be materially adversely affected.

### ***Risks Relating to the U.S. DOE ATVM Loan Program***

The DOE's invitation to enter into confirmatory due diligence and term sheet negotiations is not an assurance that DOE will offer a term sheet or loan agreement to the applicant, or that the terms and conditions of any term sheet or loan agreement will be consistent with the terms proposed by the applicant. The outcome of LAC's application to the DOE for funding to be used at the Thacker Pass Project through the ATVM Loan Program is dependent on the results of DOE advanced due diligence and DOE's determination whether to proceed, and there can be no assurances as to the outcome of such due diligence review, whether the DOE will determine to proceed and as to the terms and conditions of any term sheet or loan agreement that may be offered, if any.

### ***Product Price Risk***

The ability to generate profitable operations on the Thacker Pass Project, if and to the extent the project is developed and enters commercial operation, will be significantly affected by the market price of lithium-based end products, such as lithium carbonate and lithium hydroxide. The market price of these products fluctuates widely and is affected by numerous factors beyond New LAC's control, including world supply and demand, pricing characteristics for alternate energy sources such as oil and gas, government policy and laws, interest rates, the rate of inflation and the stability of currency exchange rates. Such external economic factors are influenced by changes in international investment patterns, various political developments and macro-economic circumstances. Furthermore, the price of lithium products is significantly affected by their purity and performance, and by the specifications of end-user battery manufacturers. If the products produced from the Thacker Pass Project do not meet battery-grade quality and/or do not meet customer specifications, pricing will be reduced from that expected for battery-grade products. In turn, the availability of customers may also decrease. New LAC may not be able to effectively mitigate against pricing risks for its products. Depressed pricing for New LAC's products will affect the level of revenues expected to be generated by New LAC, which in turn could affect the value of New LAC, its share price and the potential value of the Thacker Pass Project.

### ***Production Estimates***

Appendix "C" to this Document and the Thacker Pass TR contain estimates relating to future production and future production costs for the Thacker Pass Project. No assurance can be given that production estimates will be achieved generally or at the stated costs. These production estimates are dependent on, among other things, the accuracy of Mineral Reserve estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical conditions of ores, assumed metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing. For the Thacker Pass Project, ore grade or type may be lower quality than expected, which may result in actual production levels being lower than nameplate capacity. The failure of New LAC to achieve production estimates could have a material and adverse effect on any or all of its cash flows, profitability, results of operations and financial condition.

### ***Capital and Operating Cost Estimates***

The expected capital and operating costs for the Thacker Pass Project are based on the interpretation of geological and metallurgical data, feasibility studies, economic factors, anticipated climatic conditions and other factors that may prove to be inaccurate. Therefore, the Thacker Pass TR may prove to be unreliable if the assumptions or estimates do not reflect actual facts and events. The Thacker Pass TR estimated life of mine project capital costs for the Thacker Pass Project of US\$5,505.8 million, but any of following events, among the other events and uncertainties described therein, could affect the ultimate accuracy of such estimates: uncertainties in the interpreted geological data based on wide-spaced drill holes not being representative of the mineral deposit locally, in particular, unrecognized faults or basaltic units that could require changes to the mine plan or increased mine dilution or mine losses; unrecognized geotechnical conditions that could require flattening of the pit slope increasing the strip ratio and mining costs, and area required for waste rock storage; unanticipated changes to the process flowsheet; increase in capital costs for any reason; and adverse weather conditions that could reduce mine equipment performance and require waste management storage areas to be redesigned.

### ***Permitting Risks***

Although LAC has obtained all key environmental permits for the Thacker Pass Project for an initial stage of development, there can be no certainty that current permits will be maintained, permitting changes such as changes to the mine plan or increases to planned capacity will be approved, or additional local, state or provincial permits or approvals required to carry out development and production at the Thacker Pass Project will be obtained, projected timelines for permitting decisions to be made will be met, or the projected costs of permitting will be accurate.

In addition, there is the risk that existing permits will be subject to challenges of regulatory administrative process, and similar litigation and appeal processes. Litigation and regulatory review processes can result in lengthy delays, with uncertain outcomes. Such issues could impact the expected development timelines of the Thacker Pass Project and consequently have a material adverse effect on New LAC's prospects and business.

### ***Novel Deposit Risk***

The processes contemplated by LAC for production of lithium carbonate from a sedimentary deposit such as that of the Thacker Pass Project have not previously been demonstrated at commercial scale. To mitigate this risk, LAC developed the LiTDC, a new integrated process testing facility in Reno, Nevada to test the process chemistry. The LiTDC continues to operate based on the Thacker Pass Project flowsheet processing raw ore to final battery-quality lithium carbonate to produce product samples for potential customers and partners. The results of ongoing test work to de-risk each step of the flowsheet continue to be in line with expectations. However, there are risks that the process chemistry will not be demonstrated at scale, efficiencies of recovery and throughput capacity will not be met, or that scaled production will not be cost effective or operate as expected. In addition, the novel nature of the deposit could result in unforeseen costs, additional changes to the process chemistry and engineering, and other unforeseen circumstances that could result in additional delays to develop the project or increased capital or operating costs from those estimated in the Thacker Pass TR, which could have a material adverse effect on the development of the Thacker Pass Project.

### ***Geopolitical Factors and Activist Political Involvement***

New LAC's business will be international in scope, with its incorporating jurisdiction and head office located in Canada and the Thacker Pass Project located in the United States. Changes, if any, in mining, investment or other applicable policies or shifts in political attitude in any of the jurisdictions in which New LAC will operate, or towards such political jurisdictions, may adversely affect New LAC's operations or profitability and may affect its ability to fund its ongoing expenditures at its projects.

More specifically, as a result of increased concerns around global supply chains, the lithium industry has become subject to increasing political involvement, including in the United States and Canada. This reflects the critical role of lithium as an input in the development of batteries for the burgeoning transition to electric vehicles in the automotive industry, combined with worldwide supply constraints for lithium production and geopolitical tensions between Western countries such as the United States and Canada on the one hand and China on the other, arising from the dominant role of China in the production of inputs for the battery industry. The resulting political involvement appears to be evolving into a form of industrial policy by several governments, including those of Canada and the United States, in which they employ steps to encourage the development of domestic supply such as tax incentives and low-interest loans to domestic and other Western actors, as well as undertake steps to discourage the involvement of participants from non-Western countries, including the expansion of legal oversight and an expansion of the scope of discretionary authority under laws and regulations to impose restrictions on ownership, influence and investment. These factors will be of particular relevance to New LAC, with its Canadian incorporation, U.S.-based Thacker Pass Project and predominant connection to Canada and the U.S. through its stock exchange listings, shareholder base and board and management composition. This evolving industrial policy is resulting in benefits to LAC (and thus post-Arrangement, New LAC) as a result of its connection to Canada and the U.S., including the prospect of tax incentives and, potentially, financial support being made available for the development of the Thacker Pass Project. New LAC will also have to manage the more restrictive aspects of this increased government involvement, which is expected to result in limitations on the extent to which New LAC will be able to undertake business operations with non-Western parties and limitations on ownership and influence of non-Western parties in its business. LAC has, and New LAC will, continue to fully comply with legislation and policies in all jurisdictions where it operates, including steps under this policy. At this time, New LAC does not believe that any of these steps will result in a substantive adverse change to its business or operations, or the intended geographic focus of its business.

### ***Risks of Change in Policies or Shifts in Political Attitudes***

New LAC will wholly own the Thacker Pass Project, a mineral property in the United States. Changes, if any, in mining, investment or other applicable policies or shifts in political attitudes in any of the jurisdictions in which New LAC will operate may adversely affect New LAC's operations or profitability and may affect its ability to fund its ongoing expenditures at the Thacker Pass Project. Regardless of the economic viability of the Thacker Pass Project, and despite being beyond New LAC's control, such political changes could have a substantive impact on New LAC that may prevent or restrict mining of some or all of any deposits on the Thacker Pass Project, including the financial results therefrom.

### ***No History of Mining Operations***

New LAC will not have prior history of completing the development of a mining project or conducting mining operations. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure. While certain proposed members of management and employees have mining development and operational experience, New LAC will not have vast experience as a collective organization. As a result of these factors, it is difficult to evaluate New LAC's prospects, and New LAC's future success is more uncertain than if it had a proven history.

### ***Risks of New Development and Mining Operations***

LAC is, and New LAC will continue to be, subject to all risks inherent with establishing new mining operations including: the time and costs of construction of mining and processing facilities and related infrastructure; the availability and costs of skilled labor and mining equipment and supplies; the need to obtain and maintain necessary environmental and other governmental approvals, licenses and permits, and the timing of the receipt of those approvals, licenses and permits; the availability of funds to finance construction and development activities; potential opposition from non-governmental organizations, indigenous peoples, environmental groups or local groups which may delay or prevent development activities; and potential increases in construction and operating costs due to various factors, including changes in the costs of fuel, power, labour, contractors, materials, supplies and equipment.

It is common in new mining operations to experience unexpected costs, problems and delays during construction, commissioning and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, no assurance can be provided that the activities of New LAC will result in profitable mining operations at the Thacker Pass Project and any other mineral properties New LAC advances or acquires in the future.

### ***Risks of Cost Estimations and Negative Operating Cash Flows***

Feasibility reports and other mining studies, including the technical report for the Thacker Pass Project, are inherently subject to uncertainties. Capital costs, operating costs, production and economic returns, and other estimates may differ significantly from those anticipated by LAC's current estimates, and there can be no assurance that the actual capital, operating and other costs of LAC (or, post-Arrangement, New LAC) will not be higher than currently anticipated. The actual costs and production of LAC (or, post-Arrangement, New LAC) may vary from estimates for a variety of reasons, including, but not limited to: lack of availability of resources or necessary supplies or equipment; inflationary pressures flowing from global supply chain shortages and increased transportation costs and other international events, which in turn are causing increased costs for supplies and equipment; increasing labour and personnel costs; unexpected construction or operating problems; cost overruns; lower than expected realized lithium prices; lower than expected ore grade; revisions to construction plans; risks and hazards associated with construction, mineral production and chemical plant operations; natural phenomena such as floods, fires, droughts or water shortages; unexpected labour shortages or strikes; general inflationary pressures and interest and currency exchange rates. Many of these factors are beyond the control of LAC (or, post-Arrangement, New LAC) and could have a material effect on its operating cash flow, including its ability to service its indebtedness.

## ***Operating Risks***

New LAC's operations will be subject to all of the hazards and risks normally incidental to the exploration for, and the development and operation of, mineral properties and associated chemical plants, including an onsite sulfuric acid plant. New LAC will inherit from LAC a comprehensive suite of health and safety measures that were implemented by LAC. Such measures were designed to comply with government regulations and will protect the health and safety of New LAC's workforce in all areas of its business. New LAC will continue to strive to comply with environmental regulations in its operations. Nonetheless, mineral exploration, development and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Unusual or unexpected formations, formation pressures, fires, power outages, shutdowns due to equipment breakdown or failure, aging of equipment or facilities, unexpected maintenance and replacement expenditures, unexpected material handling problems, unexpected equipment capacity constraints, human error, labour disruptions or disputes, inclement weather, higher than forecast precipitation, flooding, shortages of water, explosions, releases of hazardous materials, deleterious elements materializing in mined resources, tailings impoundment failures, cave-ins, slope and embankment failures, landslides, earthquakes and industrial accidents, protests and other security issues, and the inability to obtain adequate machinery, equipment or labour due to shortages, strikes or public health issues such as pandemics, are some of the risks involved in mineral exploration and exploitation activities, which may, if as either a significant occurrence or a sustained occurrence over a significant period of time, result in a material adverse effect. It is expected that New LAC will rely in some respects on third-party owned infrastructure in order to successfully develop and operate its projects, such as power, utility and transportation infrastructure. Any failure of this infrastructure, or problems with the achieving agreements that facilitate use of this infrastructure (if any are required), without adequate replacement or alternatives may also have a material impact on New LAC.

Ore grade, composition, or type at the Thacker Pass Project may be lower quality than expected, which may result in actual production levels being lower than expected.

## ***Risks from Changing Regulations and Laws***

Changes to government laws and regulations may affect the development of the Thacker Pass Project. Such changes could include laws relating to taxation, royalties, restrictions on production, export controls, environmental, biodiversity and ecological compliance, mine development and operations, mine safety, permitting and numerous other aspects of the business.

## ***Environmental Risks and Regulations***

New LAC will need to comply with stringent environmental regulation in the United States. Such regulations relate to many aspects of the project operations for the Thacker Pass Project, including but not limited to water usage and water quality, air quality and emissions, reclamation requirements, biodiversity such as impacts on flora and fauna, disposal of any hazardous substances and waste, tailings management and other environmental impacts associated with its development and proposed operating activities.

Environmental regulations are evolving in a manner that is expected to require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Applicable environmental laws and regulations may require enhanced public disclosure and consultation. It is possible that a legal protest could be triggered through one of these requirements or processes that could delay development activities. No assurance can be given that new environmental laws and regulations will not be enacted or that existing environmental laws and regulations will not be applied in a manner that could limit or curtail New LAC's development programs. Such changes in environmental laws and regulations and associated regulatory requirements could delay and/or increase the cost of exploration and development of the Thacker Pass Project.

Tailings are a potential environmental risk for New LAC as it moves toward production. Tailings are the materials remaining after a target mineral, such as lithium, is extracted from the ore. Tailings management is subject to regulatory requirements and industry best practice standards, as there are a number of environmental risks and water usage requirements associated with them. Given that the Thacker Pass

Project is located in an arid, low gradient and less populated area of Nevada, and the design of the mine plans and processes to manage waste and water for the Thacker Pass Project, many of the risks associated with tailings management are expected to be mitigated for the project. Tailings generated at the Thacker Pass Project will be filtered and stacked, which generally has fewer risks and environmental impacts than other tailings management methods. Nonetheless, risks associated with tailings cannot be eliminated. Certain risks, such as extreme or even unprecedented weather events that may exceed the design criteria of water management structures, will continue to exist. The occurrence of these events, some of which are heightened risks given the potential effects of climate change, could result in significant impacts to property and the environment. This in turn could restrict operations, result in additional remediation and compliance costs, trigger investigations by regulatory authorities, and have a material adverse effect on New LAC's planned operations and financial condition.

LAC has completed previous mining for small amounts of clay on a portion of the lands comprising the Thacker Pass Project in connection with its former organoclay business, which had an environmental impact on the property. Although LAC has performed reclamation work on the property to address such environmental impacts, and much of the disturbance is expected to be subsumed by the Thacker Pass Project, there can be no assurance that additional environmental liability for New LAC will not arise in the future.

### ***Sole Property Risks***

New LAC will have only one material mining project, the Thacker Pass Project. Unless it acquires other mineral properties or makes new discoveries at existing properties it will hold, New LAC will be dependent on the Thacker Pass Project being successfully developed and brought into production. Failure to successfully develop, bring into production and operate the Thacker Pass Project could have an adverse impact on New LAC's business, financial condition and results of operations. Until such time as New LAC acquires or develops other significant assets, New LAC will continue to be dependent on the success of its activities at the Thacker Pass Project.

### ***Insurance Risks***

In the course of exploration, development and production of mineral properties, certain risks, and in particular, risks related to operational and environmental incidents may occur. Although New LAC will maintain insurance to protect against certain risks associated with its business, insurance may not be available to insure against all such risks, or the costs of such insurance may be uneconomic. New LAC may also elect not to obtain insurance for other reasons. Insurance policies maintained by New LAC may not be adequate to cover the full costs of actual liabilities incurred by New LAC, or may not be continued by insurers for reasons not solely within New LAC's control. LAC currently maintains liability insurance in accordance with industry standards. However, losses from uninsured and underinsured liabilities have the potential to materially affect the financial position and prospects of LAC and, post-Arrangement, New LAC. The anticipated costs of environmental reclamation are fully bonded by LAC, and will be fully bonded by New LAC, through a third-party insurer. Reclamation cost estimates and bond submissions are reviewed and approved by the BLM; the State of Nevada also approves the reclamation cost estimate.

### ***Mineral Tenure Risk***

The U.S. Mining Act and other federal and state laws will govern New LAC's ability to develop, mine and process the minerals on the unpatented mining claims and/or mill site claims that form the Thacker Pass Project, which are locatable under the U.S. Mining Act. There can be no assurance of title to any of New LAC's property interests, or that such title will ultimately be secured. LAC's property interests may also be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

There is no guarantee that the validity of New LAC's unpatented mining claims will not be contested by the United States. A successful contest of the unpatented mining claims could result in New LAC being unable to develop minerals on the contested unpatented mining claims or being unable to exercise its rights as the owner or locater of the unpatented mining claims.

New LAC will need to apply for and obtain approvals and permits from federal and state agencies to conduct exploration, development and mining on its properties. Although LAC has applied for and has received, or anticipates receipt of, such approvals and permits for certain areas where LAC owns the mineral rights, there is no assurance that the rights of LAC (and post-Arrangement, New LAC) under them will not be affected by legislation or amendment of regulations governing the approvals and permits, or that applicable government agencies will not seek to revoke or significantly alter the conditions of the applicable exploration and mining approvals or permits, or that they will not be challenged or impugned by third parties. See “Recent Developments – Thacker Pass Project – Recent Significant Events” and “Recent Developments – Thacker Pass Project – Regulatory and Permitting Update” above.

### ***Risks of Competitive Industry***

The mining industry is competitive in all of its phases and requires significant capital, technical resources, personnel and operational experience to effectively compete. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may be in a position to compete for such resources and capital more effectively than New LAC.

Competition is also intense for mining equipment, supplies, qualified service providers and personnel in all jurisdictions where New LAC will operate. If qualified expertise cannot be sourced and at cost effective rates in Canada and the United States, New LAC may need to procure those services elsewhere, which could result in additional delays and higher costs to obtain work permits.

As a result of such competition, New LAC may not be able to maintain or acquire financing, retain existing personnel or hire new personnel, or maintain or acquire technical or other resources, supplies or equipment, all on terms it considers acceptable to complete the development of its projects.

### ***Health and Safety Risks***

The mineral exploration, development and processing business carries an inherent risk of liability related to worker health and safety, including the risk of government-imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, requirements for permits and other regulatory approvals, and potential civil liability. Compliance with health and safety laws, and any changes to such laws, and the requirements of applicable permits and other regulatory requirements will remain material to New LAC's business. New LAC may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health and safety laws, permits or other approvals could have a significant impact on operations and result in additional costs or penalties. In turn, these could have a material adverse effect on New LAC's reputation, operations and future prospects.

### ***Mineral Resource and Mineral Reserve Estimation Risks***

Mineral Resources and Mineral Reserves figures disclosed in this Document are estimates only. Estimated tonnages and grades may not be achieved if the project is brought into production; differences in grades and tonnage could be material; and, estimated levels of recovery may not be realized. The estimation of Mineral Resources and Mineral Reserves carries with it many inherent uncertainties, of which many are outside the control of LAC (and post-Arrangement, New LAC). Estimation is by its very nature a subjective process, which is based on the quality and quantity of available data, engineering assumptions, geological interpretation and judgements used in the engineering and estimation processes. Estimates may also need to be revised based on changes to underlying assumptions, such as interpretations of continuity of geology and grade between points of observation, commodity prices, drilling results, metallurgical testing, production, and changes to mine plans of operation. Any material decrease in estimates of Mineral Resources or Mineral Reserves, or an inability to extract Mineral Reserves could have a material adverse effect on LAC (and post-Arrangement, New LAC), their business, results of operations and financial position.

Any estimates of Inferred Mineral Resources included in this Document are also subject to a high degree of uncertainty, and may require a significant amount of exploration work in order to determine if they can be upgraded to a higher category.

### ***Project Opposition Risks***

The Thacker Pass Project, like many mining projects, may have opponents. Opponents of other mining projects have, in some cases, been successful in bringing public and political pressure against mining projects. Substantial opposition to the Thacker Pass Project could result in delays to project development or business plans, or prevent the project from proceeding at all, despite the commercial viability of the project.

### ***Risk of Insufficient Water Rights and Supply***

Water management regulations are in place in Nevada where the Thacker Pass Project is located. Water rights have been acquired that are expected to be sufficient to support all Phase 1 operations for the Thacker Pass Project as contemplated by the Thacker Pass TR. However, given the unpredictable impact of climate change on the environment, water levels, weather conditions and weather events, such as drought, in the region where the Thacker Pass Project is located, there is a risk that the aquifers in the watersheds where LAC has acquired water rights to date may not be able to provide enough water for planned operations for the estimated mine life set out in the plan of operations. There is also a risk that additional water is required for mineral processing or dust control activities. To reduce the Thacker Pass Project's environmental footprint, and as a mitigation measure, the processing facility has been designed to minimize water usage to the extent possible by incorporating recycling technologies. However, going forward, availability of water and water rights at cost effective pricing may become of increasing importance to the operations and the prospects of LAC and, post-Arrangement, New LAC, a risk that may be heightened by the potential effects of climate change and could have a material adverse effect on New LAC's operations and prospects.

### ***Climate Change Risks***

The introduction of climate change legislation is an increasing focus of various levels of government worldwide, with emissions regulations and reporting regimes being enacted or enhanced, and energy efficiency requirements becoming increasingly stringent. As a development stage company with a focus on lithium production, LAC is, and New LAC will be, committed to developing its business with a view to contributing to the low carbon economy. To that end, LAC is designing the facilities to reduce carbon emissions at the Thacker Pass Project. This includes incorporating sustainable energy sources and minimizing the use of non-renewable sources of energy to the extent that renewable sources are available with sufficient capacity, at cost effective pricing and that meet the required performance criteria. However, the use of such low carbon technologies may be more costly in certain instances than non-renewable options in the near-term, or may result in higher design costs, long-term maintenance costs or replacement costs. Additionally, if the trend toward increasing regulations continues, New LAC may face increasing operating costs at its projects to comply with these changing regulations.

Climate change risks also extend to the physical risks of climate change. These include risks of variable and extreme precipitation, reduction in water availability or water shortages, extreme weather events, changing temperatures, wildfire, changing sea levels and shortages of resources. These physical risks of climate change could have a negative effect on the project site for the Thacker Pass Project, access to local infrastructure and cost-effective resources, and the health and safety of employees and contractors at the operations. The occurrence of such events is difficult to predict and therefore development of a response plan that will effectively address all potential scenarios is problematic. Although LAC has attempted to design project facilities to address certain climate related risks, the potential exists for these measures to be insufficient in the face of unpredictable climate related events. As such, climate related events have the potential to have a material adverse effect on New LAC's operations and prospects.

Risks related to increasing climate change related litigation is another potential risk factor that may impact New LAC's future prospects, after production begins at the Thacker Pass Project. Until then, the risk of occurrence of such litigation is low.

## DESCRIPTION OF CAPITAL STRUCTURE

### AUTHORIZED CAPITAL

Upon New LAC's incorporation on January 23, 2023, New LAC's authorized share capital comprised of an unlimited number of New LAC Preference Shares and an unlimited number of New LAC Common Shares. No New LAC Preference Shares or New LAC Common Shares are currently issued and outstanding as of the date hereof.

As part of the Arrangement, the Notice of Articles and Articles of New LAC will be amended to, among other things, eliminate the New LAC Preference Shares from the authorized share capital of New LAC such that, following such amendment, New LAC will be authorized to issue only an unlimited number of New LAC Common Shares.

Immediately following the completion of the Arrangement, assuming no exercise or conversion of outstanding convertible securities of LAC prior to the completion of the Arrangement, it is anticipated that 160,047,671 New LAC Common Shares will be issued and outstanding (prior to giving effect to the settlement of any New LAC Equity Awards issued under the Arrangement) based on the number of LAC Common Shares outstanding as of September 30, 2023.

### NEW LAC COMMON SHARES

Holders of New LAC Common Shares ("**New LAC Shareholders**") will be entitled to receive notice of and to attend all meetings of New LAC Shareholders and to one vote in respect of each New LAC Common Share held at all such meetings. Subject to the rights of holders of any other class of shares of New LAC entitled to receive dividends in priority (none of which will be applicable following the completion of the Arrangement), New LAC Shareholders will be entitled to receive dividends if, as and when declared by the New LAC Board out of the assets of New LAC properly applicable to the payment of dividends. In the event of the liquidation, dissolution or winding up of New LAC or other distribution of assets of New LAC among its shareholders for the purpose of winding up its affairs, New LAC Shareholders will be entitled to all remaining property and assets of New LAC on a share for share basis.

Other than the participation right held by GM and discussed in more detail under "*Material Contracts – Agreements Relating to the GM Transaction*", the New LAC Common Shares will not be subject to preemptive, redemption, purchase or conversion rights. There will be no sinking fund provisions in relation to New LAC Common Shares and they will not be liable to further calls or assessment by New LAC. The BCBCA provides, and New LAC's Articles will provide, that the rights and restrictions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by not less than two-thirds of the votes cast in person or by proxy by holders of shares of that class.

### The New LAC Tranche 2 Subscription Agreement

On the Arrangement Effective Date, New LAC will enter into a new Tranche 2 Subscription Agreement (the "**New LAC Tranche 2 Subscription Agreement**") pursuant to which GM will subscribe for and purchase \$329,852,134.38 of New LAC Common Shares at a price per share equal to the Tranche 2 Subscription Price. The "**Tranche 2 Subscription Price**" shall be the Current Market Price as at the date that a notice (the "**TP Available Capital Notice**") is delivered by New LAC to GM that it has secured sufficient available capital to complete the Thacker Pass Project development plan funding to a maximum of the Tranche 2 Price Ceiling. The "**Current Market Price**" of any New LAC Common Shares at any date means the price per share equal to the volume-weighted average trading price per share of such New LAC Common Shares on the NYSE during the five (5) consecutive trading days ending before such date or, if such New LAC Common Shares are not then listed on the NYSE, on the TSX during the five (5) consecutive trading days ending before such date, in each case as reported by Bloomberg Finance, L.P. in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on each such trading day (or if such volume-weighted average trading price is unavailable, the market price of one such New LAC Common Shares on each such trading day). The "**volume-weighted average trading price**" shall be determined without regard to after-hours trading or any other trading outside of the regular

trading session hours. The “**Tranche 2 Price Ceiling**” shall be \$27.74 (the “**Current Tranche 2 Ceiling Price**”) multiplied by the Relative New LAC Value Ratio as defined below.

“**Relative New LAC Value Ratio**” represents the market capitalization of New LAC relative to the combined market capitalization of New LAC and Lithium Argentina following the date of the Separation, expressed as a percentage. This ratio will be calculated by determining the volume-weighted average price of the common shares of each of New LAC and Lithium Argentina for the five (5) trading days immediately following the Separation, multiplied by their respective issued share capital, to establish their respective market capitalizations. The ratio would then be calculated by dividing the market capitalization figure of New LAC against the aggregate market capitalization of New LAC and Lithium Argentina combined. This calculation can be expressed as a formula as follows:

$$(A \times C) / (A \times C + B \times D) = \text{Relative New LAC Value Ratio}$$

Where:

A = New LAC five-day volume-weighted average trading price following Separation

B = Lithium Argentina five-day volume-weighted average trading price following Separation

C = Number of New LAC Common Shares outstanding on the date of calculation<sup>1</sup>

D = Number of Lithium Argentina Common Shares outstanding on the date of calculation<sup>1</sup>

### ***Illustrative Examples of Relative New LAC Value Ratio***

Set forth below are three illustrative examples of a potential Relative New LAC Value Ratio:

1. Where A is \$12, B is \$10 and each of C and D is 160 million common shares, the formula would be:

$$(12 \times 160,000,000) / (12 \times 160,000,000 + 10 \times 160,000,000) = \text{Relative New LAC Value Ratio} \\ 1,920,000,000 / (1,920,000,000 + 1,600,000,000) = \mathbf{0.54545}$$

2. Where A is \$10, B is \$13 and each of C and D is 160,000,000 shares, the formula would be:

$$(10 \times 160,000,000) / (10 \times 160,000,000 + 13 \times 160,000,000) = \text{Relative New LAC Value Ratio} \\ 1,600,000,000 / (1,600,000,000 + 2,080,000,000) = \mathbf{0.43478}$$

3. Where A is \$8, B is \$16 and each of C and D is 160,000,000 shares, the formula would be:

$$(8 \times 160,000,000) / (8 \times 160,000,000 + 16 \times 160,000,000) = \text{Relative New LAC Value Ratio} \\ 1,280,000,000 / (1,280,000,000 + 2,560,000,000) = \mathbf{0.33333}$$

### ***Illustrative Price Adjustment to Tranche 2 Price Ceiling and GM Ownership Increase***

The following table provides further information about the number of New LAC Common Shares issuable pursuant to the Tranche 2 subscription by GM in the three illustrative scenarios set forth above, along with the percentage of GM's ownership of New LAC Common Shares as a result of such hypothetical subscription.

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<sup>1</sup> In connection with the Separation, New LAC will issue to the holders of issued LAC Common Shares an equal number of New LAC Common Shares. As a result, upon the Separation the issued share capital of Lithium Argentina and New LAC will be substantially the same, subject to minor variances as a result of the treatment and adjustments of certain convertible securities.

Illustrative Scenario	Relative New LAC Value Ratio	Current Tranche 2 Ceiling Price	Adjusted Tranche 2 Ceiling (Current Tranche 2 Ceiling Price x Relative New LAC Value Ratio)	Number of New LAC Common Shares Issuable (aggregate subscription proceeds of \$329,852,134)	Percentage of New LAC Common Shares Issuable upon exercise <sup>(1)</sup>	Percentage Ownership of GM in New LAC <sup>(2)</sup>
1	0.54545	\$27.74	\$15.1308	21,800,046	11.991%	20.243%
2	0.43478	\$27.74	\$12.0608	27,349,109	14.598%	22.606%
3	0.33333	\$27.74	\$9.2466	35,672,802	18.231%	25.898%

Notes:

(1) Assumes 160,000,000 New LAC Common Shares are outstanding on the date of the Tranche 2 subscription.

(2) Assumes that on the date of the Tranche 2 subscription, GM holds approximately 15,002,243 New LAC Common Shares (being equal to the number of LAC Common Shares held as of the date hereof) and that there is an aggregate 160,000,000 New LAC Common Shares outstanding prior to the issuance of New LAC Common Shares to GM.

GM will be prohibited from acquiring New LAC Common Shares under the Tranche 2 AEWs (and the New LAC Tranche 2 Subscription Agreement) that would result in GM owning more than 30% of the New LAC Common Shares. GM also has a right to elect not to subscribe for New LAC Common Shares to the extent that such a subscription would result in GM having to consolidate New LAC's financial performance (or, prior to the Arrangement, LAC itself) in connection with GM's financial statements under U.S. GAAP.

At the Meeting, LAC Shareholders approved a resolution providing for a maximum price of \$27.74 per LAC Common Share (such price being adjusted for the purchase of New LAC Common Shares by multiplying such price by the Relative New LAC Value Ratio) to be subscribed for by GM. As a result, the Tranche 2 AEWs will terminate and the Tranche 2 subscription is expected to be completed pursuant to the New LAC Tranche 2 Subscription Agreement.

## **DIVIDENDS AND DISTRIBUTIONS**

New LAC has not paid any dividends since its incorporation and does not currently have a policy with respect to the payment of dividends. It is anticipated that New LAC will not have a fixed dividend policy and will not declare any dividends on New LAC Common Shares for the immediate future; rather, all available funds of New LAC will be kept as retained earnings to fund operations, used to undertake exploration and development programs on its mineral properties, and for the acquisition of additional mineral properties for the foreseeable future. Any future payment of dividends will depend, among other things, upon New LAC's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if a corporation has retained earnings. There can be no assurance that New LAC will generate sufficient earnings to allow it to pay dividends. See also "*Description of the Business – Risk Factors – Risks Relating to the Securities and Business of New LAC – Risk of No Dividends*".

## **PRIOR SALES**

No New LAC Common Shares have been issued, or will be issued, prior to the Arrangement. Based on the number of LAC Common Shares outstanding as of September 30, 2023, on the Arrangement Effective Date, and before giving effect to any issuance of New LAC Common Shares underlying New LAC RSUs, New LAC PSUs, and New LAC DSUs as a result of the Arrangement or the conversion of any Convertible Notes, it is expected that 160,047,671 New LAC Common Shares will be issued and outstanding pursuant to the Arrangement.

## **MARKET FOR SECURITIES**

It is a condition precedent to the completion of the Arrangement that the New LAC Common Shares be conditionally approved for listing on the TSX and the NYSE, respectively. New LAC has applied to have the New LAC Common Shares listed on the TSX and the NYSE under the ticker symbol "LAC". The TSX has conditionally approved the listing of the New LAC Common Shares. Listing will be subject to New LAC meeting the usual listing requirements of the TSX and NYSE, receiving approval of the TSX and NYSE and meeting all conditions of listing imposed by the TSX and NYSE.

## **PRINCIPAL SHAREHOLDERS**

As at the date hereof, there are no New LAC Common Shares outstanding. To the knowledge of LAC and New LAC, assuming that there are no Dissenting Shareholders, there is no person or company that will, immediately following completion of the Arrangement, beneficially own or will own, directly or indirectly, or exercise control or direction over, New LAC Common Shares carrying more than 10% of the voting rights attached to New LAC Common Shares.

## **DIRECTORS AND OFFICERS**

### **NAME AND OCCUPATION**

The name, province or state and country of residence, positions with New LAC, and principal occupation within the five preceding years, for each of the individuals who will serve as the proposed directors and executive officers of New LAC upon the completion of the Arrangement are set out below.

<b>Name, Province or State and Country of Residence and Expected Position with New LAC<sup>(1)</sup></b>	<b>Principal Occupation or Employment for the Last Five Years<sup>(1)</sup></b>	<b>Number of New LAC Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly)<sup>(2)</sup></b>
Michael Brown <sup>(3)(6)</sup> Virginia, U.S. <i>Director</i>	Former Executive Director, State of Nevada Governor's Office of Economic Development from 2019 to 2023 among other state government roles held during this period; former President of Barrick Gold USA and Barrick Gold North America from 2016 to 2018, having held roles with Barrick Gold Corp. (leading gold producer) of increasing responsibility since 1994.	600
Fabiana Chubbs <sup>(3)(4)</sup> British Columbia, Canada <i>Director</i>	Director of LAC since June 2019; Chief Financial Officer of Eldorado Gold Corporation (leading gold and base metals producer) from 2011 to 2018, having joined Eldorado in 2007 and led the Treasury and Risk Management functions. Background as a Senior Manager with PwC Canada. Chartered Professional Accountant in Canada.	6,600

Name, Province or State and Country of Residence and Expected Position with New LAC <sup>(1)</sup>	Principal Occupation or Employment for the Last Five Years <sup>(1)</sup>	Number of New LAC Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly) <sup>(2)</sup>
Kelvin Dushnisky Ontario, Canada <i>Executive Chair and Director</i>	Director of LAC since June 2021; former CEO and Executive Director of AngloGold Ashanti Limited (leading gold producer) from 2018 to 2020; former Executive Director and President of Barrick Gold Corporation (leading gold and copper producer) from 2015 to 2018, after serving in increasingly senior roles from 2002; Chairman of Acacia Mining plc (formerly African Barrick Gold plc) from 2013 to 2018.	0
Jonathan Evans <sup>(6)</sup> Georgia, U.S. <i>Director, President and CEO</i>	President of LAC since August 2018 and its CEO since May 2019. From March 2016 to August 2018, he was the Chief Operating Officer of DiversiTech Corporation (a manufacturing company).	341,370
Yuan Gao <sup>(4)(5)</sup> Colorado, U.S. <i>Lead Independent Director</i>	Director of LAC since September 2019; former President & CEO, Pulead Technology (a leading cathode manufacturing and technology development company) from May 2014 to September 2019; former Vice President at Molycorp (USA) (former rare earth resource development company); prior to that, with FMC Corporation (USA) (leading agricultural sciences company and chemical manufacturer) as Global Marketing Director and Technology Manager, along with other management positions.	0
Zach Kirkman <sup>(6)(7)</sup> Texas, U.S. <i>Director</i>	Vice President of Corporate Development and Global M&A of General Motors Company (leading U.S. automotive manufacturing company) since January 2023; former Head of Corporate Development, Mergers & Acquisitions of Tesla, Inc. (leading U.S. electric vehicles manufacturer) from September 2019 to December 2022, having held roles with Tesla since August 2016.	0
Jinhee Magie <sup>(3)(4)(5)</sup> Ontario, Canada <i>Director</i>	Director of AngloGold Ashanti Ltd. since June 2023; Director of LAC since September 2022; former CFO and Senior Vice President of Lundin Mining Corporation (leading diversified base metals producer) from October 2018 to September 2022, having joined Lundin in September 2008 and serving in various roles. Background in auditing with Ernst & Young. Chartered Professional Accountant in Canada.	0

Name, Province or State and Country of Residence and Expected Position with New LAC <sup>(1)</sup>	Principal Occupation or Employment for the Last Five Years <sup>(1)</sup>	Number of New LAC Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly) <sup>(2)</sup>
Philip Montgomery <sup>(5)(6)</sup> Perth, Australia <i>Director</i>	Director of Walkabout Resources Ltd. since 2021; former Vice President, Projects of BHP Billiton Potash (the potash business of BHP Group Limited – leading producer of metals and natural gas), having served with BHP in roles of increasing responsibility from 1993 to 2018. Professional Engineer.	0
Aubree Barnum Nevada, U.S. <i>Vice President, Human Resources</i>	Vice President, Human Resources of LAC since November 2021; former Vice President Human Resources of Nevada Copper Corp. (development stage copper mining company) from October 2018 to November 2021; former Human Resources Manager for the City of Elko, Nevada from June 2015 to October 2018.	628
Tim Crowley Nevada, U.S. <i>Vice President, Government and External Affairs</i>	Principal at Crowley & Ferrato Public Affairs since August 2014.	38,997
Richard Gerspacher Georgia, U.S. <i>Executive Vice President, Capital Projects</i>	Senior Vice President, Capital Projects of LAC since February 2022; former Vice President – Project Director of Fluor Corporation (leading global engineering and construction company) from 1997 to January 2022. Professional Engineer in the State of North Carolina.	1,907
Edward Grandy Nevada, U.S. <i>Senior Vice President, General Counsel and Corporate Secretary</i>	Vice President, Legal and Regulatory Affairs of Lithium Nevada Corp since 2018; General Counsel for Barrick copper business at Barrick Gold Corporation 2012-2018.	54,986
April Hashimoto British Columbia, Canada <i>Senior Vice President, Finance and Administration</i>	Vice President, Accounting and Administration of LAC since May 2023; President and Director of Pembroke Copper Corp. from August 2021 to January 2023; CFO of Pembroke Copper Corp. from August 2010 to April 2023.	0
Pablo Mercado Texas, U.S. <i>Executive Vice President and Chief Financial Officer</i>	Executive Vice President and CFO of LAC since April 2023; CFO of EnLink Midstream, LLC from July 2020 to December 2022; CFO of Forum Energy Technologies from March 2018 to July 2022; Director of Comfort System USA from November 2018 to present, serving as the Chair of the Audit Committee of Comfort Systems USA since May 2021.	10,342

Name, Province or State and Country of Residence and Expected Position with New LAC <sup>(1)</sup>	Principal Occupation or Employment for the Last Five Years <sup>(1)</sup>	Number of New LAC Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly) <sup>(2)</sup>
Alexi Zawadzki British Columbia, Canada <i>Vice President, Resource Development</i>	President of North American Operations of LAC since August 2017.	146,228

Notes:

- (1) The information as to province or state and country of residence and principal occupation has been furnished by the respective proposed directors and executive officers individually.
- (2) Upon completion of the Arrangement, based on such individual's current ownership of LAC Common Shares.
- (3) Anticipated member of the committee of New LAC responsible for overseeing audit and risk matters ("**Audit and Risk Committee**").
- (4) Anticipated member of the Governance and Nomination Committee of New LAC ("**GN Committee**").
- (5) Anticipated member of the Compensation and Leadership Committee of New LAC ("**CL Committee**").
- (6) Anticipated member of the Environmental, Sustainability, Safety and Health Committee of New LAC ("**ESSH Committee**").
- (7) Zach Kirkman is GM's nominee to the board of LAC or, post-Arrangement, New LAC, in connection with the exercise of GM's board nomination right.

As of the date of this Document, the proposed directors and executive officers do not beneficially own, control or direct, directly or indirectly, any New LAC Common Shares. Following completion of the Arrangement, the proposed directors and executive officers, as a group, will beneficially own, control or direct, directly or indirectly, 601,658 New LAC Common Shares representing approximately 0.376% of the issued and outstanding New LAC Common Shares, will hold New LAC RSUs to acquire an additional 490,154 New LAC Common Shares, will hold New LAC PSUs to acquire an additional 121,791 New LAC Common Shares, and will hold New LAC DSUs to acquire an additional 85,618 New LAC Common Shares, representing approximately 0.427% of the New LAC Common Shares on a fully-diluted basis.

By approving the Arrangement Resolution, LAC Shareholders approved the proposed directors of New LAC. The directors of New LAC will thereafter be elected by New LAC Shareholders at each annual meeting of shareholders and will hold office until the next annual meeting of New LAC, or until his or her successor is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the articles of New LAC; or (ii) he or she becomes disqualified to act as a director.

*Michael Brown, Director*

Mr. Brown is a former Executive Director of the State of Nevada Governor's Office of Economic Development from 2019 to 2023 among other state government roles held during this period. Previously he served as President of Barrick Gold North America, a subsidiary of Barrick Gold Corporation from 2015 to 2018 after serving in roles of increasing responsibility with Barrick since 1994. Mr. Brown has over 24 years of mine operations experience coupled with experience in U.S. federal, state and foreign government relations. He has previously served on a number of not-for-profit boards in the state of Nevada, including the Las Vegas Global Economic Alliance, Communities in Schools – Nevada and the Nevada Taxpayers Association. He is a former member of the executive committee of the US National Mining Association. Mr. Brown holds an MBA from George Washington University.

*Fabiana Chubbs, Director*

Ms. Chubbs is a current Director of LAC, having joined the LAC Board in June of 2019. Ms. Chubbs was the Chief Financial Officer of Eldorado Gold Corporation from 2011 to 2018. She joined Eldorado Gold Corporation in 2007 and led Treasury and Risk Management functions until accepting the Chief Financial Officer position. Prior to joining Eldorado Gold Corporation, she was a Senior Manager with PwC Canada.

During her ten years at PwC Canada, Ms. Chubbs specialized in audit of public mining and technology companies. Ms. Chubbs started her career in her native Argentina, with experience divided between PwC Argentina and IBM. Ms. Chubbs holds dual degrees from the University of Buenos Aires, a Certified Public Accountant bachelor's degree, and a Bachelor of Business Administration degree. Ms. Chubbs is a Chartered Public Accountant in Canada. Ms. Chubbs also serves on the board of Royal Gold, Inc.

*Kelvin Dushnisky, Executive Chair and Director*

Mr. Dushnisky is a current Director of LAC, having joined the LAC Board in June of 2021. Mr. Dushnisky served as Chief Executive Officer and a member of the Board of Directors of AngloGold Ashanti from September 2018 to September 2020. Mr. Dushnisky led the execution of the organization's strategic priorities and oversaw a global portfolio of mining operations and projects in Africa, South America, and Australia, along with exploration interests and investments in North America. He also led the company's interface with key stakeholders, including shareholders, host governments, communities, and organized labor. Prior to AngloGold Ashanti, Mr. Dushnisky had a 16-year career with Barrick Gold Corporation, ultimately serving as President and a member of the Board of Directors. Prior to Barrick he held senior executive and board positions with a number of private and listed companies. Mr. Dushnisky holds a B.Sc. (Hon.) degree from the University of Manitoba and M.Sc. and Juris Doctor degrees from the University of British Columbia. He is a member of the Law Society of British Columbia and the Canadian Bar Association. Mr. Dushnisky is past Chair of the World Gold Council. He served on the International Council on Mining and Metals (ICMM) and is a former member of the Accenture Global Mining Council and the Institute of Directors of Southern Africa. Mr. Dushnisky served on the Board of Trustees of the Toronto-based University Health Network (UHN).

*Jonathan Evans, Director, President and Chief Executive Officer*

Mr. Evans is the current President and Chief Executive Officer of LAC, and is also a current Director of LAC. Mr. Evans joined as a Director of LAC in June of 2017, has served as President of LAC since August of 2018 and as its Chief Executive Officer since May of 2019. Mr. Evans has more than 20 years of operations and general management experience across businesses of various sizes and industry applications. Previously, he served as Vice President and General Manager for the Lithium Division at FMC Corporation (USA), and as the Chief Operating Officer of DiversiTech Corporation, a portfolio company of the private equity group, Permira. Jon has also held executive management roles at Arysta LifeScience, AMRI Corporation and General Electric. He holds a Bachelor of Science degree in mechanical engineering from Clarkson University and an MSc from Rensselaer Polytechnic Institute.

*Yuan Gao, Lead Independent Director*

Dr. Gao is a current Director of LAC, having joined the LAC Board in October of 2019. He is also the Vice Chairman of the board of Qinghai Taifeng Pulead Lithium-Energy Technology Co. Ltd., a leading producer of cathodes for lithium-ion batteries, having served as President and CEO from May 2014 to Sept 2019. Previously, Dr. Gao served as Vice President at Molycorp Inc., and as Global Marketing Director and Technology Manager at FMC Corporation (USA). Yuan holds a BSc from the University of Science and Technology of China, and a PhD in Physics from the University of British Columbia. He has also completed Executive Education at The Wharton Business School, University of Pennsylvania.

*Zach Kirkman, Director*

Mr. Kirkman is GM's nominee to the LAC Board. He is the Vice President Corporate Development and Global M&A of General Motors Company since January 2023, and prior to that served as the Head of Corporate Development, Mergers & Acquisitions of Tesla, Inc. from August 2016 to December 2022. Mr. Kirkman has extensive M&A experience gained during his time leading the corporate development teams of GM and Tesla, and previously as part of Apple Inc.'s corporate development department. He holds an MBA from Massachusetts Institute of Technology.

*Jinhee Magie, Director*

Ms. Magie is a current Director of LAC, having joined the LAC Board in June of 2021. Ms. Magie served as the Chief Financial Officer and Senior Vice President of Lundin Mining Corporation from October 2018 to September 2022, overseeing financial reporting, treasury, tax and information technology (including cybersecurity). She joined Lundin in 2008, serving in various roles of increasing responsibility, including nine years as Vice President, Finance. With over 25 years of experience, Ms. Magie began her career with Ernst & Young and has held progressively more senior roles in public companies, with the last 15 years in the mining industry. Before joining Lundin, Ms. Magie was the Director of Corporate Compliance for LionOre Mining International Ltd. She has extensive experience in acquisitions and divestitures, public and private equity fundraising and public company reporting. Ms. Magie holds a Bachelor of Commerce degree from the University of Toronto and is a Chartered Professional Accountant (CPA, CA).

*Philip Montgomery, Director*

Mr. Montgomery is a non-executive director at Walkabout Resources Ltd. He brings extensive global experience in major capital projects. Over his 35-year career at BHP Group Limited and its predecessor organizations, Mr. Montgomery worked across various geographies and commodities, demonstrating expertise in leading assets and projects as well as senior corporate roles, including Chief Growth Officer, Global Head of Group Project Management and Vice President – Projects. Mr. Montgomery is a Professional Engineer and holds a B.Sc. in Mechanical Engineering and Business Management from Oxford Brookes University.

*Aubree Barnum, Vice President, Human Resources*

Ms. Barnum is the current Vice President, Human Resources of LAC and is a human resources professional with over 13 years of experience in municipal and mining industry human resources leadership roles. Prior to joining LAC, Ms. Barnum served as Vice President Human Resources for Nevada Copper Corp. She earned her Bachelor of Arts degree in Human Physiology from the University of Oregon and a Master of Business Administration/Human Resource Management degree from Columbia Southern University. She holds a Certified Professional (CP) designation from the Society of Human Resource Management and is a member of the National Society for Leadership and Success.

*Tim Crowley, Vice President, Government and External Affairs*

Mr. Crowley is the Principal of Crowley & Ferrato Public Affairs, having served in this role since 2014. Prior to Crowley & Ferrato Public Affairs, he was the President of the Nevada Mining Association. He sits on the Keep Truckee Meadows Beautiful Board of Directors and the University of Nevada, Mackay School of Earth Sciences and Engineering Advisory Board. Tim holds a Bachelor of Science from the University of Nevada, Reno.

*Richard Gerspacher, Executive Vice President, Capital Projects*

Mr. Gerspacher is the current Senior Vice President, Capital Projects of LAC. He has over 20 years of leadership experience in developing and executing successful projects throughout the world in a variety of sectors including industrial minerals, metals mining and power generation. Prior to joining LAC, Mr. Gerspacher worked for Fluor Corporation, a global engineering and construction company where he served as Vice President and Projects Director for a lithium project in Australia. He also served as Chairman of Fluor's Latin America Talent Development Team and as a member of their Global Project Management Talent Development Team. Mr. Gerspacher holds a Professional Engineer designation, and has a Bachelor's degree in Civil-Structural Engineering from the University of Detroit and a Master of Business Administration degree from Duke University.

*Edward Grandy, Senior Vice President, General Counsel and Corporate Secretary*

Mr. Grandy is the current Vice President, Legal and Regulatory Affairs of Lithium Nevada. He was General Counsel of Barrick's copper business at Barrick Gold Corporation from 2012 to 2018 and previously held other senior legal roles at Barrick. Prior to then, he was a shareholder at the Salt Lake City based law firm

Parsons Behle & Latimer. He is a legal department leader with broad experience in project development and regulatory compliance. Edward holds a Bachelor of Arts from Middlebury College and a J.D. from the Emory University School of Law.

*April Hashimoto, Senior Vice President, Finance and Administration*

Ms. Hashimoto is the current Senior Vice President, Finance and Administration for LAC. She has over 20 years of international experience in senior finance roles in the mining industry. Prior to joining LAC, she was CFO for Pembroke Copper Corp. and Pacific Rim Mining Corp. She also served in increasing roles of responsibility over 13 years at Placer Dome Inc. including as Controller for the Australasian and North American mining operations and as CFO for the Global Exploration and Construction division. Ms. Hashimoto is a CPA and holds a BA in Economics from the University of Western Ontario and an MBA from the Schulich School of Business at York University.

*Pablo Mercado, Executive Vice President and Chief Financial Officer*

Mr. Mercado is currently the Executive Vice President and Chief Financial Officer of LAC, having been appointed in April 2023. Mr. Mercado has over 23 years of experience in finance and corporate development in the energy industry. Most recently he served as Chief Financial Officer of EnLink Midstream, LLC, and prior to that, as Chief Financial Officer of Forum Energy Technologies, Inc., both US public companies listed on the New York Stock Exchange. Mr. Mercado started his professional career in 1998 as an investment banker at Bank of America, UBS and Credit Suisse, until joining Forum in 2011. He holds a BBA from the Cox School of Business and a BA in Economics from the Dedman College, both of Southern Methodist University, and an MBA from the University of Chicago Booth School of Business.

*Alexi Zawadzki, Vice President, Resource Development*

Mr. Zawadzki is the current President of North American Operations of LAC and the current CEO of Lithium Nevada. He has over 20 years of experience developing mining and energy projects in roles of increasing responsibility. Following 10 years working for an international engineering consultancy, in 2007 he founded a publicly traded renewable energy company resulting in the construction and operation of two hydroelectric facilities. Since 2014, he has been focused on the lithium sector as an enabler of renewable energy technologies. Mr. Zawadzki trained as a hydrologist and holds a Masters degree from Wilfrid Laurier University.

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

To the knowledge of New LAC, no proposed director or executive officer of New LAC is, as at the date of this Document, or was, within 10 years before the date of this Document, a director, Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) of any company (including LAC), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the knowledge of New LAC, except Philip Montgomery as disclosed below, no proposed director or executive officer of New LAC, or a shareholder holding a sufficient number of securities of LAC to affect materially the control of New LAC (a) is, as at the date of this Document, or has been within the 10 years before the date of this Document, a director or executive officer of any company (including LAC) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this Document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of New LAC, no proposed director or executive officer of New LAC, or a shareholder holding a sufficient number of securities of LAC to affect materially the control of New LAC, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

In October 2021, Salt Lake Potash, an Australian company of which Philip Montgomery was a director at the time, voluntarily declared the company insolvent and appointed KPMG LLP as receivers.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As of the date of this Document, to the knowledge of New LAC, no individual who is a proposed director or executive officer of New LAC, or an associate or affiliate of such an individual, will be indebted to New LAC. The New LAC Board will periodically review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

### **CONFLICTS OF INTEREST**

To the best of New LAC's knowledge, except as otherwise noted in this Document, there are no expected conflicts of interest among New LAC, its proposed directors, officers, or other members of management of New LAC except that certain of the proposed directors, officers and other members of management serve as directors, officers and members of management of other public companies and other lithium companies and mining companies. Also, Mr. Zach Kirkman, a proposed director of New LAC, is a representative of GM which will be a significant shareholder of New LAC and have a commercial relationship with New LAC by virtue of the Offtake Agreement. As such, it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of New LAC.

The proposed directors and officers of New LAC are, or will be made, aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and New LAC will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts must be disclosed by such directors or officers in accordance with the BCBCA.

New LAC will adopt a Code of Conduct and Ethics that applies to all directors, officers, employees and consultants of New LAC and its subsidiaries. A copy of New LAC's Code of Conduct and Ethics will, upon adoption, be found under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on New LAC's website at [www.lithiumamericas.com](http://www.lithiumamericas.com).

### **DIRECTOR AND EXECUTIVE COMPENSATION**

To date, New LAC has not carried on any active business and has not paid any compensation to its sole director. No compensation has been paid to the proposed executive officers or directors of New LAC and none will be paid until after the Arrangement is completed.

It is expected that the proposed executive officers of New LAC will enter into employment agreements with New LAC on the Arrangement Effective Date. These agreements are expected to be substantially similar to the contracts which the proposed executive officers of New LAC currently have in place with LAC or the contracts for an equivalent position in LAC, as applicable, with consideration of the prevalent market compensation for an equivalent position. It is expected that the employment agreements of the proposed executive officers of New LAC to be entered into with New LAC on the Arrangement Effective Date will contain customary change of control provisions. The specific terms of the employment agreements to be entered into with New LAC's executive officers will be subject to review and approval by the CL Committee and LAC Board prior to the Arrangement Effective Date.

An annual retainer fee or attendance fee for the proposed directors of New LAC has not been established. However, a fee schedule similar to that in place for the LAC directors is expected to be adopted by New LAC initially and it is expected that all reasonable expenses incurred by directors in order to attend meetings will be reimbursed by New LAC.

Following the completion and independent of the Arrangement, it is anticipated that New LAC will utilize a combination of both fixed and variable compensation to motivate executives to achieve overall corporate goals. The New LAC Board, acting on the recommendation of the CL Committee, will implement a compensation structure intended to align the interests of the New LAC executive officers with those of the New LAC Shareholders. The elements of New LAC's executive compensation program are expected to include: (a) an annual base salary, (b) short term incentive ("**STI**") awards consisting of a cash bonus and award of New LAC RSUs, (c) long term incentive ("**LTI**") awards in the form of New LAC DSUs with performance vesting conditions, (d) annual contribution matching by New LAC to a retirement savings plan, up to a certain percentage of base salary and subject to a contribution ceiling established annually, and (e) insurance and other benefits in support of health and wellness.

The New LAC Incentive Plan will be in effect as part of the Arrangement and 14,400,737 New LAC Common Shares will be reserved for issuance pursuant to the New LAC Incentive Plan. The New LAC Incentive Plan will be administered by the CL Committee or equivalent committee appointed by the New LAC Board and constituted in accordance with such committee's charter. Under the New LAC Incentive Plan, the directors, executive officers, employees, consultants and service providers of New LAC and its subsidiaries will be granted New LAC RSUs, New LAC PSUs, New LAC DSUs, and, if desired, options of New LAC, with such award grants generally approved by the New LAC Board on the recommendation of the CL Committee. A copy of the New LAC Incentive Plan will be found under New LAC's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). A summary of the New LAC Incentive Plan is attached as Appendix "A" to this Document.

Vesting periods will be determined at the discretion of the New LAC Board or New LAC's CEO. It is currently anticipated that: (a) New LAC RSUs will generally vest immediately for STI awards, or cliff-vest after three years for LTI awards; if granted for other purposes, New LAC RSUs will typically vest on the grant anniversary over a period of up to three years; (b) New LAC PSUs will generally cliff-vest after three years, as they are granted as LTI awards under the executive compensation program; and (c) New LAC DSUs will generally vest on the 20th business day after an independent director ceases to hold the position. Option grants under the New LAC Incentive Plan are not currently anticipated.

### **NAMED EXECUTIVE OFFICERS**

The anticipated named executive officers set out below are New LAC's proposed CEO, CFO, Executive Chair and the anticipated two other highest paid proposed executive officers of New LAC. The following disclosure includes a brief summary regarding the expected material terms of the employment agreements expected to be entered into by each of the anticipated named executive officers.

#### *Jonathan Evans, President and Chief Executive Officer*

Mr. Evans will be paid a base salary of \$600,000 and is eligible to receive short-term incentive compensation at a target rate of 100% of base salary ("**Evans STI Bonus**") and long-term incentive compensation at a target rate of 125% of base salary.

On termination of employment without cause, because of a "Disability", or for "Good Reason", each as defined in Mr. Evans' employment agreement, Mr. Evans will receive the following severance package: (a) 24 months (the "**Evans Severance Period**") of base salary; (b) two times the Evans STI Bonus he received for the year prior to the year in which his employment terminates; (c) accelerated vesting of any equity awards scheduled to vest during the Evans Severance Period; and (d) continuation of benefits coverage during the Evans Severance Period or reimbursement for replacement coverage (the "**Evans Severance Package**").

If at any time there is a “Change of Control” during the employment agreement (as defined in the employment agreement), and conditional upon Mr. Evans continuing to perform services to Lithium Nevada until the “Change of Control” event, then Mr. Evans will receive the Evans Severance Package described above.

*Pablo Mercado, Executive Vice President and Chief Financial Officer*

Mr. Mercado will be paid a base salary of \$585,000 and is eligible to receive short-term incentive compensation at a target rate of 85% of base salary (“**Mercado Target STI Bonus**”) and long-term incentive compensation at a target rate of 100% of base salary.

On termination of employment without cause, because of a “Disability”, or for “Good Reason”, each as defined in Mr. Mercado’s employment agreement, Mr. Mercado will receive the following severance package: (a) 1.5 times the sum of his base salary and an amount equal to the Mercado Target STI Bonus for the year termination of employment occurs, without pro-ration. In addition, if Mr. Mercado timely elects, Lithium Nevada will provide Mr. Mercado and qualified beneficiaries with 18 months of COBRA premium reimbursement; (b) a pro-rated amount of the Mercado Target STI Bonus for the calendar year in which Mr. Mercado’s employment terminates; (c) (i) any previously awarded initial Old LAC RSUs (as defined in Mr. Mercado’s employment agreement) shall be fully vested as of the termination date; and (ii) Mr. Mercado shall become vested in a portion of any equity awards previously granted to him that, as of the date of termination, have not vested (“**Outstanding Equity Awards**”) by prorating each such Outstanding Equity Award by the percentage of the applicable vesting period which Mr. Mercado would have completed if he had continued in employment for 18 months following the termination date. Any portion of the Outstanding Equity Awards that does not become vested shall be forfeited in accordance with the terms of the New LAC Incentive Plan and any applicable grant agreement.

If at any time there is a “Change of Control” during the employment agreement (as defined in the employment agreement), and within 12 months of such “Change of Control”:

1. Mr. Mercado’s employment is terminated without cause; or
2. Mr. Mercado resigns for “Good Reason” (as defined in the employment agreement) after (A) providing Lithium Nevada with written notice of the circumstances constituting “Good Reason”, and (B) Lithium Nevada failing to remedy the circumstances constituting “Good Reason” in a timely manner, then Mr. Mercado will be entitled to receive the following:
  - (a) an amount equal to two times the sum of (A) his base salary; and (B) an amount equal to the Mercado Target STI Bonus for the year in which the termination occurs, without pro-ration;
  - (b) an amount equal to the pro-rated amount of the Mercado Target STI Bonus for the calendar year in which Mr. Mercado’s employment terminates; and
  - (c) if Mr. Mercado timely elects COBRA insurance coverage, up to 24 months of COBRA premium reimbursement to Mr. Mercado and qualified beneficiaries.

*Kelvin Dushnisky, Executive Chair*

Mr. Dushnisky will be paid a base salary of \$590,000 and is eligible to receive short-term incentive compensation at a target rate of 100% of base salary (“**Dushnisky STI Bonus**”) and long-term incentive compensation at a target rate of 100% of base salary.

Within one month of the effective date of the employment agreement, Mr. Dushnisky will be granted a one-time signing equity award with a grant date fair value of US\$1,770,000 in the form of New LAC RSUs.

On termination of employment without cause, because of a “Disability”, or for “Good Reason”, each as defined in Mr. Dushnisky’s employment agreement, Mr. Dushnisky will receive the following severance package: (a) 18 months of base salary; (b) any equity awards previously granted will be governed by the

terms of the New LAC Incentive Plan and any applicable grant agreement; and (c) continuation of benefits coverage and vacation accrual for the minimum notice period required by applicable employment standards legislation.

If at any time there is a “Change of Control” during the employment agreement (as defined in the employment agreement), and within 12 months of such “Change of Control”:

1. Mr. Dushnisky’s employment is terminated without cause, or
2. Mr. Dushnisky resigns for “Good Reason” (as defined in the employment agreement) after (A) providing New LAC with at least 14 days’ written notice of the circumstances constituting “Good Reason”; and (b) New LAC failing to remedy the circumstances constituting “Good Reason” within that time, then Mr. Dushnisky will be entitled to receive the following:
  - (a) 24 months of base salary;
  - (b) two times the Dushnisky STI Bonus; and
  - (c) benefits continuation for 24 months if permitted by the rules of the applicable benefits plan(s). For benefits that cannot be continued through the entire 24 months, New LAC will pay Mr. Dushnisky the value of the premiums that would be paid to the plans during the 24 month period.

*Richard Gerspacher, Executive Vice President, Capital Projects*

Mr. Gerspacher will be paid a base salary of \$465,000 and is eligible to receive short-term incentive compensation at a target rate of 75% of base salary (“**Gerspacher STI Bonus**”) and long-term incentive compensation at a target rate of 75% of base salary.

Mr. Gerspacher will also receive a one-time grant of equity awards in the form of New LAC RSUs with a value of US\$465,000 (the “**Initial New LAC RSUs**”).

On termination of employment without cause, because of a “Disability”, or for “Good Reason”, each as defined in Mr. Gerspacher’s employment agreement, Mr. Gerspacher will receive the following severance package: (a) 12 months (the “**Gerspacher Severance Period**”) of base salary; (b) an amount equal to the Gerspacher STI Bonus he received for the year before termination; (c) the Initial New LAC RSUs fully vest as of the termination date and accelerated vesting of any equity awards scheduled to vest during the Gerspacher Severance Period; and (d) continuation of benefits coverage during the Gerspacher Severance Period or reimbursement for replacement coverage (the “**Gerspacher Severance Package**”).

If at any time there is a “Change of Control” during the employment agreement (as defined in the employment agreement), and within 12 months of such “Change of Control”:

1. Mr. Gerspacher’s employment is terminated without cause, or
2. Mr. Gerspacher resigns for “Good Reason” (as defined in the employment agreement) after (A) providing Lithium Nevada with written notice of the circumstances constituting “Good Reason”; and (b) Lithium Nevada failing to remedy the circumstances constituting “Good Reason”, then Mr. Gerspacher will be entitled to receive the Gerspacher Severance Package described above, except that the Gerspacher Severance Period will then be 24 months.

*Alexi Zawadzki, Vice President, Resource Development*

Mr. Zawadzki will be paid a base salary of \$330,750 and is eligible to receive short-term incentive compensation at a target rate of 75% of base salary (“**Zawadzki STI Bonus**”) and long-term incentive compensation at a target rate of 75% of base salary.

On termination of employment without cause, because of a “Disability”, or for “Good Reason”, each as defined in Mr. Zawadski’s employment agreement, Mr. Zawadski will receive the following severance package: (a) 12 months (the “**Zawadski Severance Period**”) of base salary; (b) an amount equal to the Zawadski STI Bonus he would have earned through the Zawadski Severance Period had he remained actively employed based on the Zawadski STI Bonus he received in the year before his employment terminated; (c) accelerated vesting of any equity awards scheduled to vest during the Zawadski Severance Period; and (d) continuation of benefits coverage for the Zawadski Severance Period or reimbursement of replacement coverage (the “**Zawadski Severance Package**”).

If at any time there is a “Change of Control” during the employment agreement (as defined in the employment agreement), and within 12 months of such “Change of Control”:

1. Mr. Zawadzki’s employment is terminated without cause, or
2. Mr. Zawadzki resigns for “Good Reason” (as defined in the employment agreement) after (A) providing New LAC with at least 14 days’ written notice of the circumstances constituting “Good Reason”; and (b) New LAC failing to remedy the circumstances constituting “Good Reason” within that time, then Mr. Zawadzki will be entitled to receive the Zawadski Severance Package described above, except that the Zawadski Severance Period will then be 24 months.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **THE BOARD**

The New LAC Board will comprise of eight (8) directors upon completion of the Arrangement.

Mr. Brown, Ms. Chubbs, Mr. Gao, Ms. Magie and Mr. Montgomery will be considered to be “independent” directors for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and pursuant to Section 303A of the NYSE Listed Company Manual. Mr. Evans, Mr. Dushnisky and Mr. Kirkman will not be considered independent as Mr. Evans will be an executive officer of New LAC, Mr. Dushnisky will be the Executive Chair of New LAC, and Mr. Kirkman is a representative of GM which will have a commercial relationship with New LAC. As such, a majority (five (5) of eight (8) or 63%) of the directors will be independent.

Certain of the proposed directors of New LAC are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as set out below.

<b><u>Director</u></b>	<b><u>Name of Issuer(s)</u></b>
Fabiana Chubbs	Royal Gold, Inc.
Kelvin Dushnisky	Doman Building Materials Group Ltd. Rigel Resource Acquisition Corp.
Jinhee Magie	AngloGold Ashanti Ltd. Star Royalties Ltd.
Philip Montgomery	Walkabout Resources Ltd.

Directors on the New LAC Board with an interest in a material transaction or agreement will be required to declare their interest and abstain from voting on the transaction or agreement at issue. The New LAC Board will also form special committees as needed, comprised of only independent directors, to evaluate proposed related party transactions and ensure that independent judgement is used to evaluate the transaction, free of any potential or actual conflict of interest.

It is anticipated that the New LAC Common Shares will be dual-listed in Canada and the U.S. The NYSE and U.S. securities laws set out different requirements for determining director independence vis-à-vis the TSX and securities laws in Canada. As an anticipated “foreign private issuer” under U.S. securities laws and for so long as New LAC maintains this status, New LAC will likely be permitted to follow Canadian requirements (as its home country) instead of certain NYSE corporate governance standards, including director independence but this does not apply to audit committee independence requirements under U.S. securities laws. The three proposed members of the Audit and Risk Committee of New LAC are expected to be Fabiana Chubbs (Chair), Jinhee Magie and Michael Brown, each of whom will satisfy the independence requirements of Rule 10A-3 under the U.S. Exchange Act and Section 303A of the NYSE Listed Company Manual.

### **Role and Mandate of the Board**

The New LAC Board will have overall responsibility for corporate governance matters by virtue of its responsibility for:

- developing and approving corporate policies and guidelines;
- assisting in the definition of corporate objectives and assessing corporate strategies and key plans;
- overseeing material risks of New LAC and its business;
- overseeing the integrity of New LAC’s internal financial controls and management information systems; and
- evaluating New LAC’s performance and the performance of the New LAC Board, its committees and individual directors.

The New LAC Board’s responsibility for these items will be reflected in a board mandate, to be adopted by the New LAC Board that will set out the written terms of reference for the New LAC Board’s authority, responsibility and function. The board mandate will be available on New LAC’s website at [www.lithiumamericas.com](http://www.lithiumamericas.com) once adopted following the completion of the Arrangement.

### **Orientation and Continuing Education**

It is expected that the proposed directors on the New LAC Board will be provided with an orientation that includes meetings with New LAC’s senior management team that covers topics including New LAC’s history and status of operations, information about New LAC’s business, goals, strategy and major policies, familiarization with partners and major service providers, updates on the political environment in the jurisdictions where New LAC operates, information about the lithium industry, lithium markets and pricing, as well as developments in the electric vehicle and battery markets, recent analyst reports, information about the Code of Conduct and Ethics, information pertaining to personal liabilities, New LAC’s insurance program, rules for purchasing, exercising and selling New LAC-issued securities (New LAC Common Shares and New LAC Equity Awards), and rules regarding insider trading and non-public information. They are also expected to participate in office and site visits, and have the opportunity to meet with staff throughout the organization.

### **Ethical Business Conduct**

New LAC will adopt a Code of Conduct and Ethics (the “**Code of Conduct**”) following the completion of the Arrangement. The Code of Conduct will apply to all of New LAC’s directors, officers, employees and consultants, and is designed to:

- promote a culture of integrity, and honest and ethical conduct;
- deter wrong-doing such as illegal actions, misuse of company opportunities or assets, and insider trading;
- provide a framework for addressing conflicts of interest, and potential conflicts;

- preserve the confidentiality of information shared internally with anyone covered by the Code of Conduct;
- require compliance with applicable laws, rules and regulations, including environmental laws;
- promote a culture of health and safety, and equal opportunity;
- encourage fair dealings with customers, suppliers, competitors and internally among our workforce;
- prohibit payments to domestic and foreign officials pursuant to applicable anti-bribery and anti-corruption laws in Canada and the United States;
- establish guidelines for financial and business reporting, and accurate recordkeeping;
- set out expectations regarding gifts and entertainment, use of email and internet services, and compliance with the Code of Conduct; and
- encourage reporting of any perceived violations of the Code of Conduct, without fear of retaliation.

The Code of Conduct will be subject to review from time to time by the GN Committee, which will be responsible for updating the Code of Conduct to ensure New LAC is current with evolving governance and ethics practices. The New LAC Board will be responsible for granting any waivers from the Code of Conduct. New LAC will disclose any waivers from the requirements of the Code of Conduct granted to directors or executive officers.

### **Board Nomination**

The New LAC Board’s recruitment and nomination process will be overseen and led by the GN Committee. Recruitment processes may be conducted with or without the assistance of an independent recruitment firm, at the committee’s discretion. In connection with the nomination or appointment of individuals as directors, the competencies and skills required by the New LAC Board as well as the competencies and skills of the existing directors and the appropriate size of the New LAC Board will be considered.

### **Board Assessments**

The GN Committee will be responsible for overseeing and establishing processes to evaluate the effectiveness of the New LAC Board, committees and individual directors, along with reviewing charters. It will also be responsible for reviewing: (i) the performance of individual directors, the New LAC Board as a whole, and committees of the New LAC Board; and (ii) the performance evaluation of the chair of each New LAC Board committee. These assessments will be conducted on an informal basis.

### **Board Skills Matrix**

As part of LAC’s efforts to ensure that New LAC will have the appropriate combination of skills and experience on the New LAC Board from its inception, an *ad hoc* committee of LAC charged with overseeing board recruitment and composition-related matters for New LAC (“**New LAC Separation Committee**”) has assessed the proposed director nominees of New LAC based on a skills matrix and identified the various areas of expertise that will be necessary to provide effective stewardship for New LAC. Each director nominee was asked to consider the various areas of expertise identified below and identify whether they consider themselves to have these skills as core competencies, ancillary competencies, or that it was not within their particular area of expertise.

The following skills matrix indicates the number of director nominees who have expertise in the identified area, and is representative of the diverse competencies of the director nominees for New LAC:

Areas of Expertise		General Competencies	Experienced Competencies	Core Competencies
Industry	Exploration	5	3	-

Areas of Expertise	General Competencies	Experienced Competencies	Core Competencies	
	Mine Development/Operations	3	3	2
	Lithium Industry	5	1	2
	Chemical Processing	5	1	2
	Health and Safety	3	3	2
	Sustainability and Environment	4	1	3
<b>Operational</b>	Human Resources and Talent Management	-	7	1
	Business Development	-	4	4
	Executive Compensation	2	5	1
	Risk Management	-	5	3
	Cybersecurity and Technology	5	1	2
<b>Financial</b>	Financial and Audit	3	3	2
	Financial Literacy	2	2	4
	Capital Markets	3	3	2
	Banking/Project Finance	3	3	2
<b>Legal/Regulatory</b>	Securities/Law, Legal Policy and Regulatory	2	4	2
	Government Relations	3	2	3
	Corporate Governance	-	6	2
<b>Leadership</b>	Executive Leadership	-	3	5
	Board Experience	2	4	2
	Public Company Executive	-	3	5
	Strategic Planning	-	3	5

### **Diversity**

New LAC has not adopted a written policy relating to identification and nomination of female directors or a target regarding women in executive positions at this time. The New LAC Board will consider the adequate policies and practices to be adopted for New LAC as are appropriate for its circumstances. Of the proposed director nominees for New LAC, two (2) out of eight (8) (25%) are women. With respect to the proposed executive management, one (1) out of seven (7) is a woman (14%).

### **AUDIT AND RISK COMMITTEE**

#### **Overview**

The Audit and Risk Committee will be responsible for monitoring New LAC's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of New LAC's external auditors. The committee is also responsible for reviewing New LAC's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the New LAC Board.

### **Audit and Risk Committee Charter**

It is anticipated that the New LAC Board will adopt a charter of the Audit and Risk Committee substantially in the form attached as Appendix “B” to this Document.

### **Composition of the Audit and Risk Committee and Independence**

It is anticipated the Audit and Risk Committee will consist of Fabiana Chubbs (Chair), Jinhee Magie and Michael Brown. National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with New LAC, which could, in the view of the New LAC Board, reasonably interfere with the exercise of the member’s independent judgment. The New LAC Separation Committee has determined that all members of New LAC’s Audit and Risk Committee will be “independent” directors under the requirements of NI 52-110, Rule 10A-3 under the U.S Exchange Act and Section 303A of the NYSE Listed Company Manual.

### **Relevant Education and Experience**

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the company’s financial statements. The New LAC Separation Committee has determined that all of the proposed members of New LAC’s Audit and Risk Committee are “financially literate” under the requirements of NI 52-110, and the NYSE Listed Company Manual and at least two members, Fabiana Chubbs and Jinhee Magie, are each considered to be an “audit committee financial expert” as that term is used in the U.S. Exchange Act.

Based on their business and educational experiences, each proposed Audit and Risk Committee member will have a reasonable understanding of the accounting principles used by New LAC; an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by New LAC’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting. In addition, a majority of the proposed members of the Audit and Risk Committee have had several years of experience in senior executive roles and as board members of significant business enterprises in which they assumed substantial financial and operational responsibility.

#### ***Fabiana Chubbs***

Ms. Chubbs is a Chartered Professional Accountant (CPA, CA) and a graduate of the University of Buenos Aires, holding degrees in Certified Public Accounting and a Bachelor of Business Administration. Ms. Chubbs was the CFO of Eldorado Gold Corporation from 2011 to 2018. She joined Eldorado in 2007 and led the Treasury and Risk Management functions before her promotion to the CFO position. Prior to Eldorado, she was a Senior Manager with PwC Canada where she spent ten years specializing in auditing public mining and technology companies. Ms. Chubbs started her career in her native Argentina, where she divided her experience between tenures with PwC Argentina and IBM.

#### ***Jinhee Magie***

Ms. Magie holds a Bachelor of Commerce degree from the University of Toronto and is a Chartered Professional Accountant (CPA, CA). She has extensive experience in acquisitions and divestitures, public and private equity fundraising and public company reporting from a career spanning over 25 years. Ms. Magie began her career with Ernst & Young and has held progressively more senior roles in public companies, with the last 18 years being in the mining industry. She was the Director of Corporate Compliance for LionOre Mining International Ltd. from 2005 to 2008, then joined Lundin Mining Corporation in 2008 serving in various roles of increasing responsibility to 2018 when she was appointed as the Chief Financial Officer and Senior Vice President of Lundin, serving in this role until September 2022.

## **Michael Brown**

Mr. Brown holds a Master of Business Administration from George Washington University. He has over 30 years of private, public, and non-profit experience in the management of risk, financial reporting, audit, and compliance assurance programs with corporate, government, and non-profit boards. Mr. Brown had board-level reporting obligations at Barrick Gold Corp. on behalf of its North American operations and interacted with the Audit and ESG committees. After Sarbanes-Oxley came into force, he led the effort in North America to develop Barrick's initial risk register and implementation of the associated assurance programs. Mr. Brown was the designated SOX certifying executive for Barrick Gold North America's financial statements from 2014 to 2018.

## **Audit Fees**

New LAC has not paid any fees to PwC in respect of audit fees, audit-related fees, tax fees or other fees for the period from incorporation to the date hereof and any such fees incurred to date will be paid by LAC.

## **GOVERNANCE AND NOMINATION COMMITTEE**

It is anticipated the GN Committee will consist of Yuan Gao (Chair), Jinhee Magie and Fabiana Chubbs, each of whom will be an "independent" director within the meaning of NI 58-101. The GN Committee will be responsible for (a) assisting the New LAC Board in fulfilling its oversight responsibilities by identifying individuals qualified to become board and board committee members and recommending that the board select director nominees for appointment or election to the board; and (b) developing and recommending to the board corporate governance guidelines for New LAC and making recommendations to the board with respect to corporate governance practices.

## **COMPENSATION AND LEADERSHIP COMMITTEE**

It is anticipated the CL Committee will consist of Jinhee Magie (Chair), Yuan Gao, and Philip Montgomery, each of whom will be an "independent" director within the meaning of NI 58-101. The CL Committee will be responsible for (a) reviewing senior leadership development and succession planning for New LAC; (b) discharging the board's responsibilities relating to compensation and benefits of the executive officers and directors of New LAC; and (c) developing and overseeing the management's compensation policies and programs.

## **ENVIRONMENTAL, SUSTAINABILITY, SAFETY AND HEALTH COMMITTEE**

It is anticipated the ESSH Committee will consist of Michael Brown (Chair), Zach Kirkman, Jonathan Evans and Philip Montgomery, of whom Mr. Brown and Mr. Montgomery will each be an "independent" director within the meaning of NI 58-101. The ESSH Committee will be responsible for reviewing and monitoring: (a) the environmental policies and activities of New LAC on behalf of the New LAC Board and management; (b) the policies and activities of New LAC as they relate to the health and safety of employees of New LAC in the workplace; (c) the social engagement and social responsibility policies and activities of New LAC as they relate to New LAC's interaction with community, government, and other stakeholders; and (d) the policies and activities of New LAC as they relate to sustainable development and business practices, including environmental, health and safety, social engagement and social responsibility and related matters in the conduct of New LAC's activities.

## **STOCK EXCHANGE LISTING**

New LAC has made an application to list the New LAC Common Shares, which encompasses New LAC's name change to "Lithium Americas Corp." as part of the Arrangement, under the ticker symbol "LAC" on the TSX and NYSE. The TSX has conditionally approved the listing of the New LAC Common Shares. Listing will be subject to New LAC meeting the usual listing requirements of the TSX and NYSE, receiving approval of the TSX and NYSE and meeting all conditions of listing imposed by the TSX and NYSE.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

New LAC is not a party to, nor are any of New LAC's properties subject to, any pending or contemplated legal proceedings or regulatory actions which New LAC believes would have a material adverse outcome or effect on New LAC or its business.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out elsewhere in this Document, none of the proposed directors or executive officers of New LAC, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of New LAC, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Document, or any proposed transaction, that has materially affected or would materially affect New LAC or any of its subsidiaries.

Certain proposed directors and officers of New LAC are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations to other engaged companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of New LAC may not be made available to New LAC but, rather, may be offered to a company with competing interests. The directors and senior officers of New LAC are required by law to act honestly and in good faith with a view to the best interests of New LAC and to disclose any personal interest which they may have in any project or opportunity of New LAC, and to abstain from voting on such matters.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

Effective on completion of the Arrangement, PricewaterhouseCoopers LLP, Chartered Professional Accountants of 1400 - 250 Howe Street, Vancouver, British Columbia, Canada V6C 3S7, will be the auditor of New LAC. PricewaterhouseCoopers LLP, Chartered Professional Accountants is the auditor of LAC and was appointed in August 2015.

The transfer agent and registrar for the New LAC Common Shares will be Computershare Investor Services Inc. at its offices in Vancouver, British Columbia.

## MATERIAL CONTRACTS

Following the completion of the Arrangement, the following will be the material contracts of New LAC, other than contracts entered into in the ordinary course of business:

1. New LAC will become a party to the Master Purchase Agreement, as described in "*Agreements Relating to the GM Transaction*" below;
2. the Offtake Agreement will be assigned to New LAC, as described in "*Agreements Relating to the GM Transaction*" below;
3. New LAC will enter into a new Investor Rights Agreement, as described in "*Agreements Relating to the GM Transaction*" below;
4. New LAC will enter into the New LAC Tranche 2 Subscription Agreement, as described in "*Agreements Relating to the GM Transaction*" below;
5. New LAC will enter into the Ganfeng Lock-Up, as described in "*Lock-Up Agreements*" below;
6. New LAC will enter into the Tax Indemnity and Cooperation Agreement, as described in "*Tax Indemnity and Cooperation Agreement*" below; and
7. the Arrangement Agreement, as described in "*Information Concerning New LAC Post-Arrangement – The Arrangement*".

Copies of the above material contracts will be available following the completion of the Arrangement on New LAC's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **AGREEMENTS RELATING TO THE GM TRANSACTION**

On January 30, 2023, LAC and GM entered into the Master Purchase Agreement pursuant to which GM agreed to make an approximately US\$650 million equity investment in LAC, to be used for the development of the Thacker Pass Project. The investment is comprised of two tranches, with the approximately US\$320 million Tranche 1 investment for subscription receipts convertible into LAC Common Shares and warrants having been completed, and the approximately US\$330 million Tranche 2 investment contemplated to be invested in New LAC following the Arrangement. Tranche 1 of the GM Transaction was structured through the initial issuance of 15,002,243 subscription receipts by LAC to GM, whereby each subscription receipt, upon satisfaction of certain escrow release conditions, automatically converted into one unit comprised of one LAC Common Share and 79.26% of one Tranche 2 AEW with each Tranche 2 AEW exercisable into one LAC Common Share at a price of US\$27.74 for a term of 36 months from the date of issuance. The conversion of the subscription receipts resulted in the issuance of all shares issuable for Tranche 1 and, through the shares issuable upon exercise of the Tranche 2 AEWs, the allocation of all shares issuable under the Tranche 2 subscription.

GM and LAC will implement Tranche 2 through a purchase of New LAC Common Shares under the New LAC Tranche 2 Subscription Agreement (which will result in the termination of the Tranche 2 AEWs) that provides for the purchase of approximately US\$330 million of New LAC Common Shares at the prevailing market price, to a maximum of US\$27.74 per share (adjusted for the Arrangement). In addition to other closing conditions, Tranche 2 will be subject to a condition that New LAC secures sufficient funding to complete the development of Phase 1 of the Thacker Pass Project.

In connection with the escrow release and the issuance of the shares under Tranche 1, LAC and GM entered into the Offtake Agreement pursuant to which LAC (or, post-Arrangement, New LAC) will supply GM with lithium carbonate production from Phase 1. The price within the Offtake Agreement is based on an agreed upon price formula linked to prevailing market prices calculated on a quarterly basis and is the average Fastmarkets MB price per tonne for lithium carbonate, averaged over the prior quarter, less a discount, subject to an agreed upon floor price. The discount is calculated using a weighted average cumulative tiered structure that increases as the reference price increases. The term of the Offtake Agreement is for 10 years from the commencement of Phase 1 production, with an option (exercisable by GM) to extend the Offtake Agreement by an additional five years. GM also has a right of first offer under the Offtake Agreement on the offtake of Phase 2 production.

In addition, in connection with the escrow release and issuance of the shares under Tranche 1, LAC and GM entered into the Investor Rights Agreement pursuant to which, among other things, GM is required to "lock-up" their securities until the later of: (i) one year following the completion of the Arrangement, and (ii) the earlier of (a) six months after the closing of Tranche 2, or (b) the date Tranche 2 is not completed in accordance with its terms, provided that the foregoing lock-up restriction will not apply if the Arrangement does not occur. In addition, GM has certain board nomination rights (with respect to the LAC Board or, post-Arrangement, New LAC Board), oversight, and demand registration and piggy-back registration rights and securities offering participation rights, and is also subject to certain standstill limitations pertaining to take-over bids (and similar transactions) until a period that ends on the earlier of (i) five years following the effective date of the Investor Rights Agreement, and (ii) one year following the date of the commencement of commercial production for Phase 1 as outlined in the Offtake Agreement.

Completion of Tranche 2 of the GM Transaction remains subject to customary regulatory approvals, including approval of the TSX and NYSE, and other customary closing conditions. See "*Description of the Business – Risk Factors – Risks Relating to the Securities and Business of New LAC – Risks Relating to the GM Transaction*". Additionally, as the Tranche 2 investment is contemplated to occur following the completion of the Arrangement, the transaction agreements provide that upon the completion of the Arrangement, the relevant agreements reflecting the Tranche 2 investment will be superseded by equivalent agreements between GM and New LAC (including the New LAC Tranche 2 Subscription Agreement and a new Investor Rights Agreement), with maximum pricing (being US\$27.74 per share) being

adjusted to reflect the relative value of New LAC compared to the value of Lithium Argentina. See “*Description of Capital Structure – The New LAC Tranche 2 Subscription Agreement*”. In addition, post-Arrangement, New LAC will become a party to the Master Purchase Agreement and the Offtake Agreement will be assigned by LAC to New LAC.

### **LOCK-UP AGREEMENTS**

The Arrangement is conditional upon LAC and New LAC entering into a lock-up agreement (the “**Ganfeng Lock-Up**”) with GFL International Co., Limited (“**Ganfeng**”), which holds 15,000,000 LAC Common Shares representing 9.4% of LAC’s issued and outstanding share capital as of the date of this Document. The Ganfeng Lock-Up will set out the terms and conditions upon which Ganfeng will agree to, among other things: (i) not acquire any LAC Common Shares or transfer the LAC Common Shares it owns prior to the Arrangement Effective Time, (ii) not transfer any of the Lithium Argentina Common Shares and New LAC Common Shares issuable to Ganfeng pursuant to the Arrangement for the 18 months following the Arrangement Effective Date (or such other period to be agreed to by the parties), except as expressly permitted by the Ganfeng Lock-Up, and (iii) abide by the other restrictions and covenants set out in the agreement.

Pursuant to the Investor Rights Agreement entered into between LAC and GM in connection with the GM Transaction, GM also agreed, among other things: (i) not to acquire any additional LAC Common Shares except as set out in the Master Purchase Agreement or in compliance with the Investor Rights Agreement, (ii) not to transfer the 15,002,243 LAC Common Shares currently held by GM prior to the Arrangement Effective Time, and (iii) not to transfer the 15,002,243 Lithium Argentina Common Shares and 15,002,243 New LAC Common Shares issuable to GM pursuant to the Arrangement from and after the Arrangement Effective Date. GM’s “lock-up” obligations are valid until the later of: (i) one year following the completion of the Arrangement, and (ii) the earlier of (a) six months after the closing of Tranche 2, or (b) the date Tranche 2 is not completed in accordance with its terms, provided that the foregoing lock-up restriction will not apply if the Arrangement does not occur.

### **TAX INDEMNITY AND COOPERATION AGREEMENT**

The Arrangement Agreement provides for cross-indemnities against losses a party or any of its representatives suffers as a result of a breach of representation, warranty or covenant by another party. The Tax Indemnity and Cooperation Agreement is expected to provide similar cross-indemnities against tax-specific claims a party or its representatives become subject to as a result of a breach of covenant by another party. The Tax Indemnity and Cooperation Agreement will also contain certain covenants that, for a period of three years after the effective date of the Arrangement, may prohibit, except in specific circumstances, the parties from taking or failing to take certain actions that could cause the Arrangement or any transaction contemplated by the Arrangement Agreement to be taxed in a manner that is inconsistent with the Tax Rulings. In addition, the Tax Indemnity and Cooperation Agreement will also contain certain customary covenants with respect to the filing of tax returns, payment of taxes, cooperation, assistance, document retention and certain other administration and procedural matters regarding taxes.

### **INTERESTS OF EXPERTS**

The following are the names of persons or companies (a) that are named as having prepared or certified a report, valuation, statement or opinion included in or included by reference in this Document; and (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

1. Daniel Roth, P.E., P.Eng., Walter Mutler, P.Eng., Laurie Tahija, QP-MMSA, Kevin Bahe, P.E., Eugenio Iasillo, P.E., Paul Kaplan, P.E., Kevin Martina, P.Eng., Tyler Cluff, RM-SME, Benson Chow, RM-SME and Bruce Shannon, P.E., prepared the Thacker Pass TR; and
2. Rene LeBlanc, Chief Technical Officer of LAC, who will be employed by New LAC following completion of the Arrangement, is a “qualified person” for the purposes of NI 43-101, and has reviewed and approved the technical and scientific information contained in this Document.

As at the date of this Document, to the knowledge of New LAC, Daniel Roth, P.E., P.Eng., Walter Mutler, P.Eng., Laurie Tahija, QP-MMSA, Kevin Bahe, P.E., Eugenio lasillo, P.E., Paul Kaplan, P.E., Kevin Martina, P.Eng., Tyler Cluff, RM-SME, Benson Chow, RM-SME, Bruce Shannon, P.E. and Rene LeBlanc collectively hold less than one percent of the outstanding securities of New LAC or of any of New LAC's associates or affiliates.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, issued a Report of Independent Registered Public Accounting Firm dated September 28, 2023 in respect of the New LAC Financial Statements and dated June 16, 2023 in respect of the Annual Carve-Out Financial Statements for the North American Business. PricewaterhouseCoopers LLP, Chartered Professional Accountants has advised that they are independent with respect to New LAC within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct and the rules of the SEC and the Public Company Accounting Oversight Board on auditor independence.

#### **ADDITIONAL INFORMATION**

Additional information relating to New LAC may be found on New LAC's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information will be provided in the Carve-Out Financial Statements for the North American Business and the related management's discussion and analysis which will be filed on New LAC's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## APPENDIX “A” SUMMARY OF NEW LAC INCENTIVE PLAN

### *Overview*

The following is a summary of the material terms of the New LAC Incentive Plan for issuance of incentive securities by New LAC following the Separation. It is qualified in its entirety by reference to the specific terms of the New LAC Incentive Plan.

The New LAC Incentive Plan will provide for the grant to eligible directors and employees (including officers and service providers determined as eligible by the CL Committee) of incentive stock options exercisable to purchase New LAC Common Shares (“**Options**”) and restricted share rights or restricted share units that convert automatically into New LAC Common Shares (“**RSUs**”) and RSUs that are subject to performance conditions and/or multipliers and designated as such in accordance with the New LAC Incentive Plan (“**PSUs**”). The New LAC Incentive Plan also provides for the grant to eligible directors of deferred share units (“**DSUs**”) which the directors are entitled to redeem following retirement or termination from the New LAC Board (Options, RSUs, PSUs and DSUs are collectively referred to as “**Awards**”).

### **Stock Options**

#### *Option Grants*

The New LAC Incentive Plan will authorize the New LAC Board, on the recommendation of the CL Committee, to grant Options. The number of New LAC Common Shares under option, the exercise price per New LAC Common Share, the vesting period and any other terms and conditions of Options granted pursuant to the New LAC Incentive Plan, from time to time will be determined by the New LAC Board, on the recommendation of the CL Committee, at the time of the grant, subject to the defined parameters of the New LAC Incentive Plan. The date of grant for the Options will be the date the CL Committee approved the grant for recommendation to the New LAC Board, or for grants not approved for recommendation by the CL Committee, the date such grant was approved by the New LAC Board. Notwithstanding the foregoing, the New LAC Board may authorize the grant of Options at any time with such grant to be effective at a later date and the corresponding determination of the exercise price to be done at such date to accommodate any blackout period or such other circumstances where such delayed grant is deemed appropriate, and the date of grant of such Options will then be the effective date of the grant.

#### *Exercise Price*

The exercise price of any Option cannot be less than the volume weighted average price (“**VWAP**”) of the New LAC Common Shares on the NYSE for the five days on which New LAC Common Shares were traded immediately preceding the date of grant (the “**Fair Market Value**”).

#### *Exercise Period, Blackout Periods and Vesting*

Options will be exercisable for a period of five (5) years from the date the Option is granted or such greater or lesser period as determined by the New LAC Board. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options will be determined by the New LAC Board. Failing a specific vesting determination by the New LAC Board, Options will automatically become exercisable incrementally over a period of eighteen (18) months from the date of grant, as to: (i) 25% of the total number of shares under Option immediately upon the date of grant; and (ii) at each six-month interval thereafter, an additional 25% of the total number of shares under Option such that after the 18<sup>th</sup> month of the Option period, 100% of the Option will be exercisable.

In the event of a Change of Control (as defined in the New LAC Incentive Plan) pursuant to the dissolution and liquidation of New LAC, all Options outstanding will immediately vest and become exercisable on the date of such Change of Control. If a Triggering Event (as defined in the New LAC Incentive Plan) occurs within the 12-month period immediately following other categories of a Change of Control (excluding the dissolution and liquidation of New LAC), all outstanding Options will immediately vest and become

exercisable on the date of such Triggering Event. The provisions in this paragraph will be subject to the terms of any employment agreement between a participant and New LAC.

When the expiry date of an Option occurs during, or within ten (10) business days following, a “blackout period”, the expiry date of such Option is deemed to be the date that is ten (10) business days following the expiry of such blackout period. Blackout periods will be imposed by New LAC to restrict trading of New LAC’s securities by directors, officers, employees and certain others who hold Options to purchase New LAC Common Shares, in accordance with the Disclosure Policy and the Securities Trading Policy to be adopted and similar policies in effect from time to time, in circumstances where material non-public information exists, including where financial statements are being prepared but results have not yet been publicly disclosed.

#### *Cashless Surrender Rights*

Cashless surrender rights may also be granted under the New LAC Incentive Plan, at the discretion of the New LAC Board on the recommendation of the CL Committee, to an optionee in conjunction with, or at any time following the grant of, an Option. Cashless surrender rights under the New LAC Incentive Plan will effectively allow an optionee to exercise an Option on a “cashless” basis by electing to relinquish, in whole or in part, the right to exercise such Option and receive, in lieu thereof, a number of fully paid New LAC Common Shares. The number of New LAC Common Shares issuable on the cashless surrender right is equal to the quotient obtained by dividing the difference between the aggregate Fair Market Value and the aggregate Option price of all New LAC Common Shares subject to such Option by the Fair Market Value of one (1) New LAC Common Share.

#### *Termination or Death*

If an optionee dies while employed by New LAC, any Option held by him or her will be exercisable for a period of 12 months or prior to the expiration of the Options (whichever is sooner) by the person to whom the rights of the optionee will pass by will or applicable laws of descent and distribution. If an optionee is terminated for cause, no Option will be exercisable unless the New LAC Board determines otherwise. If an optionee ceases to be employed or engaged by New LAC for any reason other than cause, then the Options will be exercisable for a period of 12 months or prior to the expiration of the Options (whichever is sooner).

#### **RSUs & PSUs**

##### *RSU & PSU Grant*

The New LAC Incentive Plan will authorize the New LAC Board to grant RSUs and PSUs, in its sole and absolute discretion, to any eligible employee (including officers and service providers deemed eligible by the CL Committee) or director. Each RSU or PSU will provide the recipient with the right to receive New LAC Common Shares as a discretionary payment in consideration of past services or as an incentive for future services, subject to the New LAC Incentive Plan and with such additional provisions and restrictions as the New LAC Board may determine. Each RSU and PSU grant will be evidenced by a grant letter or agreement which will be subject to the terms of the New LAC Incentive Plan and any other terms and conditions which the New LAC Board, on recommendation of the CL Committee, deems appropriate.

##### *Vesting of RSUs & PSUs*

Concurrent with the granting of the RSU or PSU, the New LAC Board will determine, on recommendation from the CL Committee, the period of time during which the RSU or PSU is not vested and the holder of such RSU or PSU remains ineligible to receive New LAC Common Shares (the “**Restricted Period**”) and vesting requirements applicable to such RSU or PSU. Vesting of a RSU or PSU will be determined at the sole discretion of the New LAC Board at the time of grant and will be specified in the RSU or PSU grant letter or agreement. Vesting requirements may be based upon the continued employment or other service of a participant, and/or performance conditions to be achieved by New LAC or a class of participants or by a particular participant on an individual basis, within a Restricted Period, for such RSUs or PSUs to entitle the holder thereof to receive the underlying New LAC Common Shares (and the number of underlying New LAC Shares that may be received may be subject to performance multipliers).

In respect of PSUs only, the New LAC Board may determine, on recommendation from the CL Committee, additional performance-related vesting conditions, such as performance of the New LAC Common Shares against performance of a peer-group of listed issuers, individual performance metrics, or otherwise.

In the event of a Change of Control (as defined in the New LAC Incentive Plan) pursuant to the dissolution and liquidation of New LAC, all RSUs and PSUs outstanding will immediately vest and be settled by the issuance of New LAC Common Shares, notwithstanding the Restricted Period and any date after the Restricted Period which is the earlier of (i) the date which the participant has elected to defer receipt of New LAC Common Shares underlying the RSUs or PSUs, and (ii) the participant's separation date (the "**Deferred Payment Date**"). If a Triggering Event (as defined in the New LAC Incentive Plan) occurs within the 12-month period immediately following other categories of a Change of Control (excluding the dissolution and liquidation of New LAC), all outstanding RSUs or PSUs will vest immediately and be settled by the issuance of New LAC Common Shares notwithstanding the Restricted Period and any Deferred Payment Date. The provisions in this paragraph will be subject to the terms of any employment agreement between a participant and New LAC.

Once the RSU or PSU vests, the RSU or PSU will be automatically settled through the issuance of an equivalent number of underlying New LAC Common Shares as RSUs or PSUs held (subject, in the case of PSUs, to any performance multiplier). In respect of PSUs that are accelerated as a result of a Change of Control or the total disability or death of a participant, unless the New LAC Board determines otherwise and subject to any employment agreement or Award agreement between New LAC and the participant, (i) in respect of any performance measurement periods that are completed on or prior to the Change of Control, total disability or death of a participant, the proportion of PSUs equivalent to the performance measurement periods completed will be settled by applying a performance multiplier calculated based on the actual performance in respect to such completed periods, and (ii) in respect of any performance measurement periods that are not completed on or prior to the Change of Control, total disability or death of a participant, the equivalent proportion of PSUs in respect to such periods will be settled by applying a performance multiplier of one (1) New LAC Common Share for each PSU. Participants who are resident in Canada for the purposes of the *Income Tax Act* (Canada) may elect to defer some or all of any part of the New LAC Common Share grant until one or more later dates.

#### *Retirement or Termination*

Subject to the terms of any employment agreement or Award agreement between New LAC and the participant, in the event the participant retires or is terminated during the vesting period, any RSU or PSU held by the participant will be terminated immediately, provided however that the New LAC Board will have the absolute discretion to modify the RSUs or PSUs, including to provide that the Restricted Period will terminate immediately prior to the date of such occurrence or allow the RSUs or PSUs to continue in accordance with their original Restricted Periods. In the event the participant retires or is terminated following the vesting period, New LAC will issue, and the participant will forthwith receive, the New LAC Common Shares underlying the RSUs or PSUs. In the event of death or total disability, the vesting period will accelerate and the New LAC Common Shares underlying the RSUs or PSUs will be issued.

#### *Payment of Dividends*

Subject to the absolute discretion of the New LAC Board to declare dividends, in the event any such dividend is declared on the New LAC Common Shares, a participant with RSUs or PSUs which have vested but on which the underlying New LAC Common Shares have not yet been issued as a result of a deferral election will be entitled to receive an additional number of RSUs or PSUs equivalent to the amount of the dividend such participant would have received on the underlying New LAC Common Shares based on the five-day VWAP of the New LAC Common Shares on the TSX at such time. If the foregoing results in a fractional RSU or PSU, the fraction will be disregarded. Any additional RSUs or PSUs awarded pursuant to this paragraph will be subject to the same terms, including the time of settlement, as the RSUs or PSUs to which they relate.

## **DSUs**

### ***DSU Grant***

The New LAC Incentive Plan will authorize the New LAC Board to grant DSUs, in its sole and absolute discretion in a lump sum amount or on regular intervals to eligible directors. Each DSU grant will be subject to the terms of the New LAC Incentive Plan and any other terms and conditions which the New LAC Board, on recommendation of the CL Committee, deems appropriate.

### ***Vesting of DSUs***

Subject to deferrals in accordance with applicable tax legislation, DSUs are redeemed automatically following their vesting. If DSUs are issued with vesting conditions, each eligible director will redeem their DSUs on the 20<sup>th</sup> business day following the separation from New LAC. Upon redemption, the director will be entitled to receive (subject to any share issuance limits in the New LAC Incentive Plan), the number of New LAC Common Shares equal to the number of DSUs in the director's account. If the director ceases to hold office during a year where DSUs have been granted in advance of being earned and they have not held office for the entire year, the director will only be entitled to a pro-rated issuance of shares.

### ***Payment of Dividends***

Subject to the absolute discretion of the New LAC Board to declare dividends, in the event any such dividend is declared on the New LAC Common Shares, a participant with DSUs which have vested but on which the underlying New LAC Common Shares have not yet been issued as a result of a deferral election will be entitled to receive an additional number of DSUs equivalent to the amount of the dividend such participant would have received on the underlying New LAC Common Shares based on the five-day VWAP of the New LAC Common Shares on the TSX at such time. If the foregoing results in a fractional DSU, the fraction will be disregarded. Any additional DSUs awarded pursuant to this paragraph will be subject to the same terms, including the time of settlement, as the DSUs to which they relate.

## ***Provisions Applicable to all Grants of Awards***

### ***Participation Limits***

The aggregate number of New LAC Common Shares that may be issued and issuable under the New LAC Incentive Plan together with any other securities-based compensation arrangements of New LAC, as applicable,

- (a) to insiders will not exceed 10% of New LAC's outstanding issue from time to time;
- (b) to insiders within any one-year period will not exceed 10% of New LAC's outstanding issue from time to time; and
- (c) to any one insider and his or her associates within any one-year period will not exceed 5% of New LAC's outstanding issue from time to time.

In no event will the number of New LAC Common Shares that may be issued to any individual under the New LAC Incentive Plan (when combined with all of New LAC's other security-based compensation arrangements, as applicable) exceed 5% of New LAC's outstanding issue from time to time.

The aggregate number of Options that may be granted under the New LAC Incentive Plan to any one non-employee director of New LAC within any one-year period will not exceed a maximum value of C\$100,000 worth of securities, and together with any RSUs, PSUs and DSUs granted under the New LAC Incentive Plan and any securities granted under all other securities-based compensation arrangements, such aggregate value will not exceed C\$150,000 in any one-year period, subject to caveats set out in the corresponding section of the New LAC Incentive Plan.

### *Transferability*

Pursuant to the New LAC Incentive Plan, any Awards granted to a participant will not be transferable except by will or by the laws of descent and distribution. During the lifetime of a participant, Awards may only be exercised by the Participant.

### *Amendments to the Plan*

The New LAC Board may amend, suspend or terminate the New LAC Incentive Plan or any Award granted under the New LAC Incentive Plan without shareholder approval, including, without limiting the generality of the foregoing: (i) changes of a clerical or grammatical nature; (ii) changes regarding the persons eligible to participate in the New LAC Incentive Plan; (iii) changes to the exercise price; (iv) vesting, term and termination provisions of Awards; (v) changes to the cashless surrender right provisions; (vi) changes to the authority and role of the New LAC Board under the New LAC Incentive Plan; and (vii) any other matter relating to the New LAC Incentive Plan and the Awards granted thereunder, provided however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which New LAC's shares are listed;
- (b) no amendment to the New LAC Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;
- (c) the expiry date of an Option will not be more than five (5) years from the date of grant of such Option, provided, however, that at any time the expiry date should be determined to occur either during a blackout period or within ten (10) business days following the expiry of a blackout period, the expiry date of such Option will be deemed to be the date that is the tenth (10<sup>th</sup>) business day following the expiry of the blackout period;
- (d) the directors of the New LAC Board will obtain shareholder approval of:
  - (i) any amendment to the aggregate number of New LAC Common Shares issuable under the New LAC Incentive Plan;
  - (ii) any amendment to the limitations on shares that may be reserved for issuance, or issued, to insiders, or increase participation limits on non-employee directors;
  - (iii) any amendment that would reduce the exercise price of an outstanding Option other than pursuant to a declaration of stock dividends of shares or consolidations, subdivisions or reclassification of shares, or otherwise, or permits the cancellation and re-issuance of Options;
  - (iv) any amendment that would extend the expiry date of any Option granted under the New LAC Incentive Plan except in the event that such Option expires during or within ten (10) business days following the expiry of a blackout period;
  - (v) any amendment to permit Options to be transferred other than for normal estate settlement purposes; or
  - (vi) any amendment to reduce the range of amendments requiring shareholder approval contemplated in this section.

If the New LAC Incentive Plan is terminated, the provisions of the New LAC Incentive Plan and any administrative guidelines and other rules and regulations adopted by the New LAC Board and in force on the date of termination will continue in effect as long as any Award pursuant thereto remains outstanding.

### *Share Issuance Limits*

The aggregate number of New LAC Common Shares that may be subject to issuance under the New LAC Incentive Plan, together with any other securities-based compensation arrangements of New LAC, will not exceed 14,400,737 New LAC Common Shares (or approximately 9.0% of the New LAC Common Shares based on the current number of LAC Common Shares outstanding).

As of the date hereof, there are 2,171,285 LAC RSUs, 1,036,777 LAC PSUs and 225,135 LAC DSUs outstanding, which, if they were exchanged in the Arrangement as of the date hereof, would result in the issuance of the equivalent numbers of New LAC RSUs, New LAC PSUs and New LAC DSUs being issued in the Arrangement (entitling the holders thereof to acquire a maximum of 3,433,197 New LAC Common Shares, after giving effect to performance multipliers applicable to vested LAC PSUs prior to the Arrangement Effective Date, representing approximately 2.2% of the New LAC Common Shares based on the current number of LAC Common Shares outstanding) resulting in 10,967,540 New LAC Common Shares remaining available for the grant of additional future awards under the New LAC Incentive Plan post-Arrangement representing approximately 6.8% of the New LAC Common Shares based on the current number of LAC Common Shares outstanding.

**APPENDIX “B”**  
**NEW LAC AUDIT AND RISK COMMITTEE CHARTER**



**AUDIT AND RISK COMMITTEE CHARTER**

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**I. PURPOSE**

The Board of Directors (the “**Board**”) of Lithium Americas Corp. (“**LAC**” or the “**Company**”) has delegated certain responsibilities to the Audit and Risk Committee (the “**Committee**”) for the oversight of accounting and financial reporting processes, financial statement audits and risk management functions. The primary objectives of the Committee will include:

- A. Overseeing the integrity of the Company’s financial statements and reviewing the Company’s financial disclosure and reporting;
- B. Overseeing the integrity and performance of the Company’s internal audit processes, including the internal audit function;
- C. Monitoring the qualifications, independence and performance of the Company’s external auditor (the “**Auditor**”);
- D. Reviewing the integrity and effectiveness of the Company’s systems of internal controls for reporting on the Company’s financial condition;
- E. Monitoring Management’s compliance with legal and regulatory requirements as it relates to financial and reporting matters; and
- F. Overseeing certain risk management systems and practices adopted by the Company.

**II. COMPOSITION**

- A. The Committee will be composed of at least three Directors.
- B. All Committee members shall be independent in accordance with the requirement of Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended, and the rules of the New York Stock Exchange.
- C. All Committee members will be financially literate as defined by applicable legislation, as determined by the Board. If, upon appointment, a member of the Committee is not financially literate as required, the person will be provided a three-month period to achieve the required level of literacy.
- D. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board.
- E. At least one member of the Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise.

- F. No member of the Committee may serve simultaneously on the Audit Committee of more than two other public companies without prior approval of the Board.
- G. The Board, at its organizational meeting held in conjunction with each annual general shareholders meeting, will appoint a Chair and the other Committee members for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee with Independent Directors.
- H. The Secretary of the Committee shall be elected by its members.
- I. A member shall cease to be a member of the Committee upon ceasing to be a Director of the Company.

### III. DEFINITIONS

**"Advisor"** means any person or firm retained to provide advisory services to the Company.

**"Director"** means a member of the Board.

**"Employees"** means any individual hired directly by LAC or one of its subsidiaries.

**"Independent Director"** means Directors who meet the Independence Standards as defined in the Company's Corporate Governance Framework.

**"Management"** means LAC employees who directly report to the Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**"), have an Executive Vice President or Senior Vice President title, or other Officers of the Company.

**"Officer"** means a LAC employee appointed by the Board or CEO in accordance with the Company's Articles.

### IV. COMMITTEE RESPONSIBILITIES

To fulfill the mandate and responsibilities of the Committee, the Committee shall with respect to:

#### A. Financial Statement and Financial Disclosure

- i. Review (with the Auditor and Management), prior to recommending to the Board for its approval, the following:
  - a) The audited annual and unaudited quarterly financial statements, including the notes thereto;
  - b) Management's Discussion and Analysis ("**MD&A**") of operations accompanying or contained in the annual or quarterly reports and the consistency of the MD&A with the financial statements;
  - c) Any report of the Auditor, letter from the Auditor to Management or any other expert report or opinion obtained by the Company in connection with the financial statements;
  - d) The accounting treatment for any transactions that are material or not in the normal course of the Company's business;
  - e) The nature and substance of significant accruals, accounting reserves and other estimates having a material effect on the financial statements;

- f) Carrying values of financial assets and liabilities, including key assumptions and practices used to determine fair value accounting and related mark-to-market adjustments;
  - g) Any off-balance sheet financing arrangements;
  - h) Any use of derivatives and hedging transactions, if conducted by the Company;
  - i) Asset retirement and reclamation obligations;
  - j) Any pension obligations, if a pension plan has been adopted by the Company;
  - k) Company's accounting and auditing principles, policies and practices including any changes thereto;
  - l) All significant adjustments made or proposed to be made in the Company's financial statements by Management or by the Auditor;
  - m) Details regarding any unrecorded audit adjustments;
  - n) Any impairment provisions based on ceiling tests or other calculation including the carrying value of goodwill;
  - o) Use of any non-GAAP financial measures or forward- looking financial information contained in any disclosure document; and
  - p) Such other matters the Committee considers necessary in connection with the preparation of the Company's financial reports.
- ii. Review and discuss with the Auditor any audit related problems or difficulties and Management's response thereto, including any restrictions imposed on the scope of the Auditor's activities, access to required information, disagreement with Management or the adequacy of internal controls.
  - iii. Review, discuss with Management (and with the Auditor, where required or appropriate) and approve or recommend that the Board approve the following, prior to disclosure to the public:
    - a) Consolidated annual audited financial statements and related MD&A;
    - b) Consolidated unaudited quarterly financial statements and related MD&A;
    - c) Press releases announcing or containing financial information including those based on the annual or quarterly financial statements, and non-GAAP financial measures, revenue or earnings guidance or other forward- looking information; and
    - d) Financial information contained within any prospectus, annual information form, information circular, take-over bid circular, issuer bid circular, rights offering circular or other form of prescribed disclosure document.
  - iv. Monitor, evaluate and report to the Board on the procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
  - v. Review with Management and the Auditor:
    - a) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles;

- b) major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
  - c) any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and
  - d) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
- vi. Produce the Audit Committee report required by Item 407(d)(3) of Regulation S-K.

**B. Auditor**

- i. Select and retain an independent registered public accounting firm to act as the Auditor for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting.
- ii. Set the compensation of the Company's independent auditors.
- iii. Terminate the Company's independent auditors, if necessary.
- iv. Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
- v. Require the Auditor to report to the Committee.
- vi. Oversee the work of the Auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company, including the mandate of the Auditor, the annual engagement letter, audit plan and audit scope.
- vii. Determine whether the Auditor is satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- viii. Review and discuss material written communications between the Auditor and Management; and any other matters required to be communicated by the Auditor to the Committee by applicable rules and regulations.
- ix. Assist in the resolution of disagreements between Management and the Auditor regarding financial reporting.
- x. Gain an understanding of whether internal control recommendations made by the Auditor have been implemented by Management.
- xi. Establish guidelines for the retention of the Auditor for any non-audit and tax services, including consideration of whether the provision of such services would impact the independence of the Auditor.
- xii. Authorize the Committee Chair to pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, subject to the Committee Chair reporting the pre-approval(s) to the Committee at the Committee meeting subsequent to said approval(s).
- xiii. Review and approve the fees and expenses of the Auditor.
- xiv. At least annually, to obtain and review a report by the Auditor that describes (1) the Auditor's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the Auditor or by any other inquiry or investigation

by governmental or professional authorities in the past five years regarding one or more audits carried out by the Auditor and any steps taken to deal with any such issues, and (3) all relationships between the Auditor and the Company or any of its subsidiaries; and to discuss with the Auditor this report and any relationships or services that may impact the objectivity and independence of the Auditor.

- xv. At least annually, evaluate the Auditor's qualifications, performance and independence, including that of the Auditor's lead partner, and report the results of such review to the Board.
- xvi. Where the Committee considers it appropriate, recommend a replacement for the Auditor and oversee any procedures required for the replacement thereof.
- xvii. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Company.
- xviii. Review the effectiveness of any internal auditor and internal audit process, and the working relationship between any internal auditor (and other financial personnel of the Company) and the Auditor.

### **C. Internal Controls and Systems**

- i. Monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls (including any significant deficiencies or material weaknesses in internal control over financial reporting) that Management and the Board have established and the processes followed by Management and the Board for assessing such internal controls, including the responsibilities of the Company's internal audit function with respect to internal controls, including without limitation, to obtain reasonable assurance that the Company has:
  - a) The appropriate books, records and accounts in reasonable detail to accurately and fairly reflect the Company's transactions;
  - b) Effective internal control systems; and
  - c) Adequate processes for assessing the risk of material misstatement of financial statements and for detecting control weaknesses or fraud.
- ii. Review with Management and advise the Board with respect to the Company's policies and procedures regarding compliance with new developments in accounting principles, laws and regulations and their impact on the financial statements of the Company.
- iii. Review Management's report on and the Auditor's assessment of the Company's internal controls over financial reporting and report all deficiencies and remedial actions to the Board.
- iv. Review and monitor the Company's compliance with applicable legal and regulatory requirements related to financial reporting and disclosure.
- v. With respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the CEO and CFO to comply with National Instrument 52-109, and review disclosures made to the Committee by the Company's CEO and CFO during their certification process required under applicable Canadian and United States securities laws.
- vi. Review any significant deficiencies in the design and operation of internal controls over financial reporting or disclosure controls and procedures and any fraud.
- vii. Review with Management the policies and procedures with respect to Officers' expense accounts and perquisites, including their use of corporate assets.

## D. Risk Management

- i. Review, monitor, evaluate, discuss and report to the Board on:
  - a) Company's major business, operational, political, financial, compliance and control risks and exposures, including risk of frauds within operations or financial reporting;
  - b) The steps Management has taken to monitor and control such risks and exposures, including, without limitation, insurance coverage;
  - c) Company's policies with respect to risk assessment and risk management; and
  - d) Report trends on emerging risks and recommend disclosure and risk management measures as needed.
- ii. Ensure the Board is aware of matters which may significantly impact the Company's financial condition, business, assets or stakeholders, their likelihood and magnitude, and the interrelationships and potential compounding effects of such risks, and that the Board discusses such risks with Management and assesses the steps Management has taken to minimize such risks considering the Company's risk tolerance level.
- iii. Assess the level of risk tolerance for the Company, its process for identifying principal business and operational risks, and to implement measures for managing and disclosing such risks.
- iv. On an annual basis or as necessary, review and assess the adequacy of insurance coverage for the Company, including LAC's Directors' and Officers' insurance and indemnity arrangements and make recommendations to the Board with respect to any desired changes thereto.
- v. Review with the Auditor and Management the treatment and disclosure of significant related party transactions and potential conflicts of interest.
- vi. Review the appointment of the Company's CFO and the Officer responsible for the Company's accounting function.
- vii. Establish procedures for:
  - a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
  - b) The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- viii. Review any material complaints and concerns or reported violations received regarding accounting, internal controls or auditing matters, and the investigation and resolution thereof, including, without limitation, any matter brought to the attention of the Committee relating to the existence of any actual or potential conflict of interest disclosure provided pursuant to the Company's Code of Conduct and Ethics and determine appropriate action to be recommended to the Board.
- ix. Review privacy and data security risks applicable to the Company and measures taken to mitigate such risks, including the protection of the Company's management information systems and data.
- x. Conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities.

- xi. Receive and review Management's report and, if applicable, the report of the Auditor, with respect to:
  - a) Any material correspondence with, or other material action by, regulators or governmental agencies;
  - b) Any material legal proceeding involving the Company; or
  - c) Any allegations concerning the Company's non-compliance with applicable laws or listing standards.

#### **E. Other Matters**

- i. Perform any other activities consistent with this charter, the Company's articles and by-laws and governing law as the Committee or the Board deems necessary or appropriate.
- ii. Annually conduct a self-assessment of the Committee's performance and the members thereof and report its findings to the Board. This review shall seek to identify specific areas, if any, in need of improvement or strengthening.
- iii. Report at regularly scheduled Board meetings on matters coming before the Committee.

#### **V. AUTHORITY AND RESOURCES**

- A. The Committee has the authority to engage independent counsel, consultants and other advisors as it deems necessary or advisable to carry out its duties and responsibilities and the Committee will set the compensation for such advisors.
- B. The Committee has the authority to communicate directly with and to meet with the Auditor and the internal auditor, and Management, exclusive of each other for purposes of performing its duties. This extends to requiring the Auditor to report directly to the Committee. The Committee will meet with the Auditor independent of Management after each review of the unaudited and audited financial statements and at such other times as the Committee may require.
- C. In connection with their service on the Committee, the members shall be entitled to remuneration, payment or reimbursement of such incidental expenses and indemnification, on such terms as the Board may so determine from time to time.
- D. The Company shall provide the Committee with such resources, personnel and authority as the Committee may require to properly carry out and discharge its roles and responsibilities hereunder.
- E. The Committee and its members shall have access to such documents or records of the Company and to such Officers, Employees or Advisors of the Company or require their attendance at any meeting of the Committee, all as the Committee or the members thereof may consider necessary to fulfill and discharge their responsibilities hereunder.
- F. The Committee shall review and assess the adequacy of this Charter on an annual basis and consider whether it appropriately addresses matters that are or should be within its scope and, where appropriate, make recommendations to the Board for the alteration, modification or amendment hereof.
- G. This Charter may, at any time, and from time to time, be altered, modified or amended in such manner as may be approved by the Board.

#### **VI. MEETINGS**

- A. The Committee shall meet as often as it considers necessary, but at least once per quarter and, subject to the terms hereof and applicable law, otherwise establish its procedures and govern itself

as the Committee members may see fit in order to carry out and fulfill its duties and responsibilities hereunder.

- B. The times and places where meetings of the Committee shall be held and the procedures at such meetings shall be as determined, from time to time, by the Committee.
- C. Meetings of the Committee may be called by the Chair of the Committee or any other member of the Committee or the Auditor. Not less than 48 hours advance notice of any meeting shall be given orally or in writing personally delivered or by facsimile or electronic mail together with an agenda to each member of the Committee unless all members of the Committee are present at any meeting and agree to waive notice and any absent member of the Committee has waived notice or otherwise consented to the holding of such meetings in writing.
- D. The Auditor shall receive notice of and have the right to attend all meetings of the Audit Committee.
- E. A majority of members of the Committee will constitute a quorum (provided that a quorum shall not be less than 2 members). Decisions of the Committee will be by an affirmative vote of the majority of those members of the Committee voting at a meeting. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The Committee may also act by resolution in writing signed by all the members of the Committee.
- F. The Committee shall keep or cause to be kept minutes or other records of its meetings and proceedings and provide such records to the Company as the Committee may so determine. The approved minutes of the Committee shall be circulated to the Board as soon as practicable.
- G. Any member of the Committee may participate in a meeting by conference telephone or by other means, wherein all persons participating in the meeting can adequately communicate with each other, and a member participating in a meeting pursuant to this section shall be deemed for purposes of the Business Corporations Act (British Columbia) to be present in person at the meeting.
- H. The Committee may invite the Auditor, Management, Directors, Employees or other persons as it sees fit from time to time to attend its meetings and assist thereat provided; however, only Committee members may participate in the deliberation, and vote on any matter decided by the Committee.
- I. All meetings shall include an in-camera session of Independent Directors without Management present.

## **VII. RESPONSIBILITIES AND DUTIES OF THE CHAIR**

The Chair of the Committee shall have the following responsibilities and duties.

- A. Chair meetings of the Committee.
- B. In consultation with the Board Chair and the General Counsel, determine the frequency, dates, guests and locations of meetings of the Committee.
- C. In consultation with the Company's CEO, CFO, General Counsel and others as required, review the annual work plan and meeting agendas to ensure all required business is brought before the Committee.
- D. In consultation with the Board Chair, ensure that all items requiring the Committee's approval are appropriately tabled.
- E. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next Board meeting following any meeting of the Committee.
- F. Carry out any other special assignments or any functions as may be requested by the Board.

**VIII. APPROVAL**

Effective Date: October [●], 2023

Approved by: Board of Directors of the Company

## **APPENDIX “C” INFORMATION CONCERNING THE THACKER PASS PROJECT**

For a complete description of the Thacker Pass Project see the report entitled “Feasibility Study, National Instrument 43-101 Technical Report for the Thacker Pass Project, Humboldt County, Nevada, USA” effective as of November 2, 2022 (the “**Thacker Pass TR**”), that will be filed with the securities regulatory authorities in each of the provinces and territories of Canada concurrently with this Document. The Thacker Pass TR was prepared by Daniel Roth, P.E., P.Eng., Walter Mutler, P.Eng., Laurie Tahija, QP-MMSA, Kevin Bahe, P.E., Eugenio Iasillo, P.E., Paul Kaplan, P.E., Kevin Martina, P.Eng., Tyler Cluff, RM-SME, Benson Chow, RM-SME, and Bruce Shannon, P.E., each of whom is a “qualified person” for the purposes of NI 43-101, for those sections of the Thacker Pass TR that they are responsible for preparing.

The information contained in this section has been derived from the Thacker Pass TR, is subject to certain assumptions, qualifications and procedures described in the Thacker Pass TR, some of which are not fully described herein, and is qualified in its entirety by the full text of the Thacker Pass TR.

Reference should be made to the full text of the Thacker Pass TR, which is available for viewing on New LAC’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). All capitalized terms used in the disclosure below that are not otherwise defined shall have the meanings ascribed thereto in the Thacker Pass TR. For certainty, references to “Lithium Americas Corp.”, “the Company” or “LAC” refer to New LAC unless the historical context otherwise requires, in which case references relate to LAC (prior to the completion of the Arrangement).

### **PROPERTY DESCRIPTION AND LOCATION**

The Thacker Pass Project area encompasses approximately 4,236 hectares and lies within and is surrounded by public lands administered by the BLM. The Thacker Pass Project encompasses the mineral claims that were formerly referred to as the Stage I area of the Kings Valley Lithium Project and includes lithium (“**Li**”) claystone mining at the Thacker Pass Deposit, and is located in Humboldt County in northern Nevada, approximately 100 km north-northwest of Winnemucca, about 33 km west-northwest of Orovada, Nevada and 33 km due south of the Oregon border. The area is sparsely populated and used primarily for ranching and farming.

Access to the Thacker Pass Project is via the paved US Highway 95 and paved State Route 293; travel north on US-95 from Winnemucca, Nevada, for approximately 70 km to Orovada, Nevada and then travel west-northwest on State Route 293 for 33 km toward Thacker Pass to the Thacker Pass Project site entrance. Driving time is approximately one hour from Winnemucca, and 3.5 hours from Reno. On-site access is via several gravel and dirt roads established during the exploration phase.

### **MINERAL TENURE**

The Thacker Pass Project is comprised of a series of unpatented mining claims (the “**Thacker Mining Claims**”) owned or controlled by LAC. LAC is the record owner of the Thacker Mining Claims, and the Thacker Pass Project does not include the development of LAC’s unpatented mineral claims in the Montana Mountains (“**Montana Mountains**”).

Unpatented mining claims provide the holder with the rights to all locatable minerals on the relevant property, including lithium. The rights include the ability to use the claims for prospecting, mining or processing operations, and uses reasonably incident thereto, along with the right to use so much of the surface as may be necessary for such purposes or for access to adjacent land. This interest in the Thacker Mining Claims remains subject to the paramount title of the US federal government. The holder of an unpatented mining claim maintains a perpetual entitlement to the claim, provided it meets the obligations

for maintenance thereof as required by the *Mining Act of the United States of America* (the *Mining Act*) and associated regulations.

At this time, the principal obligation imposed on LAC in connection with holding the Thacker Mining Claims is to pay an annual maintenance fee, which represents payment in lieu of the assessment work required under the *Mining Act*. The annual fee of \$165.00 per claim is payable to the BLM, Department of the Interior, Nevada, in addition to a fee of \$12.00 per claim paid to the county recorder of the relevant county in Nevada where the unpatented mining claim is located. All obligations for the Thacker Mining Claims in Nevada, including annual fees to the BLM and Humboldt County, have been fulfilled.

The holder of unpatented mining claims maintains the right to extract and sell locatable minerals, which includes lithium, subject to regulatory approvals required under Federal, State and local law. In Nevada, such approvals and permits include approval of a plan of operations by the BLM and environmental approvals.

## **ROYALTIES**

Certain of the Thacker Mining Claims are subject to a 20% royalty payable to Cameco Global Exploration II Ltd. solely in respect of uranium (the “**Uranium Royalty**”). In addition to the Uranium Royalty and those national, state and local rates described above, the Thacker Pass Project is subject to a royalty with Orion Mine Finance Fund I (f.n.a. RK Mine Finance [Master] Fund II L.P.) (“**Orion**”). It is a gross revenue royalty on the Thacker Pass Project in the amount of 8% of gross revenue until aggregate royalty payments equal \$22 million have been paid, at which time the royalty will be reduced to 4.0% of the gross revenue on all minerals mined, produced or otherwise recovered. LAC can at any time elect to reduce the rate of the royalty to 1.75% on notice and payment of \$22 million to Orion.

## **PERMITTING AND RECLAMATION OBLIGATIONS**

LAC has reclamation obligations for a hectorite clay mine located within the Thacker Pass Project area. The financial liability for this reclamation obligation, as stipulated by the BLM, is \$1,035,471. LAC’s other environmental liabilities from existing mineral exploration work in the vicinity of the Thacker Pass Project area have a reclamation obligation totaling approximately \$583,843. LAC currently holds a \$1,717,520 reclamation bond with the BLM Nevada State Office, with \$98,206 available for future operations or amendments to existing operations. In addition, on February 22, 2023, BLM approved LAC’s surety bond in the amount of \$13,742,964 for the initial construction works relating to the Thacker Pass Project.

The Thacker Pass Project is located on public lands administered by the U.S. Department of the Interior, BLM. Construction of the Thacker Pass Project requires permits and approvals from various Federal, State, and local government agencies.

Since 2008, LAC has performed extensive exploration activities at the Thacker Pass Project site under existing approved agency permits. LAC has all necessary federal and state permits and approvals to conduct mineral exploration activities within active target areas of the Thacker Pass Project site.

There are no identified issues that would prevent LAC from achieving all permits and authorizations required to commence construction and operation of the Thacker Pass Project, or that may affect access, title, or the right or ability to perform work on the property.

## **HISTORY**

In 1975, Chevron USA (“**Chevron**”) began an exploration program for uranium in the sediments located throughout the McDermitt Caldera (“**McDermitt Caldera**”), a 40km x 30km geological formation straddling the Oregon-Nevada border, which includes the Thacker Pass Project. Early in Chevron’s program, the USGS (who had been investigating lithium sources) alerted Chevron to the presence of anomalous concentrations of lithium associated with the caldera. Because of this, Chevron added lithium to its assays

in 1978 and 1979, began a clay analysis program, and obtained samples for engineering work, though uranium remained the primary focus of exploration. Results supported the high lithium concentrations contained in clays. From 1980 to 1987, Chevron began a drilling program that focused on lithium targets and conducted extensive metallurgical testing of the clays to determine the viability of lithium extraction.

Prior owners and operators of the property did not conduct any commercial lithium production from the Thacker Pass Project.

## **GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES**

### **Geological Setting**

The Thacker Pass Project is located within the McDermitt Volcanic Field (the “**McDermitt Volcanic Field**”), a volcanic complex with four large rhyolitic calderas that formed in the middle Miocene. Volcanic activity in the McDermitt Volcanic Field occurred simultaneously with voluminous outflow of the earliest stages of the approximately 16.6 million years ago (“**Ma**”) to 15 Ma Columbia River flood basalt lavas. This volcanic activity was associated with impingement of the Yellowstone plume head on the continental crust. Plume head expansion underneath the lithosphere resulted in crustal melting and surficial volcanism along four distinct radial swarms centered around Steens Mountain, Oregon.

The McDermitt Volcanic Field is located within the southeastern-propagating swarm of volcanism from Steens Mountain into north-central Nevada. The Thacker Pass Project is located within the largest and southeastern most caldera of the McDermitt Volcanic Field, the McDermitt Caldera.

### **MINERALIZATION**

The Thacker Pass Deposit sits sub-horizontally beneath a thin alluvial cover at Thacker Pass and is partially exposed at the surface. The Thacker Pass Deposit contains the targeted multi-phase mining development of the Thacker Pass Project. It lies at relatively low elevations (between 1,500 m and 1,300 m) in caldera lake sediments that have been separated from the topographically higher deposits to the north due to post-caldera resurgence and Basin and Range normal faulting. Exposures of the sedimentary rocks at Thacker Pass are limited to a few drainages and isolated road cuts. Therefore, the stratigraphic sequence in the deposit is primarily derived from core drilling.

The sedimentary section, which has a maximum drilled thickness of about 160 m, consists of alternating layers of claystone and volcanic ash. Basaltic lavas occur intermittently within the sedimentary sequence. The claystone comprises 40% to 90% of the section. In many intervals, the claystone and ash are intimately intermixed. The claystones are variably brown, tan, gray, bluish-gray and black, whereas the ash is generally white or very light gray. Individual claystone-rich units may laterally reach distances of more than 152 m, though unit thickness can vary by as much as 20%. Ash-rich layers are more variable and appear to have some textures that suggest reworking. All units exhibit finely graded bedding and laminar textures that imply a shallow lacustrine (lake) depositional environment.

Surficial oxidation persists to depths of 15 m to 30 m in the moat sedimentary rock. Oxidized claystone is brown, tan, or light greenish-tan and contains iron oxide, whereas ash is white with some orange-brown iron oxide. The transition from oxidized to unoxidized rock occurs over intervals as much as 4.5 m thick.

The moat sedimentary section at Thacker Pass overlies the hard, dense, indurated intra-caldera Tuff of Long Ridge. A zone of weakly to strongly silicified sedimentary rock, the Hot Pond Zone (“**HPZ**”), occurs at the base of the sedimentary section above the Tuff of Long Ridge in most of the cores retrieved from the Thacker Pass Deposit. Both the HPZ and the underlying Tuff of Long Ridge are generally oxidized.

Clay in the Thacker Pass Deposit includes two distinctly different mineral types, smectite and illite, based on chemistry and X-ray diffraction (“**XRD**”) spectra. Clay with XRD spectra that are indicative of smectite (12 – 15 Å basal spacing) occurs at relatively shallow depths in the deposit. Smectite drill intervals contain

roughly 2,000 – 4,000 ppm Li. The chemistry and structure of the smectite at the McDermitt Volcanic Field is most similar to hectorite, a subtype of smectite ( $\text{Na}_{0.3}(\text{Mg},\text{Li})_3\text{Si}_4\text{O}_{10}(\text{OH})_2$ ), though chemically the clay is intermediate between hectorite and two other smectites, stevensite and saponite. Supported hectorite clay occurs elsewhere in the McDermitt Caldera and has been documented by several authors.

The smectite clay concentrates at Thacker Pass have a lithium content similar to hectorite clay concentrate at Hector, California (around 5,700 ppm Li; and higher than the average of all clay concentrates at Clayton Valley, Nevada (approximately 3,500 ppm Li average). The illite clay concentrates at Thacker Pass contain approximately twice the concentration of lithium as the hectorite concentrate from Hector, California and approximately three times the concentration of lithium from clay concentrates in Clayton Valley, Nevada.

### **Deposit Types**

Lithium enrichment (>1,000 ppm Li) in the Thacker Pass Deposit and deposits of the Montana Mountains occur throughout the caldera lake sedimentary sequence above the intra-caldera Tuff of Long Ridge. Assay data from the 2017 exploration drilling program indicates that the Lithium-enriched interval is laterally extensive throughout the southern portion of the caldera. The deeper illite-rich portion of the sedimentary sequence contains higher lithium than the shallower, smectite-rich portion. The uplift of the Montana Mountains during both caldera resurgence and Basin and Range faulting led to increased rates of weathering and erosion of a large volume of caldera lake sediments. As a result, much of the sediments in the Montana Mountains have eroded away.

South of the Montana Mountains in the Thacker Pass Deposit, caldera lake sediments dip slightly away from the center of resurgence. Because of the lower elevations in Thacker Pass, a smaller volume of the original caldera lake sedimentary package eroded south of the Montana Mountains. As a result, the thickness of the sedimentary package increases with distance from the Montana Mountains. The proposed open-pit mining activity is concentrated just south of the Montana Mountains in Thacker Pass where lithium enrichment is close to the surface with minimal overburden.

Caldera lake sediments of the McDermitt Caldera contain elevated lithium concentrations compared to other sedimentary basins. Although the exact genesis of the lithium enrichment processes is not fully understood, exploration activities have been based on the caldera lake model described above. Exploration results support the proposed model and have advanced the understanding of the geology of the Thacker Pass Deposit.

### **EXPLORATION**

Prior to the 2010 drilling campaign, exploration consisted of:

- a) geological mapping to delineate the limits of the McDermitt Caldera moat sedimentary rocks, and
- b) drilling to determine grade and location of mineralization.

Survey work was completed prior to 1980 under Chevron's exploration program. Most of the Thacker Pass Project area has been surveyed by airborne gamma ray spectrometry, in search of minerals such as uranium. Anomalously high concentration of lithium was discovered to be associated with the caldera. Lithium became the primary focus of exploration from 2007 onward.

A collar survey was completed by LAC for the 2007-2008 drilling program using a Trimble Global Positioning System (“GPS”). At that time the NAD 83 global reference system was used. Comparing LAC's survey work with that done by Chevron showed near-identical results for the easting and northings, elevations were off by approximately 3 m and were corrected in order to conform with earlier Chevron work.

The topographic surface of the Thacker Pass Project area was mapped by aerial photography dated July 6, 2010. This information was obtained by MXS, Inc. for LAC. The flyover resolution was 0.35 m. Ground control was established by Desert-Mountain Surveying, a Nevada licensed land surveyor, using Trimble

equipment. Field surveys of drill hole collars, spot-heights and ground-truthing were conducted by Mr. Dave Rowe, MXS, Inc., a Nevada licensed land surveyor, using Trimble equipment.

In addition to drilling in 2017, LAC conducted five seismic survey lines. A seismic test line was completed in July 2017 along a series of historical drill holes to test the survey method's accuracy and resolution in identifying clay interfaces. The seismic results compared favorably with drill logs, and illustrated that the contact between the basement (intracaldera Tuff of Long Ridge) and the caldera lake sediments (lithium resource host) slightly dips to the east.

## **DRILLING**

The Thacker Pass Deposit area has been explored for minerals since the 1970s under three different drilling campaigns. Exploration began with Chevron using rotary and coring drilling methods. LAC performed two subsequent drilling campaigns in 2007-2010 and 2017-2018. LAC's drilling campaigns consisted of a combination of HQ, PQ, RC, and sonic coring and drilling methods.

In 2008, LAC drilled five confirmation HQ core drill holes (Li-001 through Li-005) to validate the Chevron drilling results. Five historical Chevron drill holes that are broadly distributed across the Montana Mountains were selected to twin. Results demonstrated that the Chevron assay data was reliable enough to guide further exploration work. These holes were not used in the resource estimation.

LAC conducted exploration drilling in June 2017, drilling 22 widely spaced HQ core holes. Results of this work helped expand the known resource to the northwest of the 2009-2010 drilling, identify a target south of the highway in an area designated the Southwest Basin, and further understand the local geology across Thacker Pass. All anomalous amounts of lithium occurred in clay horizons.

227 holes from the 2007-2010 campaigns and 139 holes from the 2017-2018 campaigns were used in the 2022 Mineral Resource in this report, including results from infill drilling unavailable at the time of the 2018 Mineral Resource estimate and results from holes outside the area modeled in the 2018 Mineral Resource estimate.

The table below lists a summary of holes drilled.

<b>Drill Holes Provided in Current Database for the Thacker Pass Deposit</b>				
<b>Drilling Campaign</b>	<b>Number Drilled</b>	<b>Type</b>	<b>Hole IDs in Database</b>	<b>Number used in Resource Model</b>
Chevron	24	Rotary	PC-84-001 through PC-84-012, PC-84-015 through PC-84-026	0
	1	Core	PC-84-014c	0
LAC 2007-2010	230	HQ Core	WLC-001 through WLC-037, WLC-040 through WLC-232	227

<b>Drill Holes Provided in Current Database for the Thacker Pass Deposit</b>				
<b>Drilling Campaign</b>	<b>Number Drilled</b>	<b>Type</b>	<b>Hole IDs in Database</b>	<b>Number used in Resource Model</b>
	7	PQ Core	WPQ-001 through WPQ-007	0
	5	HQ Core	Li-001 through WPQ-007	0
	8	RC	TP-001 through TP-008	0
	2	Sonic	WSH-001 through WSH-002	0
LAC 2017-2018	144	HQ Core	LNC-001 through LNC-144	139

Past and modern drilling results show lithium grade ranging from 2,000 ppm to 8,000 ppm lithium over great lateral extents among drill holes. There is a fairly continuous high-grade sub-horizontal clay horizon that exceeds 5,000 ppm lithium across the Thacker Pass Project area. This horizon averages 1.47 m thick with an average depth of 56 m down hole. The lithium grade for several meters above and below the high-grade horizon typically ranges from 3,000 ppm to 5,000 ppm lithium. The bottom of the deposit is well defined by a hydrothermally altered oxidized ash and sediments that contain less than 500 ppm lithium, and often sub-100 ppm lithium (HPZ). All drill holes except two, are vertical which represent the down hole lithium grades as true-thickness and allows for accurate resource estimation.

**SAMPLING, ANALYSIS AND DATA VERIFICATION**

This section describes those activities completed for LAC’s drilling campaigns from 2007-2018.

**Sample Preparation**

Drilled core was securely placed in core boxes and labelled at site. The boxes of drilled core were then transported to LAC’s secure logging and sampling facility in Orovada, Nevada, where they were lithologically logged, photographed, cut, and sampled by LAC employees and contractors.

Sample security was a priority during the drilling campaigns. Core from the drill site was collected daily and placed in a lockable and secure core logging and sampling facility (steel-clad building) for processing. All logging and sampling activities were conducted in the secured facility. The facilities were locked when no one was present.

The lengths of the assay samples were determined by the geologist based on lithology. From 2007 to 2011 certain lithologies associated with no lithium value were not sampled for assay. These rock types are alluvium, basalt, HPZ and volcanic tuff. All drilled core collected in 2017 and 2018 was sampled for assay.

Average assay sample length is 1.60 m but is dependent on lithology changes. The core was cut in half using a diamond blade saw and fresh water. Half the core was placed in a sample bag and the other half remained in the core boxes and stored in LAC's secure facility in Orovada.

To collect duplicate samples, one half of the core would be cut in half again, and the two quarters would be bagged separately. Each sample was assigned a unique blind sample identification number to ensure security and anonymity. The samples were either picked up by ALS Global of Reno, Nevada ("ALS") by truck or delivered to ALS in Reno, Nevada by LAC employees.

Once at ALS, the samples were dried at a maximum temperature of 60°C. The entire sample was then crushed with a jaw crusher to 90% passing a 10 mesh screen. Nominal 250-gram splits were taken for each sample using a riffle splitter. This split is pulverized using a ring mill to 90% passing a 150 mesh screen.

### **Analysis**

ALS was used as the primary assay laboratory for LAC's Thacker Pass drill program. ALS is an ISO/IEC 17025-2017-certified Quality Systems Laboratory. ALS participates in the Society of Mineral Analysts round-robin testing, and is an independent laboratory without affiliation to LAC.

ALS used their standard ME-MS61 analytical package for testing of all of LAC's samples collected. This provides analytical results for 48 elements, including lithium. The method used a standard four-acid digestion followed by an atomic emission plasma spectroscopy ("ICP-AES") analysis to ensure that elevated metal concentrations would not interfere with a conventional inductively coupled plasma mass spectroscopy ("ICP-MS") analysis. Certified analytical results were reported on the ICP-MS determinations.

### **Quality Control Measures and Data Verification Procedures**

In 2010-2011, for every 34 half core samples, LAC randomly inserted two standard samples (one 3,378 ppm Li grade and 4,230 ppm Li grade), one duplicate sample, and one blank sample. The 2017-2018 quality program was slightly modified to include a random blank or standard sample within every 30.48 m interval and taking a duplicate split of the core ( $\frac{1}{4}$  core) every 30.48 m.

The total number of blank, duplicate, and standard samples analyzed by the laboratory during LAC's drilling campaign in Thacker Pass from the 2010-2011 drilling campaign was 9.5% of the total samples assayed. LAC's 2017-2018 drilling campaign averaged 11.1% quality control samples out of the total samples assayed. Assaying for all drilling averaged 10.1% check samples. This does not include ALS internal check and duplicate samples.

ALS also completed their internal QA/QC program ("QA/QC") which included blanks, standards and duplicates throughout LAC's exploration programs for lithium and deleterious elements including aluminum, calcium, cesium, iron, potassium, magnesium, sodium and rubidium. The standards used by ALS and the ALS QA/QC programs have been reviewed by the "qualified person" ("QP") and were utilized in the QA/QC review.

The 2010 sampling program was initially seeing a 6% failure rate of the QA/QC samples where 17% of the 4,230 Li standards were returning lithium grades exceeding three standard deviations of their tested median grade. ALS began using a new higher-grade lithium standard to improve the calibration of their inductively coupled plasma spectrometer. Following the improved calibration process, LAC selected the 16 highest lithium values from drill holes WLC-001 through WLC-037 and WLC-040 through WLC-200 to be re-assayed. The samples were sent to both ALS and Activation Laboratories ("ActLabs") in Ancaster, Ontario, Canada for lithium assays. The re-assay grade for ALS and ActLabs was 5% and 3% lower than the original assay, respectively. It was concluded that the overall deposit estimate may be lower by at most 2% to 3%. For further assurance, ActLabs was chosen to run lithium assays on 112 random duplicate pulps generated by ALS in April 2011. The results were within 3% of ALS certified lithium grade.

The 2017-2018 sampling programs had consistent quality control results for the duration of the campaigns. Duplicate samples returned with an R2 value of 0.9827, indicating a high-level of precision in the sampling and laboratory techniques and supporting the validity of QA/QC protocols. The duplicate grades extend from 13 ppm lithium to 7,500 ppm lithium. In addition, the blank and standards sample quality programs indicated that the accuracy and precision of the analytical process provides results that can be relied on for resource estimation.

### **Data Verification**

Excel formatted electronic files containing lithological descriptions, sample assays, hole collar information, and downhole surveys were provided to Sawtooth Mining, LLC (“**Sawtooth Mining**”) by LAC for the purpose of generating a geologic resource block model. Certified laboratory certificates of assays were provided in PDF as well as csv formatted files for verification of the sample assays database. Sample names, certificate identifications, and run identifications were cross referenced with the laboratory certificates and sample assay datasheet for spot checking and verification of data by the QP.

Geologic logs were consolidated from paper archives and scanned PDFs on LAC’s network drives. In 2016, each drill log was transcribed into a spreadsheet using the smallest lithologic interval identified in the log to create the highest resolution dataset possible. Subsequent geologic loggings of drill cores were entered directly into either an Access database or Excel spreadsheets. The data was then uploaded into LAC’s Hexagon Mining Drill Hole Manager database.

Geologic logs, Access databases, and Excel spreadsheets were provided to Sawtooth Mining for cross validation with the excel lithological description file. Spot checks between excel lithological description file were performed against the source data and no inconsistencies were found with the geologic unit descriptions. Ash percentages were checked in the lithological descriptions and a minor number of discrepancies were found in the ash descriptions. It was determined that less than 0.7% of the ash data contained discrepancies in the lithological description. The QP determined that this 0.7% database error rate was within acceptable limits but noted that it should be addressed in the future.

The QP located and resurveyed 18 drill holes using a hand-held GPS unit to verify the coordinates and elevations of the drill hole survey database. The surveyed holes matched the coordinates and elevation of the hole survey provided by LAC closely where the actual drill holes could be found.

The QP completed spot checks of the Excel assays datasheet used in the creation of the geologic block model by cross-referencing the assay data with the certified laboratory certificate of assays. Only HQ core holes were reviewed since HQ cores were the only holes used for the estimation of resources. No data anomalies were discovered during this check.

The QP collected samples during LAC’s 2022 auger bulk sampling program for independent verification of the lithium clay/ash grades. The samples were delivered to ALS in Reno, NV for processing and analysis. Distribution of the lithium grades from the independent verification shows distribution of grades similar to what has been reported from the drill core assays.

The shallow and massive nature of the Thacker Pass deposit makes it amenable to open-pit mining methods. Per uniaxial compression strength studies done by WorleyParsons (Mar. 2018) and AMEC (May 2011), it was determined that mining of the ore clay body can be done without any drilling and blasting. Additionally, LAC was able to excavate a test pit without any drilling and blasting. Only the basalt waste material will require blasting. The mining method assumes hydraulic excavators loading a fleet of end dump trucks.

### **MINERAL PROCESSING AND METALLURGICAL TESTING**

Extensive metallurgical and process development testing has been performed both internally at the Company’s LiTDC and externally with both vendors and contract commercial research organizations. The

main objective was to develop a viable and robust process flowsheet to produce battery grade lithium chemicals.

### **Ore Collection for Metallurgical Testing**

The ore samples used for metallurgical testing were collected from the proposed pit at the Thacker Pass deposit. Two sampling campaigns were conducted using an auger drill, one in August 2018 and another in October 2019, collecting approximately 80 tonne (metric) of sample in bulk bags per campaign. Bulk sample holes were selected to target both high and low lithium contents, different clay types, and the life of mine mineralogy of both clay types.

The holes were drilled with a 32-inch bucket auger bit. Once the bucket was full, the sample was transferred to a bulk bag and labeled. Every bulk bag holds roughly 1.5 to 2 ft of material depth in each hole; this is equivalent to approximately 0.9 t of material.

The samples spatially represent the mineralized deposit. The location of the sampling was selected to collect samples that are representative of the various types and styles of mineralization of the whole deposit, namely both the upper and lower depths. Half the selected hole locations were in undisturbed upper smectite horizons, and half the holes in uplifted faulted blocks that represent deeper illite clay horizons.

### **Metallurgical Test Work – Beneficiation**

Samples of both clay types, hard ash (intermittent layers in the clay deposit) and limestone from local sources were submitted for materials characterization testing by Hazen and FLSmith, Inc. Specifically, Bond ball mill work index, Bond abrasion index, Bond impact work index (“**CWi**”), and unconfined compressive strength were measured.

The clay samples had very low work indices, and both are considered “soft” within the Hardness/Resistance to breakage ranges ( $CWi < 10$ ). The impact energy was also low. The hard ash and limestone samples are also considered as “soft” materials per the Bond impact work index values.

Results from this analysis were used to appropriately design and size the feeder breakers and mineral sizers to reduce run-of-mine (“**ROM**”) material down to the target size to feed downstream unit operations.

Lithium is highly concentrated in the clay fraction, while gangue material has minimal lithium value. This is confirmed by analysis of ore samples via Sensitive High Resolution Ion Microprobe, where lithium concentration is as high as 1.81 wt.% in the clay regions located in the boundaries of detrital grains.

Attrition scrubbing (a form of high intensity slurry mixing) has proven to be an effective technique to liberate lithium bearing clay from gangue material (detrital grains). The scrubber imparts enough energy to disperse clays to fine particles while leaving harder gangue minerals in the larger size fractions.

Attrition scrubbing tests at LAC’s LiTDC were done on illite, smectite and mixtures thereof at various slurry densities and residence times. The discharge slurries were wet screened and assayed by size fraction to quantify mass and elemental distribution. Test results showed that optimum scrubbing conditions were achieved at 30% solids slurry density and 10 minutes residence time. At higher percent solids the slurry becomes too viscous for efficient scrubbing, and longer residence times result in overgrinding of coarse gangue. Depending on the clay blend, 88-96% of the lithium was located in particles smaller than 38 micrometer (“**µm**”) after scrubbing, while 66-79% of the total mass was in the same size fraction. This demonstrates that attrition scrubbing can be effective to separate lithium-containing clays from coarse gangue material.

In the process flow sheet, conventional cyclones will be utilized to achieve approximately 75 µm separation from the attrition scrubbing product. The cyclone overflow containing the major fraction of the minus 75 µm material will be directed to a thickener. The underflow from the cyclone, containing residual fines and coarse

gangue will be processed through a hydraulic classifier. The hydraulic classifier overflow will be directed to the thickening stage and the underflow will be dewatered, then sent to a coarse gangue stockpile for use in mine reclamation.

Based on mine plan optimization to maximize recoverable lithium, the resultant blend to feed the plant averages 59% illite and ranges between 30 to 70%, with the remaining amount as smectite. Approximately 4% of lithium and 28% of the total mass at or below 75  $\mu\text{m}$  should report to the hydraulic classifier underflow stream as coarse gangue. It is assumed that the mass of material reporting to coarse gangue will be more closely aligned with the overall pit ash content, which is approximately 34%. For lithium, it is assumed that 92% of the lithium contained in the ROM material will report to the minus 75  $\mu\text{m}$  overflow streams.

### **Solid Liquid Separation Circuit**

After classification two stages of solid liquid separation are performed to dewater the clay and increase percent solids feed to leach. Thickening followed by decanter centrifuging is expected to achieve a final product of 55% solids (by weight) with a particle size distribution target of 80% passing 75 microns.

### **Leaching and Neutralization**

The concentrate product from the classification circuit is directed to the leach circuit. Lithium contained in clay rich leach feed is dissolved with sulfuric acid in agitated leach tanks. LAC has performed extensive leach testing on material collected from various locations throughout the deposit. Over 100 large leach batch tests were performed in 0.38  $\text{m}^3$  tanks. Approximately 0.36 t of slurry were processed per batch. Different clay compositions and sulfuric acid doses were tested to determine the lithium leach extraction, kinetics, and sulfuric acid requirement to maximize lithium extraction. The lithium leach extraction data for all batches was selected by lithium grade ( $\geq 2,500$  ppm) after removal of coarse gangue and design acid dose.

After slurry is leached, residual acid is neutralized to raise the pH to precipitate most of the aluminum and iron in solution. LAC plans to obtain limestone from nearby sources.

Large batch neutralization tests have also been performed using both  $\text{CaCO}_3$  and recycled magnesium precipitate (magnesium hydroxide/calcium sulfate solids), as currently designed in the flow sheet. In these tests, pulverized limestone was added to a target pH  $\sim 3.5$ , then a slurry containing magnesium precipitation solids was added to a target pH of  $\sim 7$ . This simulates the two-stage neutralization circuit. It has been confirmed over multiple batches that the magnesium solids are effective as a neutralization reagent and capable of bringing the final slurry pH to a target range of 6-7. Testing has confirmed that at the end of neutralization, aluminum and iron are almost completely removed.

### **Magnesium and Calcium Removal**

Magnesium is removed in a primary stage of crystallizers designed to crystallize as much magnesium as possible in the form of hydrated magnesium sulfate ( $\text{MgSO}_4 \cdot x\text{H}_2\text{O}$ ) salts where x varies with temperature. A critical aspect of magnesium sulfate crystallization is to avoid lithium losses to the salts, because at a threshold concentration of lithium and potassium in solution, lithium can form a double salt with potassium. Therefore, understanding the  $\text{LiKSO}_4$  phase boundary limit is essential to operate the magnesium crystallizers effectively. LAC, with the assistance of a research partner, has mapped this boundary using in-situ real time monitoring tools during crystallization of brine solutions generated at the LiTDC. LAC now has a custom phase diagram specific to Thacker Pass brines.

In addition to the fundamental studies in progress, continuous bench and pilot scale test work on neutralized brine solution produced by LAC has been performed. The objective of these scoping studies was to verify the maximum amount of magnesium that can be removed without lithium losses. At optimum conditions, crystallization was able to remove on average 79% of the incoming magnesium without lithium precipitation.

This has been verified by other independent testing. Crystals were relatively large and easy to wash/dewater and remove via centrifugation.

The calcium removal step takes place in reactor clarifiers, where soda ash ( $\text{Na}_2\text{CO}_3$ ) is added to form a solid calcium carbonate ( $\text{CaCO}_3$ ) precipitate. Test work was performed to determine soda ash dose and clarifier sizing (Westech, 2021a). The resultant solution had less than 20 mg/L of Ca remaining.

### **Lithium Carbonate Production**

The brine feeding the lithium carbonate ( $\text{Li}_2\text{CO}_3$ ) purification circuit primarily contains lithium, sodium, and potassium sulfate. The objective is to produce high quality battery grade lithium carbonate.

The  $\text{Li}_2\text{CO}_3$  purification circuit is comprised of three stages: primary  $\text{Li}_2\text{CO}_3$  crystallization, bicarbonation, and secondary  $\text{Li}_2\text{CO}_3$  crystallization. Each stage has been tested (Veolia, 2020). In the 1st stage, soda ash ( $\text{Na}_2\text{CO}_3$ ) is added to the brine in stoichiometric excess to precipitate  $\text{Li}_2\text{CO}_3$  and form crystals. The crystals collected in the first stage were analyzed to be 95.8 wt%  $\text{Li}_2\text{CO}_3$ . A target of  $\geq 99.5$  wt% for battery grade indicated that a second stage purification is necessary to remove impurities.

The  $\text{Li}_2\text{CO}_3$  crystals collected from the first stage were re-slurried with water and then transferred to a reactor where carbon dioxide ( $\text{CO}_2$ ) gas was continuously metered at controlled temperature and pressure. This reaction converts  $\text{Li}_2\text{CO}_3$  to highly soluble lithium bicarbonate ( $\text{LiHCO}_3$ ). Solid impurities were removed in a filtration step.

The filtered brine was then fed to a second stage reactor, where it was heated to thermally degas  $\text{CO}_2$  and precipitate  $\text{Li}_2\text{CO}_3$ . After separating and washing the crystals, a product with  $>99.5$  wt.% was obtained. The crystals were of sufficient size for efficient solids/liquid separation with little to no agglomerates present. The bicarbonate filtration step is critical to keep contaminants within battery product specification.

To further validate the process design, pilot  $\text{Li}_2\text{CO}_3$  purification testing was performed by Aquatech International on brine generated from Thacker Pass clay. The test program was designed to simulate the commercial circuit and included all stages of purification and all primary recycle streams. They demonstrated the ability to produce lithium carbonate at both the purity ( $>99.5$  wt%) and recovery ( $>96.0$ %) as defined in the basis of design. Other key design criteria, equilibrium concentrations, reagent consumptions, and power demand were also verified throughout the test campaign.

### **Beneficiation and Leaching Variability Study**

The primary objective of the leach variability study was to confirm that materials from depth in the Thacker Pass deposit provide a similar metallurgical response to the beneficiation and leach processes. Composite samples representative of the first five years of production were procured for bench scale testing.

The beneficiation (attrition/scrubbing and classification) process was simulated in the laboratory to generate leach feed slurry from each composite representing various years of production. The coarse gangue removed (+75 microns) was quantified and lithium losses were evaluated. Representative test charges of leach feed (-75 microns) were generated and leached using standard leach parameters previously defined for the Thacker Pass Project. The results from this study were used to verify the leach extraction model accuracy.

Samples were collected to geospatially represent the first five years of mine life. Twenty-one composite samples were prepared at a 70/30 illite to smectite ratio to match the mine plan. The samples were then slurried at 40% solids, attrition scrubbed for 10 minutes, and wet screened at 75-micron to remove coarse gangue. The resulting minus 75-micron slurry was then adjusted to match the design leach feed slurry density (34% solids). Removal of coarse gangue resulted in upgrading of the leach feed. Leach feed slurry lithium concentration ranged from 4,246 ppm to 6,974 ppm and magnesium from 5.7% to 8.9%. Leach testing was performed in both open cycle and locked cycle to evaluate potential hindering of leaching

efficiency by elevated concentrations of dissolved salts. To simulate the level of saturation in the leach process, salts were added to the leach feed (based on the Aspen material balance) prior to leaching. The level of saturation in the leach process did not appear to impact the level of lithium extraction obtained in the composite samples evaluated.

The data from the leach variability study was then added to the 37 pilot plant sample dataset used for the empirical correlation. Two samples from the original dataset were statistically identified as outliers owing to extremely high aluminum. The regression was then repeated and resulted in a more accurate model with only 1% less extraction when compared with the leach variability samples. The results from this study demonstrate that the lithium extraction is independent of depth in the deposit.

### **Metallurgical Test Work Conclusions**

Since 2017, LAC has performed extensive metallurgical and process development testing, both internally and externally. Based on results of this test work, the following was established:

- Attrition/Scrubbing 10-minute retention time at 30-40% solids density is suitable for separating lithium bearing clay from coarse gangue. A two-stage circuit (mild + intense) was used for design purposes.
- A separation size of 75 microns is suitable to minimize lithium losses reporting to rejected coarse gangue mineralization.
  - An estimated 8% lithium loss to coarse gangue is assumed.
  - Approximately 34% of ROM material mass is rejected as coarse gangue (average life of mine, based on ash content).
- Two stages of solid - liquid separation (thickener and centrifuge decanter) are required to achieve desired solids density for generation of upgraded slurry for leaching. The classification circuit thickener underflow terminal density is estimated at 20-25%. The centrifuge paste solids density is estimated in a 55% range.
- Sulfuric acid dosage required to achieve an acceptable level of leach extraction is estimated at 0.49 t of sulfuric acid per tonne of leach feed.
- The actual dosage evaluated in the laboratory was 490 kg acid/tonne solids.
- The expected lithium leach extraction is estimated to be in an 85 to 87% range over the life of mine. This level of leach extraction is supported by the bench scale metallurgical data developed in the variability study.
- Limestone slurry and magnesium precipitation solids proved to be suitable for pH adjustment in the neutralization circuit.
- A seven-stage counter current decantation (“**CCD**”) and filtration circuit was evaluated. The seven stage CCD coupled with pressure filtration step without cake washing stage provides an acceptable wash efficiency and will minimize lithium loss to the neutralized leached residue.
- Magnesium sulfate ( $MgSO_4$ ) crystallization can effectively remove on average 79% of magnesium.
- Lithium carbonate ( $Li_2CO_3$ ) purification requires three stages to ensure that a battery quality lithium carbonate will be produced.

## **MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES**

### **Mineral Resource Estimates**

The unpatented mining claims owned by LAC in the Montana Mountains are not part of the Thacker Pass Project.

Only HQ core samples subject to LAC's QA/QC programs and assayed by ALS Reno, Nevada, were used to estimate the resource.

366 drill holes were used in development of the resource block model. All drill holes used for the grade model except WLC-058 are essentially vertical (88.8 degrees to 90 degrees). Regular downhole gyro

surveys were conducted to verify this. All mineralization thicknesses recorded are treated as true thicknesses.

All drill holes used for grade estimation were standard HQ core, drilled using standard techniques by Marcus & Marcus Exploration Inc., now known as Timberline Drilling Inc. Core is stored at a secure logging facility while being processed, then locked in CONEX containers or a warehouse after sampling was completed.

The statement of Mineral Resources for the Thacker Pass Project with an effective date of November 2, 2022 are presented in the table below. Mineral Resources are reported inclusive of Mineral Reserves.

<b>Mineral Resources Estimate as of November 2, 2022</b>			
<b>Category</b>	<b>Tonnage (Mt)</b>	<b>Average Li (ppm)</b>	<b>Lithium Carbonate Equivalent (Mt)</b>
Measured	534.7	2,450	7.0
Indicated	922.5	1,850	9.1
Measured & Indicated	1,457.2	2,070	16.1
Inferred	297.2	1,870	3.0

Notes:

1. The Qualified Person who supervised the preparation of and approved disclosure for the estimate is Benson Chow, P.G., SME-RM.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are inclusive of 217.3 million metric tonnes (Mt) of Mineral Reserves.
4. Mineral Resources are reported using an economic break-even cut-off using the following formula: "Operating Cost per Resource Tonne"/"Price per Recovered Tonne Lithium" \* 10<sup>6</sup> = ppm Li Cut-off. "Operating Cost per Resource Tonne" = US\$88.50, "Price per Recovered Tonne Lithium" is estimated: ("Lithium Carbonate Equivalent (LCE) Price" \* 5.323 \* (1 - "Royalties") \* "Recovery". Variables are "LCE Price" = US\$22,000/tonne Li<sub>2</sub>CO<sub>3</sub>, "Royalties" = 1.75% and "Recovery" = 73.5%.
5. Presented at a cut-off grade of 1,047 ppm Li.
6. A resource economical pit shell has been derived from performing a pit optimization estimation using Vulcan software.
7. The conversion factor for lithium to LCE is 5.323.
8. Applied density for the mineralization is 1.79 t/m<sup>3</sup>
9. Measured Mineral Resources are in blocks estimated using at least six drill holes and eighteen samples within a 262 m search radius in the horizontal plane and 5 m in the vertical direction; Indicated Mineral Resources are in blocks estimated using at least two drill holes and six to eighteen samples within a 483 m search radius in the horizontal plane and 5 m in the vertical direction; and Inferred Mineral Resources are blocks estimated with at least two drill holes and three to six samples within a search radius of 722 m in the horizontal plane and 5 m in the vertical plane.
10. Tonnages and grades have been rounded to accuracy levels deemed appropriate by the QP. Summation errors due to rounding may exist.

Potential risk factors that could affect the Mineral Resource estimates include but are not limited to large changes in the market pricing, commodity price assumptions, material density factor assumptions, future geotechnical evaluations, metallurgical recovery assumptions, mining and processing cost assumptions, and other cost estimates could affect the pit optimization parameters and therefore the cut-off grades and Mineral Resource estimates.

### **Mineral Reserve Estimates**

This section contains forward-looking information related to the Mineral Reserves estimates for the Thacker Pass Deposit. The material factors that could cause actual results to differ from the conclusions, estimates, designs, forecasts or projections include geological modeling, grade interpolations, lithium price estimates, mining cost estimates, and final pit shell limits such as more detailed exploration drilling or final pit slope angle. The reference point at which the Mineral Reserves are defined is at the point where the ore is delivered to the run-of-mine feeder. Reductions attributed to plant losses have not been included in the Mineral Reserve estimate.

The Mineral Reserve estimate relies on the resource block model prepared by the QP.

### **Pit Optimization**

The EIS pit shell (“EIS”) was developed on the Li<sub>2</sub>CO<sub>3</sub> pricing of \$5,400/t and cost values from the PFS report. The cost and pricing used are shown in the table below. The pit shell was developed using Vulcan’s Pit Optimization and Automated Pit Developer. The EIS pit area was limited by a few physical boundaries, including:

- The west boundary was limited by the Thacker Pass Creek.
- A limit line was set to keep the pit shell from breaking into the water shed.
- The northern boundary was predominately limited by the Montana Mountains.
- The east and south boundaries were limited by mine facilities, waste facilities, process plant, and SR 293.

<b>Pit Optimizer Parameters</b>		
<b>Parameter</b>	<b>Unit</b>	<b>Value</b>
Li <sub>2</sub> CO <sub>3</sub>	US\$/t	5,400
Ore Processing Cost	US\$/t ROM	55.00
Process Recovery	%	84
Mining Cost for Ore	US\$/t	2.80
Mining Recovery Factor	%	95

Note:

- Cost estimates and Lithium price are as of 2018

### **Mineral Reserves and Cut-off Grade**

The estimate of Mineral Reserves is based on mining within an approved permitted pit shell developed in 2019 for the Environmental Impact Statement (“EIS”), a 40-year mine life with a total plant leach ore feed

of 154.2 million dry tonnes and a cut-off grade of 1.533 kilograms of lithium recovered per run-of-mine tonne. The leach ore feed is the ROM dry tonnes less the ash tonnes.

The cut-off grade was estimated for each block in the model as discussed in the section below. The blocks were sorted based on the cut-off grade from high to low and then the leach ore tonnes were added together until the total leach ore feed tonnes were met. These blocks were labeled as mine\_ore and were used in the mine scheduler.

### **Waste**

Waste consists of various types of material: basalt, alluvium and clay that does not meet the ore definition or the cut-off grade described above.

### **Stripping Ratio**

The resulting stripping ratio of the designed pit is 1.51 tonnes of waste rock with ore loss and rehandle to 1 tonne of recovered ore, on a wet tonnage basis. The in-place stripping ratio is 1.34 tonnes *in situ* waste to 1 tonne of *in situ* ore.

<b>Mineral Reserves Estimate as of November 2, 2022</b>			
<b>Category</b>	<b>Tonnage (Mt)</b>	<b>Average Li (ppm)</b>	<b>Lithium Carbonate Equivalent (Mt)</b>
Proven	192.9	3,180	3.3
Probable	24.4	3,010	0.4
Proven and Probable	217.3	3,160	3.7

Note:

1. The Qualified Person who supervised the preparation of and approved disclosure for the estimate is Kevin Bahe, P.E., SME-RM.
2. Mineral Reserves have been converted from Measured and Indicated Mineral Resources within the feasibility study and have demonstrated economic viability.
3. Reserves presented at an 85% maximum ash content and a cut-off grade of 1.533 kg of lithium extracted per tonne run of mine feed. A sales price of \$5,400 US\$/t of Li<sub>2</sub>CO<sub>3</sub> was utilized in the pit optimization resulting in the generation of the reserve pit shell in 2019. Overall slope of 27 degrees was applied. For bedrock material pit slope was set at 47 degrees. Mining and processing cost of \$57.80 per tonne of ROM feed, a processing recovery factor of 84%, and royalty cost of 1.75% were addition inputs into the pit optimization.
4. A LOM plan was developed based on equipment selection, equipment rates, labor rates, and plant feed and reagent parameters. All Mineral Reserves are within the LOM plan. The LOM plan is the basis for the economic assessment within the Technical Report, which is used to show economic viability of the Mineral Reserves.
5. Applied density for the ore is 1.79 t/m<sup>3</sup>.
6. Lithium Carbonate Equivalent is based on in-situ LCE tonnes with 95% recovery factor.

7. Tonnages and grades have been rounded to accuracy levels deemed appropriate by the QP. Summation errors due to rounding may exist.
8. The reference point at which the Mineral Reserves are defined is at the point where the ore is delivered to the run-of-mine feeder.

The Mineral Reserves estimate is based on current knowledge, engineering constraints and permit status. Large changes in the market pricing, commodity price assumptions, material density factor assumptions, future geotechnical evaluations, cost estimates or metallurgical recovery could affect the pit optimization parameters and therefore the cut-off grades and estimates of Mineral Reserves.

## **MINING OPERATIONS**

The shallow and massive nature of the deposit makes it amenable to open-pit mining methods. The mining method assumes hydraulic excavators loading a fleet of end dump trucks. This truck/excavator fleet will develop several offset benches to maintain geotechnically stable highwall slopes. These benches will also enable the mine to have multiple grades of ore exposed at any given time, allowing flexibility to deliver and blend ore as needed.

### **Pit Design**

A highwall slope-stability study was completed by Barr Engineering Co. (“**BARR**”) in December 2019. BARR conducted geotechnical drilling, testing, and analysis to assess the geology and ground conditions. Core samples were obtained to determine material characteristics and strength properties. A minimum factor-of-safety value of 1.20 is generally acceptable for active open pit walls. However, given the possibility of long-term exposure of pit slopes in clay geological formations, a value of 1.30 was incorporated into the design for intermediate and overall slope stability.

The geotechnical analysis indicates that the geology is generally uniform across the Thacker Pass Project site. The competence of the in-situ material in conjunction with the use of the proposed highwall angles meets or exceeds the minimum recommended factor-of-safety values for intermediate and overall slope configurations.

A bench width of 50 m and a height of 5 m was chosen. This face height is amenable to efficient loading operations while still shallow enough to allow for the removal of thicker barren horizons within the cut to minimize dilution. Double benching and increasing the bench height to 10 m before implementing offsets, will be used to increase mining depths while maintaining the inter-ramp slope requirements.

### **Mine Plan**

The initial cut location is at the mouth of the valley entering the west area. The haul road will enter the initial cut area at the 1,540 m level. From the initial cut, mining advancement prioritized five objectives: (1) recover all ore, (2) deliver a blend of illite and smectite ore to the beneficiation circuit, (3) provide higher grade ore early in the Thacker Pass Project life, (4) facilitate placement of waste into the previously mined pit area as soon as feasible, and (5) mine the entirety of the permitted pit area. This required initial pit advancement to first expose the west and south walls. Mining will then advance north toward the Montana Mountains and finally finish to the east.

### **Mining Operations**

Waste removal and ore removal will be done using two hydraulic excavators and a fleet of end dump trucks. The end dump truck fleet will haul the ore to the ROM stockpile and the waste will be hauled either to the West Waste Rock Storage Facility or placed in previously mined sections of the pit. The end dump truck fleet will also be used to haul coarse gangue and attrition scrubber reject materials.

The annual production rate for the 40-year mine is based on varying plant feed leach ore rates caused by the availability of sulfuric acid for the leaching process. Phase I (years 1-3) has an annual feed rate of 1.7 million dry tonnes of ore to leach and Phase 2 (years 4-40) has 4.0 million dry tonnes of ore to leach.

Due to the sequence of mining, the majority of in-pit ramps will be temporary. Additionally, cross-pit ramping will be utilized from load face to the in-pit waste dump as well as access to the main haul road. The cross-pit ramps will be dumped in using waste material. As the pit advances, portions of the in-pit ramp will be excavated to allow mining access to the lower mining faces. Removal of portions of the in-pit ramp will be considered rehandle and is accounted for in the total waste removed.

### **Equipment Selection**

Equipment selection was based on the annual quantities of material required to be mined. After reviewing various options, 91-tonne class end dump trucks loaded by two 18-tonne class hydraulic excavators in five passes was selected. The excavators will be used to load two types of ore as well as the waste material.

### **Drilling and Blasting**

The reports titled “Factual Geotechnical Investigation Report for Mine Pit Area” (March 2018) completed by Worley Parsons and the “Prefeasibility Level Geotechnical Study Report” (May 2011) completed by AMEC were used to determine the ability to mine without blasting. The uniaxial compressive strength (“**UCS**”) test results in the AMEC data range from essentially 0 to 55.4 MPa. The UCS test results in the Worley Parsons data range from 0.61 to 21.82 MPa with an average of 7.7 MPa. The range of UCS results is within the cutting range of the excavator.

Based on reported test results, exploratory drill logs, and actual excavation of a test pit, only the basalt is expected to require blasting. However, there are bands of hard ash which may require ripping with a dozer prior to loading. The remaining waste and ore can be free dug with the hydraulic excavators. Due to the infrequency of blasting, a third-party contractor will be used for the drilling and blasting on an as needed basis.

## **PROCESSING AND RECOVERY OPTIONS**

The Mineral Reserves are comprised of two main types of lithium bearing clay, smectite and illite, with volcanic ash and other gangue minerals mixed throughout. Both types of clay will be processed simultaneously, with a plant feed blend maintained from two separate stockpiles for each clay type. The ore will be upgraded using a wet attrition scrubbing process followed by two classification stages to remove coarse material with low lithium content, referred to as coarse gangue. The upgraded ore slurry will be processed in a leach circuit using sulfuric acid to extract the lithium from the lithium-bearing clay. The lithium-bearing solution will then be purified primarily by using crystallizers and precipitation reagents to produce battery grade lithium carbonate. Leach residue will be washed, filtered, and stacked in a tailing facility.

The Thacker Pass Project will be constructed in two phases. Lithium carbonate production during Phase 1 is designed for a nominal 40,000 t per annum capacity while Phase 2 will double design capacity to a nominal 80,000 t per annum. The process plant will operate 24 hours/day, 365 days/year with an overall availability of 92% and a mine life of 40 years. The total amount of material processed in the mine plan is 217.3 Mt (dry). The most tonnes planned for a single year are 6.7 Mt (dry) in Year 8.

The recovery process consists of the following primary circuits:

- Beneficiation
  - Comminution
  - Attrition Scrubbing
  - Classification

- Solid-Liquid Separation (Thickening and Dewatering)
- Leaching
- Neutralization
- Counter Current Decantation and Filtration
- Magnesium, Calcium and Boron Removal
- Lithium Carbonate ( $\text{Li}_2\text{CO}_3$ ) production
  - 1<sup>st</sup> Stage Lithium Carbonate Crystallization
  - Bicarbonation
  - 2<sup>nd</sup> Stage Lithium Carbonate Crystallization
  - Sodium Sulfate and Potassium Sulfate Crystallization (ZLD)

In beneficiation, ROM ore is crushed then mixed with water and fed to unit operations designed to liberate lithium bearing clay from gangue material. The clay is separated from coarse gangue in classification, with coarse gangue being stockpiled and eventually used as pit backfill material. The clay fines are then sent to the first dewatering (thickening) stage. These circuits are located close to the pit. The slurry is then pumped downgradient to a second stage of dewatering (decanter centrifuging). The resulting slurry is fed to the processing plant.

The dewatered slurry is mixed with sulfuric acid ( $\text{H}_2\text{SO}_4$ ) from the acid plant, leaching lithium and other constituents into solution. Acid availability determines leach feed rates, which in turn determines ore mining rates. The free acid contained in the resultant leached residue is neutralized with both a slurry of ground limestone and a magnesium hydroxide slurry from the magnesium precipitation circuit. The neutralized slurry is sent to a CCD circuit to recover residual lithium bearing solution and then fed to recessed chamber filter presses. The filter cake is then conveyed to the clay tailings filter stack (“CTFS”) as waste material for stacking.

The filtrate is sent to magnesium and calcium removal circuits where first the bulk of the magnesium is crystallized as  $\text{MgSO}_4 \cdot x\text{H}_2\text{O}$  salts, removed via centrifugation, and conveyed to the CTFS. Any remaining magnesium in the brine is then precipitated with milk-of-lime and separated by recessed chamber membrane filter presses. The precipitated solids are repulped and recycled back to neutralization (as stated above), eventually leaving the process with neutralized filter cake. The calcium in the liquor is removed via soda ash addition, and an ion exchange polishing step brings the divalent cation concentration to very low levels. This lithium-bearing brine is fed to the  $\text{Li}_2\text{CO}_3$  production circuit where soda ash is used to precipitate lithium carbonate. A bicarbonation step is used to further remove impurities from the  $\text{Li}_2\text{CO}_3$  crystals.

The final  $\text{Li}_2\text{CO}_3$  crystal product is separated via centrifugation then sent to drying, micronization, cooling, dry vibrating magnetic filtration and packaging. Mother liquor from the  $\text{Li}_2\text{CO}_3$  crystallizers is sent to the Zero Liquid Discharge (“ZLD”) crystallizer to remove Na and K as sulfate salts. The salts are sent to the CTFS while lithium remaining in the concentrate is recycled back to the front of the  $\text{Li}_2\text{CO}_3$  circuit and recovered.

Process design criteria were developed by LAC’s process engineering group based on in-house and vendor test results that were incorporated into the process modelling software Aspen Plus® to generate a steady-state material and energy balance. This data and criteria below were used as nominal values for equipment design/sizing. The design basis for the beneficiation facility is to process an average ROM throughput rate during Phase 1 of about 3.3 M dry tonnes per year equivalent to about 9,015 dry tonnes per day (t/d) of feed (including a 99% plant availability). Throughput from the mine to the crushing plant is targeted based on an average rejection rate of 34% of the ROM material based on low lithium content in coarse material. With approximately 6,436 dry t/d feed rate (including a 92% plant availability) to the leach plant and recoveries for the Thacker Pass Project, the design basis results in an estimated production rate of approximately 110 t/d (40,187 t/a) of battery grade  $\text{Li}_2\text{CO}_3$ .

## **INFRASTRUCTURE, PERMITTING AND COMPLIANCE ACTIVITIES**

### **Infrastructure and Logistics**

The Thacker Pass Project is planned to be constructed in two phases. Phase 1 will consist of a single sulfuric acid plant with a nominal production rate of 3,000 tonnes per day sulfuric acid. Phase 2 will begin three years later with the addition of a second sulfuric acid plant with an additional nominal production rate of 3,000 t/d. Mined material and tailings will be moved by conveyors and trucks.

### **Process Plant General Arrangement**

A portion of the process facilities encompassing mineral beneficiation and classification is located due east of the Mine Service Area near the ore body. This area includes the ROM pad, feeder breakers and mineral sizers, log washing and attrition scrubbing. Additionally, the front end of the classification circuit is located on this pad and consists of the hydrocyclone cluster, hydraulic classifiers, thickening and coarse gangue discharge and stacking system.

The remainder of the process plant is located approximately two miles east. The slurry is transferred to the downstream plant via a pipeline and trench along the southern edge of the haul road. Product flows are generally clockwise starting in the western edge of the upper third zone of the layout. The remainder of the classification (centrifuges), leach, and neutralization circuits begin the process flow on this site. Next the solution is sent to the CCD circuit before being sent to the filtration area located on the northeastern side. Magnesium removal continues south to a central section of the plant before flowing west to calcium precipitation, calcium and boron ion exchange, evaporation, and lithium carbonate production followed by ZLD crystallization. The packaging system, along with the warehouse, are immediately west of the lithium carbonate plant to minimize product transfer distance. The sulfuric acid plant is situated in the southern third of the layout in recognition of prevailing winds. The traffic flow is largely one-way counter-clockwise on the site perimeter with maintenance access between major process areas.

### **Reagents, Consumables and Shipping**

Limestone, quicklime, flocculant, and soda ash reagents are delivered to the processing plant in solid form via trucks while liquid sulfur, propane, carbon dioxide, ferric sulfate, caustic soda, and hydrochloric acid are delivered as liquids, also by trucks.

Gasoline, on and off highway diesel along with typical plant warehouse deliveries have been kept to the western portion of the plant with direct access from the main entry minimizing delivery truck exposure to the site. The large equipment warehouse house is located directly south of these facilities.

Battery-grade lithium carbonate is packaged in bags and flexible intermediate bulk containers, and are stored in a warehouse on the west side which is collocated with the plant warehouse.

### **Raw Material Logistics**

Raw materials for the Thacker Pass Project are to be delivered to the site by over highway trucks during the life of mine. A local rail-to-truck transloading facility located in Winnemucca will allow for transfer of most raw materials for delivery to the Thacker Pass Project site. A summary of the primary raw materials to be used during operations, and their logistics, is shown below in tabular form. This will include the limestone grinding and storage facility, soda ash transloading facility and the sulfur transloading facility. The cost per tonne of the raw material is included in the Operating Costs for the consumables.

<b>Life of Mine Primary Raw Material Logistics Scheme</b>		
<b>Raw Material</b>	<b>Description</b>	<b>Approximate Truck Loads per Day</b>
Liquid Sulfur	Includes unloading, storage, and delivery to the plant via 39-tonne tanker from a transloading facility in Winnemucca, NV.	47
Soda Ash	Includes unloading, storage, and delivery to the plant via 39-tonne trailer from a transloading facility in Winnemucca, NV.	18
Quicklime	Includes unloading, storage, and delivery to the plant via 39-tonne trailer from Savage transloading facility in Golconda, NV. Optionally, may be shipped to site from a transloading facility in Winnemucca, NV with minor capital improvements.	10
Limestone	Includes operation of in-pit primary crusher, delivery to the process plant via 39-tonne trailer and secondary limestone crushing/screening/grinding plant at process plant.	31
Fuel	Includes diesel, unleaded gasoline, propane and their unloading, and delivery to the plant via 10,000 or 12,500 gallon trailer to site. Optionally, may be shipped to site from a transloading facility in Winnemucca, NV.	>1
Other	Includes delivery to the plant via 21-tonne trailer of Ferric Sulfate, Hydrochloric Acid, Caustic Soda, and Flocculant direct to site. Optionally, may be shipped to site from a transloading facility in Winnemucca, NV with minor capital improvements.	>6

### **Power Supply**

Electrical power for the Thacker Pass Project will be supplied by on-site power generation and via the grid connected to the nearby local electric utility cooperative, Harney Electric Cooperative (“**HEC**”) 115 kV transmission network. The Thacker Pass Project will generate a portion of the steady-state power demand via Steam Turbine Generators driven by steam produced by the sulfuric acid plant. The remainder of steady-state loads and any peaks will be serviced by power purchased from HEC.

### **Sulfuric Acid Production**

The sulfuric acid plants for the Thacker Pass Project are Double Contact Double Absorption (“**DCDA**”) sulfur burning sulfuric acid plants with heat recovery systems. The plants sizing was maximized based upon the use of single pieces of equipment such as a single blower train instead of two operating in parallel, and a single waste heat boiler to optimize production versus capital.

Phase 1 and Phase 2 will each have a single sulfuric acid plant capable of producing nominal 3,000 t/d (100 weight % H<sub>2</sub>SO<sub>4</sub> basis) of sulfuric acid by burning liquid elemental sulfur. Sulfur is delivered to site by truck and is unloaded by gravity into a single Sulfur Unloading Pit which provides sulfur to both sulfuric acid plants. The sulfuric acid generated from each plant is used in the process plant for the chemical production of lithium carbonate. The total annual operating days is based upon expected scheduled and unscheduled maintenance. Acid production is a function of the plant’s nominal capacity and production over Design Capacity with production efficiency of the equipment decreasing over a three-year period until scheduled

maintenance occurs. Each sulfuric acid plant has two Liquid Sulfur Storage Tanks with a combined storage capacity of 28 days. The sulfur is transferred from the tanks to the Sulfur Feed Pit and from there to the Sulfur Furnace.

**Water Source**

The existing Quinn Raw Water Well has been tested and is able to sustain 908 m<sup>3</sup>/h (4,000 gallons per minute (gpm)) which satisfies the expected average demand servicing all potable, mining and process flow streams for Phase 2. A backup well is planned to be installed one mile west of the existing production well to maintain a constant supply of water if one well pump is down for maintenance or repairs.

**Waste Rock and Tailings**

The table below shows a summary of the volumes contained in each storage facility and the estimated volume of each facility at the end of the 40-year mine life.

<b>Design and Requirement Volumes for Stockpiles and Facilities (Millions of Cubic Yards)</b>		
<b>Facility Name</b>	<b>Design Storage Mm<sup>3</sup> (MCY)</b>	<b>40 Year LOM Required Storage Mm<sup>3</sup> (MCY)</b>
West Waste Rock Storage Facility (WRSF)	21.3 (27.9)	20.2 (26.4)
East Waste Rock Storage Facility (WRSF)	16.3 (21.3)	0 (0)
Coarse Gangue Stockpile (CGS)	17.5 (22.9)	17.5 (22.9)
Growth Media Stockpiles (GMS)	12.3 (16.1)	5.0(6.6)
Clay Tailings Filter Stack (CTFS)	266.9 (349.1)	250.7 (327.9)
All facilities have expansion potential.		

Note: Storage quantities largely determined by short-term processing requirements or surface area mined, and thus are not reassessed for the 25-year case separately. Mm<sup>3</sup> = millions of cubic metres. MCY = million cubic yards.

**ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT**

The Thacker Pass Project is located on public lands administered by the BLM. Construction of the Thacker Pass Project requires permits and approvals from various Federal, State, and local government agencies.

The process for BLM authorization includes the submission of a proposed Mine Plan of Operations (PoO, previously defined) and Reclamation Plan for approval by the agency. The Company submitted the Thacker Pass Project Proposed PoO and Reclamation Plan Permit Application on August 1, 2019. The permit application was preceded by the Company’s submission of baseline environmental studies documenting the collection and reporting of data for environmental, natural, and socio-economic resources used to support mine planning and design, impact assessment, and approval processes.

As part of the overall permitting and approval process, the BLM completed an analysis in accordance with the National Environmental Policy Act of 1969 (“NEPA”) to assess the reasonably foreseeable impacts to the human and natural environment that could result from the implementation of Project activities. As the

lead Federal regulatory agency managing the NEPA process, the BLM prepared and issued a Final Environmental Impact Statement (“**FEIS**”), on December 3, 2020. Following the issuance of the FEIS, BLM issued the EIS Record of Decision and Plan of Operations Approval on January 15, 2021. In addition, a detailed Reclamation Cost Estimate has been prepared and submitted to both the BLM and Nevada Division of Environmental Protection-Bureau of Mining, Regulation and Reclamation (the “**NDEP-BMRR**”). On October 28, 2021, the NDEP-BMRR approved the PoO with the issuance of draft Reclamation Permit 0415. On February 25, 2022, the NDEP-BMRR issued the final Reclamation Permit 0415. The BLM will require the placement of a financial guarantee (reclamation bond) to ensure that all disturbances from the mine and process site are reclaimed once mining concludes.

There are no identified issues that are expected to prevent the Company from achieving all permits and authorizations required to commence construction and operation of the Thacker Pass Project based on the data that has been collected to date.

### **Summary Schedule for Permitting, Approvals, and Construction**

The Thacker Pass Project is being considered in two phases, lasting 40 years. The Company will utilize existing highways to service the Thacker Pass Project. The following is a summary schedule for permitting, approvals and construction:

- Q3 2018 – Submitted Conceptual Mine Plan of Operations
- Q3 2019 – Submitted Proposed Mine Plan of Operations and Reclamation Plan Permit Application, BLM deems the document technically complete
- Q1 2020 – BLM published a Notice of Intent to prepare an EIS in the Federal Register
- Q1 2021 – Final EIS and Record of Decision issued by BLM
- Q1 2022 – Issuance of final WPCP, Reclamation Permit, and Class II Air Quality Operating Permit
- Q1 2023 – Initiate early-works construction
- Q3-Q4 2023 – Initiate Plant Construction
- Q1 2026 – Commissioning process plant, initiate mining,
- Q4 2026 – Steady state production

### **Community Engagement**

LAC has developed a Community Engagement Plan (“**Community Engagement Plan**”), recognizing that the support of stakeholders is important to the success of the Thacker Pass Project. The Thacker Pass Project was designed to reflect information collected during numerous stakeholder meetings. The Community Engagement Plan is updated annually.

In connection with the Company’s previously proposed Kings Valley Clay Mine Project (at Thacker Pass) and in coordination with the BLM, letters requesting consultation were sent to the Fort McDermitt Paiute and Shoshone Tribe and the Summit Lake Paiute Tribe on April 10, 2013. The BLM held consultation meetings with the Fort McDermitt Paiute and Shoshone Tribe on April 15, 2013 and the Summit Lake Paiute Tribe on April 20 and May 18, 2013.

As part of the Thacker Pass Project, the BLM Winnemucca District Office initiated the Native American Consultation process. Consultation regarding historic properties and locations of Native American Religious Concerns were conducted by the BLM via mail and personal correspondence in 2018 and 2019 pursuant to the National Historical Preservation Act and implementing regulations at 36 CFR 800 in compliance and accordance with the BLM-SHPO 2014 State Protocol Agreement. On July 29, 2020, the BLM Winnemucca District Office sent formal consultation letters to the Fort McDermitt Paiute and Shoshone Tribe, Pyramid Lake Paiute Tribe, Summit Lake Paiute Tribe, and Winnemucca Indian Colony. In late October 2020, letters were again sent by the BLM to several tribes asking for their assistance in identifying any cultural values, religious beliefs, sacred places and traditional places of Native American people which could be affected by BLM actions on public lands, and where feasible to seek opinions and agreement on measures to protect those tribal interests. As the lead federal agency, the BLM prepared the MOU for the Thacker Pass Project and continues to facilitate all ongoing Project-related consultation.

### **Social or Community Impacts**

During operations, it is expected that most employees will be sourced from the surrounding area, which already has established social and community infrastructure including housing, retail and commercial facilities such as stores and restaurants; and public service infrastructure including schools, medical and public safety departments and fire and police/sheriff departments.

Based on the projected mine life, the number of potential hourly and salaried positions, and the projected salary ranges, the Thacker Pass Project operations would have a long-term positive impact to direct, indirect, and induced local and regional economics. Phase 2 full production will require approximately 500 direct employees to support the Thacker Pass Project, with the average annual salary estimated at \$90,000. An additional and positive economic benefit would be the creation of short-term positions for construction activities. It is estimated that approximately 1,000 temporary construction jobs will be created. Additional jobs will be created through ancillary and support services, such as transportation, maintenance and supplies.

The Fort McDermitt Tribe is located approximately 60 km (35 miles) by road from the Thacker Pass Project site. LAC and the Fort McDermitt Tribe have devoted more than 20 meetings to focus on an agreement to solidify engagement and improvements at the Fort McDermitt community. A community benefits agreement was signed by the Company and the Fort McDermitt Paiute and Shoshone tribe in October 2022. The benefits agreement will provide infrastructure development including a community center with a daycare, preschool, playground, cultural facility and communal greenhouse; training and employment opportunities; support for cultural education and preservation; and synergistic business and contracting opportunities.

For nearly two years, LAC has met regularly with the community of Orovada, which is approximately 20 km (12 miles) from the Thacker Pass Project site and is the closest community to the Thacker Pass Project. The purpose of the meetings was to identify community concerns and explore ways to address them. The meetings began informally and were open to the entire community. Eventually, the community formed a committee to work with LAC. A facilitator was hired to manage a process that focused on priority concerns and resolution. The committee and LAC have addressed issues such as the local K-8 school and determined that a new school should be built in Orovada, the design and construction of which will be 100% funded by LAC. The community has agreed to a new location and LAC has worked with the BLM to secure the site for the Humboldt County School District. LAC has also completed a preliminary design for the school and is moving forward with detailed engineering and construction planning.

### **CAPITAL AND OPERATING COSTS**

#### **Capital Cost Estimate**

The capital cost estimate for the Thacker Pass Project covers post-sanction early works, mine development, mining, the process plant, the transload facility, commissioning and all associated infrastructure required to allow for successful construction and operations. The cost estimates presented in this section pertain to three categories of capital costs:

- Phase 1 and Phase 2 Development capital costs
- Phase 1 and Phase 2 Sustaining capital costs
- Closure capital costs

Development capital costs include the engineering, procurement and construction management (“EPCM”) estimate as well as LAC’s estimate for LAC’s scope costs. Sustaining capital costs for the Thacker Pass Project have been estimated and are primarily for continued development of the clay tailings filter stack and coarse gangue stockpile, mining activities, sulfuric acid plant and plant and infrastructure sustaining capital expenditures.

Development capital costs commence with detailed engineering and site early works following project sanction by the owner and continue to mechanical completion and commissioning. Mining pre-production costs have been capitalized and are included under development capital. The capital costs for years after commencement of production are carried as sustaining capital. Pre-sanction costs from completion of the Thacker Pass TR to project sanction, including environmental impact assessments, permit approvals and other property costs are excluded from this report and these costs are not included in the development capital.

Direct costs include the costs of all equipment and materials and the associated contractors required to perform installation and construction. The contractor indirects are included in the direct cost estimate as a percent of direct labor cost. EPCM / project indirects were detailed out in a resource plan to account for all identified costs, then budgeted as a percent of construction and equipment to be distributed through the process areas. In general, these costs include:

- Installation contractor's mobilization, camp, bussing, meals, and temporary facilities & power
- EPCM
- Commissioning and Vendors
- Contingency

Contract mining capital repayment includes the 60-month financed repayment of the miner's mobile equipment assets acquired prior to the start of operation.

The table below shows the development capital cost estimate developed for the Thacker Pass Project.

<b>Development Capital Cost Estimate Summary</b>			
<b>Description</b>	<b>Ph1 Costs (US\$ M)</b>	<b>PH2 Costs (US\$ M)</b>	<b>Responsible</b>
<b>Mine</b>			
Equipment Capital (Contract Mining)	0	0	Sawtooth
Mine Development	51.1	26.3	Sawtooth
Contingency (13.1%)	6.7	3.4	Sawtooth/EDG
<b>Total Mine</b>	<b>57.8</b>	<b>29.7</b>	
<b>Process Plant and Infrastructure</b>			
Costs (Directs & Indirects)	1,735.4	1,398.5	M3/ITAC
Contingency (13.1%)	227.3	183.2	M3/ITAC/EDG
<b>Total Process Plant and Infrastructure</b>	<b>1,962.7</b>	<b>1,581.7</b>	
<b>Offsite – Transload Facility</b>			
Costs (Directs & Indirects)	69.0	27.1	Owner/Savage

<b>Development Capital Cost Estimate Summary</b>			
<b>Description</b>	<b>Ph1 Costs (US\$ M)</b>	<b>PH2 Costs (US\$ M)</b>	<b>Responsible</b>
Contingency (13.1%)	9.0	3.5	Owner/EDG
<b>Total Offsite – Transload Facility</b>	<b>78.1</b>	<b>30.6</b>	
Owner's Costs			
Costs	149.8	75.6	Owner
Contingency (13.1%)	19.6	9.9	Owner/EDG
<b>Total Owner's Costs</b>	<b>169.4</b>	<b>85.5</b>	
<b>TOTAL DEVELOPMENT CAPITAL</b>	<b>2,268.0</b>	<b>1,727.5</b>	

Due to rounding, some totals may not correspond with the sum of the separate figures.

Sustaining Capital costs for the base case totaling US\$1,510.2 million have been estimated over the Life of Mine (“LOM”), as outlined in the table below.

<b>Sustaining Capital Estimate Summary (40-Year LOM – Base Case)</b>		
<b>Description</b>	<b>*LOM Costs (US\$ M)</b>	<b>Responsible</b>
Mine		
Equipment Capital	264.3	Sawtooth/M3
Mobile Equipment		
Equipment Capital	26.6	Owner
Process Plant and Infrastructure		
Process Plant	822.9	Owner
Sulfuric Acid Plant	244.2	EXP
CTFS and CGS	149.0	Owner
Offsite Transload Facility		
Transload Facility	3.4	Owner
<b>TOTAL SUSTAINING CAPITAL</b>	<b>1,510.2</b>	

Contact Mining Capital Repayment	48.8	Owner
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### **Closure Costs**

Closure costs are estimated based upon necessary reclamation, remediation, and closure of the 40-year facility. These closure costs of \$53.5M will be updated as operations continue, and concurrent reclamation takes place. Site overhead during closure will be a corporate cost.

### **Operating Cost Estimate**

Annual operating costs are summarized by operating area: Mine, Lithium Process Plant, Sulfuric Acid Plant, and General & Administrative. Operating costs in each area include labor, maintenance materials and supplies, raw materials, outside services, among others. The process operating costs are based on Q1-Q4 2022 pricing. Estimates are prepared on an annual basis and include all site-related operating costs associated with the production of lithium carbonate. All operating costs incurred from project award, up to but excluding commissioning, are deemed preproduction costs and have been included in the Capital Expenditures, as they are considered part of construction.

<b>Operating Cost Estimate Summary (40-Year LOM – Base Case)</b>			
<b>Area</b>	<b>Annual Average (\$-M)</b>	<b>\$/tonne Product</b>	<b>Percent of Total</b>
Mine	76.4	1,144	16%
Lithium Process Plant	214.6	3,213	45%
Liquid Sulfuric Acid Plant	175.4	2,627	36%
General & Administrative	14.3	215	3%
<b>Total</b>	<b>\$480.7</b>	<b>7,198</b>	<b>100%</b>

The following items are excluded from the Operating Cost estimate:

- Cost escalation (due to quotes being refreshed in 2022)
- Currency fluctuations
- All costs incurred prior to commercial operations
- Corporate office costs
- First fills (included in Capital Expenditures),
- Closure and reclamation costs post operations (concurrent reclamation is included)
- Salvage value of equipment and infrastructure

### **Economic Analysis**

Based on Q2 – Q4 2022 pricing, the economic evaluation presents the after-tax net present value (“NPV”), payback period, and the after-tax internal rate of return (“IRR”) for the Thacker Pass Project based on annual cash flow projections.

This economic analysis includes sensitivities to variations in selling prices, various operating costs, initial and sustaining capital costs, overall lithium production recovery, and discount rate. All cases assume maximum utilization of the acid plant's available acid and power, with lithium production fluctuating by year according to mine plan and plant performance as predicted by yearly heat/mass balance simulations in Aspen Plus®, conducted by LAC.

**Production and Revenues**

Phase 1 Project is designed for a nominal production rate of 40,000 t/y of lithium carbonate and begins production in year 1 through year 3. Phase 2 production is anticipated to begin in year 4 and includes the addition of a second acid plant and processing infrastructure to double production with a nominal production rate of 80,000 t/y of lithium carbonate. Actual production varies with the grade of ore mined in each year with an expected mine life of 40 years. The base case value for price selling was set at \$24,000/t lithium carbonate.

<b>Total Annual Production and Revenue (40 Year LOM – Base Case)</b>		
<b>Production and Revenue</b>	<b>Annual Average</b>	<b>Total</b>
Lithium Carbonate Production (t)	66,783	2,671,318
Lithium Carbonate Revenue (\$- M)	\$1,603	\$64,112
Annual Lithium Carbonate Selling Price (\$/t)	\$24,000	

**Financing**

LAC is contemplating multiple options for funding the construction and operation of the Thacker Pass Project. Financial modeling has considered multiple discount rates to account for various funding avenues. Project financing costs are excluded from the model.

**Discount Rate**

A discount rate of 8% per year has been applied to the model, though other levels from 6-16% are also included for Project assessment at various risk profiles and financing options.

**Taxes**

The modeling is broken into the following categories: Operational Taxes (which are eligible deductions to arrive at taxable income) and Corporate Net Income Taxes. The 10% operating cost tax credit under the US Inflation Reduction Act for “Advanced Manufacturing Production” has been applied during the first 10 years of Project operation. The legislation specifies phase-out of this credit after 10 years.

**Operational Taxes**

Payroll taxes are included in salary burdens applied in the operational expense or operating cost estimate. These include social security, Medicare, federal and state unemployment, Nevada modified business tax, workers compensation and health insurance.

Property tax is assessed by the Nevada Centrally Assessed Properties group on any property operating a mine and/or mill supporting a mine. Tax is 3% to 3.5% of the assessed value, which is estimated at 35% of

the taxable value of the property. The property tax owed each year is estimated as 1.1% of the net book value at the close of the prior year plus current year expenditures with no depreciation.

**Corporate Net Income Taxes**

In Nevada lithium mining activities are taxed at 2-5% of net proceeds, depending on the ratio of net proceeds to gross proceeds. Net proceeds are estimated as equal to gross profit for purposes of this study. A tax rate of 5% is applicable to the Thacker Pass Project.

Revenue subject to a net proceeds of minerals tax is exempt from the Nevada Commerce tax; therefore, the Nevada Commerce tax is excluded from the study.

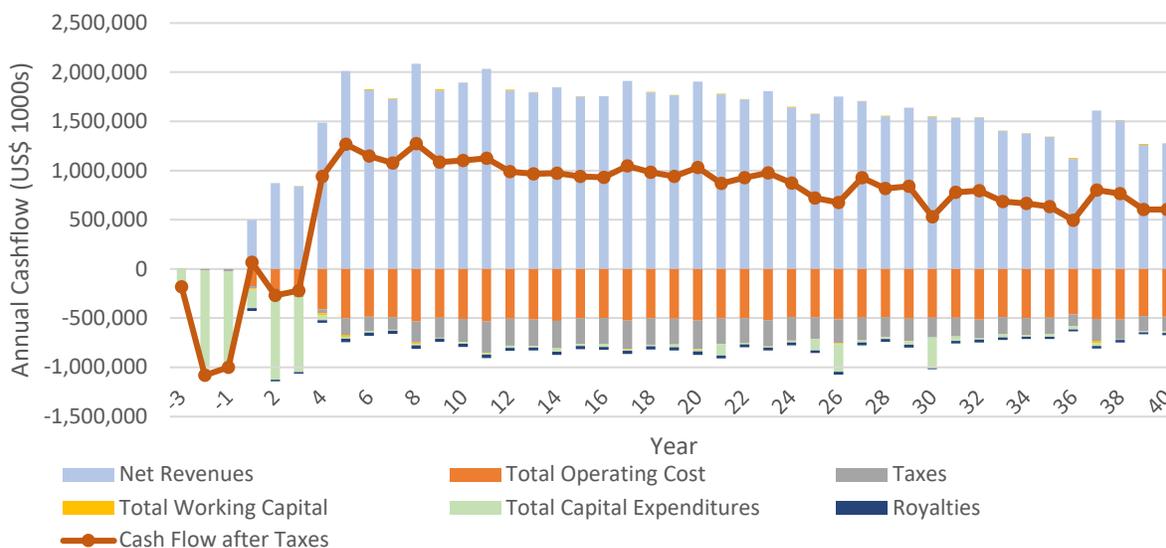
The current corporate income tax rate applicable to the Thacker Pass Project under the Tax Cut and Jobs Act is 21% of taxable income.

**Royalties**

The Thacker Pass Project is subject to a 1.75% royalty on net revenue produced directly from ore, subject to a buy-down right. This royalty has been included in the economic model on the assumption that the Thacker Pass Project owner will exercise its buy-down right to reduce the royalty from 8.0% to 1.75% by making an upfront payment of US\$22 million in the first year of operations. At US\$24,000/t lithium carbonate the ongoing annual royalty payments will average \$428/t lithium carbonate sold over the 40-year LOM (base case).

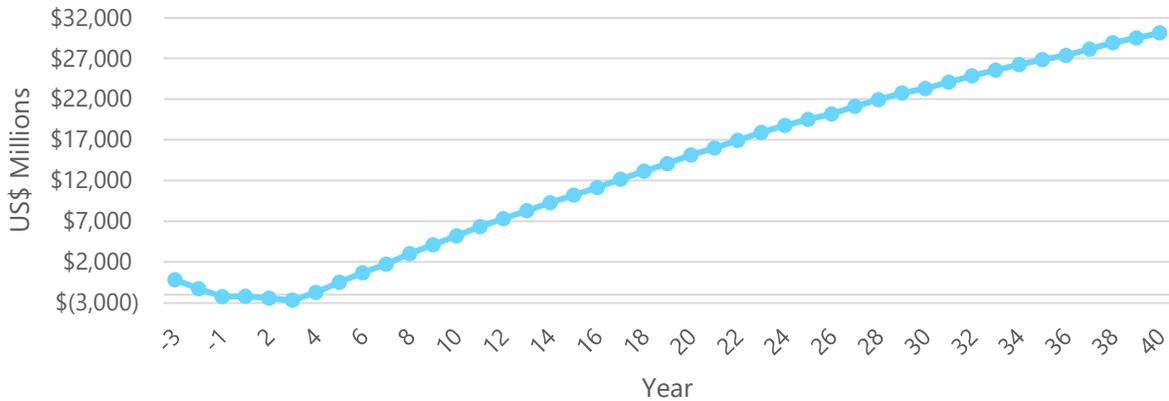
Undiscounted annual cash flows, including Capital Expenditures, Operating Costs, and net revenues (pre-tax) are presented in the figure below.

**UNDISCOUNTED ANNUAL CASH FLOW**



## **CUMULATIVE DISCOUNTED CASH FLOW**

Cumulative discounted cash flow at the 8% discount rate is presented in the table below.



For the Base Case financial assumptions, the Thacker Pass Project financial performance is measured through Net Present value, Internal Rate of Return and Payback periods. The after-tax financial model results are summarized in the table below.

<b>After-Tax Financial Model Results (40 Year LOM – Base Case)</b>		
<b>Production Scenario</b>	<b>Unit</b>	<b>Values</b>
Operational Life	Years	40
Mine and Process Plant Operational Life	Years	40
Ore Reserve Life	Years	40
Average annual EBITDA	\$-M / Y	1,093.5
After-tax Net Present Value (“NPV”) @ 8% discount rate	\$-M	5,727.0
After-tax Internal Rate of Return	%	21.4%
Payback (undiscounted)	Years	5.4
*includes capital investments in years up to production		

The table below presents NPV and IRR at a range of discount rates for three lithium carbonate product selling price cases: -50% (downside), 0% (base-fixed), and +50% (high).

<b>After-Tax NPV at 8% and IRR</b>		
<b>Economic Indicator</b>	<b>Unit</b>	<b>Value</b>
NPV @ 8%	\$ millions	\$5,727
IRR	%	21.4%
Payback	Years	5.4
Payback (discounted)	Years	5.4

<b>Selling Price (\$/tonne)</b>	<b>\$12,000</b>	<b>\$24,000</b>	<b>\$36,000</b>
NPV (\$-M)	(\$623)	\$5,727	\$11,829
IRR (%)	6.0%	21.4%	31.9%

The table below presents the sensitivity of NPV to different discount rates.

<b>NPV for Various Discount Rates (40-Year LOM)</b>		
<b>Economic Indicators after Taxes</b>	<b>Years 1-25 of 40-Year LOM</b>	<b>40-Year LOM</b>
NPV @ 0%	\$19,500,605	\$30,108,567
NPV @ 6%	\$6,947,487	\$8,398,919
NPV @ 8%	\$4,950,134	\$5,726,852
NPV @ 10%	\$3,497,855	\$3,920,727
NPV @ 12%	\$2,425,349	\$2,659,351
NPV @ 16%	\$1,012,718	\$1,087,688

## **EXPLORATION, DEVELOPMENT, AND PRODUCTION**

Key milestones of the proposed plan include the following:

- Early Works Construction Start – Q1 2023
- Notice to Proceed / Major Construction Start – Q3 2023
- Mechanical Completion – Q3 2026
- Production Ramp-Up – Q3 2027

- Phase 2 Construction – Mobilize Q4 2026
- Phase 2 Ramp up Complete – Q4 2030

The proposed execution plan for the Thacker Pass Project incorporates an integrated strategy for EPCM. The below table shows a tentative overview schedule.

**OVERVIEW SCHEDULE**

	2022				2023				2024				2025				2026				2027				2028				2029				2030			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Financial Model Years					yr -3				yr -2				yr -1				yr 1				yr 2				yr 3				yr 4							
Early Works					Geotech																															
					Water Line																															
Procurement LLE					Eng for LLE				Place Orders for Long Lead Equipment																											
									Fabrication - Long Lead Equipment																											
Phase 1 Execution					Detailed Engineering								Install LLE																							
					Construction								Commissioning				Ramp-Up																			
Phase 2 Execution													Detailed Engineering								Install LLE															
																	Construction								Commissioning				Ramp-Up							