

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in US dollars, unless stated otherwise)

The following Management's Discussion and Analysis ("**MD&A**") provides information concerning the financial condition and results of operations of the Company and should be read in conjunction with the Company's audited consolidated financial statements as at and for the fiscal years ended December 31, 2024 and 2023 ("**FY 2024**" and "**FY 2023**," respectively), in each case, together with the notes thereto. The financial information contained in this MD&A is derived from the consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States ("**US GAAP**") and applicable rules and regulations of the Securities and Exchange Commission ("**SEC**"). The Company uses certain non-GAAP financial measures. For a detailed description of each of the non-GAAP measures used, please refer to the discussion under "Use of Non-GAAP Financial Measures and Reconciliations." This item should be read in conjunction with the Company's consolidated financial statements and the notes thereto included in this Form 10-K.

BACKGROUND

On June 28, 2024, the Company determined that it no longer met the definition of a Foreign Private Issuer, and therefore no longer is entitled to rely on the foreign private issuer exemptions. As a result, beginning on January 1, 2025, the Company became required to report as a domestic U.S. filer, including filing annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements under section 14 of the Exchange Act.

In prior periods, the Company prepared its financial statements in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board. As a consequence of becoming a domestic issuer as of January 1, 2025, the Company is required to present its financial information in U.S. GAAP. The financial information discussed herein has been prepared in accordance with U.S. GAAP for all periods presented, except as otherwise indicated. The financial information should not be expected to correspond with financial information previously presented under IFRS[®] Accounting Standards.

The financial statements reflect (i) the activities of the Company from and after the Separation (as defined below) and (ii) the activities of LAC North America (as defined below) on a "carve-out" basis prior to that date. Prior to Separation, LAC North America did not operate as a separate legal entity. The assets, liabilities and results of operations prior to October 3, 2023 represent those specifically identifiable to LAC North America (as defined below) including assets, liabilities and expenses relating to Thacker Pass, specified investments, transactions and balances arising from an original investment from General Motors, as well as an allocation of certain costs relating to the management of those relevant assets, liabilities, and results of operations. Such costs have been allocated from the shared corporate expenses of Lithium Americas Corp. ("**Old LAC**") based on the estimated level of involvement of Old LAC management and employees with LAC North America.

The Company's fiscal year is the 12-month period ending December 31. All references to "Q4 2024" and "Q4 2023" are to the fiscal quarters for the three-month periods ended December 31, 2024 and December 31, 2023 respectively. Amounts stated in this MD&A are in United States dollars, unless otherwise indicated.

BACKGROUND

Lithium Americas Corp. (the "**Company**" or "**New LAC**") is principally focused on development of Thacker Pass ("**Thacker Pass**" or the "**Project**") a sedimentary-based lithium deposit located in the McDermitt Caldera in Humboldt County in north-western Nevada, USA. Thacker Pass is owned by Lithium Nevada LLC ("**LN**"), a wholly owned subsidiary of Lithium Nevada Ventures LLC ("**Lithium Nevada Ventures**"), the joint venture ("**JV**") between General Motors Holdings LLC ("**GM**") and the Company (together, the "**JV Partners**"). The Company owns a 62% interest in Thacker Pass and will manage the Project (the "**Manager**"), and GM owns a 38% interest in Thacker Pass. The JV is consolidated in the consolidated financial statements of the Company.

The Company was incorporated on January 23, 2023 under the Business Corporations Act (British Columbia). The Company's common shares are listed on the New York Stock Exchange ("**NYSE**") and on the Toronto Stock Exchange ("**TSX**") under the symbol "LAC." The Company accounts for the business in one segment and one geographical area.

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The Company was initially formed for the sole purpose of acquiring ownership of the North American business assets and investments ("**LAC North America**") of Old LAC, which is now named Lithium Argentina AG (formerly Lithium Americas (Argentina) Corp.) ("**Lithium Argentina**"), pursuant to a separation transaction (the "**Separation**") that was undertaken on October 3, 2023. Upon consummation of the Separation, the Company changed its name from 1397468 B.C. Ltd to Lithium Americas Corp. Following the Separation, Lithium Argentina and the Company became independent public companies. The Separation was completed pursuant to an arrangement agreement between the Company and Old LAC. Upon completion of the Separation, Old LAC contributed to the Company, among other assets and liabilities, its interest in Thacker Pass, its investments in Green Technology Metals Limited ("**GT1**") and Ascend Elements Inc. ("**Ascend Elements**"), certain intellectual property rights, its loan to 1339480 B.C. Ltd., and cash of \$275.5 million, including \$75 million to establish sufficient working capital (non-GAAP). The Company then distributed its common shares to shareholders of Old LAC in a series of share exchanges. The Separation was pro rata to the shareholders of Old LAC, so that the holders maintained the same proportionate interest in Old LAC (upon the Separation, Lithium Argentina) and the Company both immediately before and immediately after the Separation.

The Company's head office and principal address is Suite 3260, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

2024 OPERATING AND FINANCIAL HIGHLIGHTS

- As of December 31, 2024, the Company had approximately \$594.2 million in cash, cash equivalents and restricted cash.
- During the year ended December 31, 2024, \$179.9 million of construction capital costs and other project-related costs were capitalized.
- Subsequent to Q4 2024 on March 6, 2025, the Company announced a strategic investment of \$250 million from fund entities managed by Orion Resource Partners LP (collectively, "**Orion**"), for the development and construction of Phase 1 of the Thacker Pass ("**Orion Investment**"). Orion has committed to purchase senior unsecured convertible notes in the aggregate principal amount of \$195 million and enter into a Production Payment Agreement ("**PPA**") whereby Orion will pay the Company \$25 million in exchange for payments corresponding to the minerals processed and gross revenue generated by Thacker Pass. Orion has also committed, subject to the satisfaction of certain conditions precedent, to purchase an additional \$30 million in aggregate principal amount of senior unsecured convertible notes during the next two years upon request by the Company.
- On October 28, 2024, the Company and the U.S. Department of Energy's ("**DOE**") Loan Programs Office ("**LPO**") closed a \$2.26 billion loan under the Advanced Technology Vehicles Manufacturing ("**ATVM**") Loan Program (the "**DOE Loan**") for financing the construction of the processing facilities at Thacker Pass, to produce an initial 40,000 tonnes per annum of battery grade lithium carbonate ("**Phase 1**"). Closing of the DOE Loan follows receipt of a Conditional Commitment from the DOE on March 12, 2024.
- On October 15, 2024, the Company and GM entered into a new investment agreement ("**Investment Agreement**") to establish a joint venture ("**JV**") for the purpose of funding, developing, constructing and operating Thacker Pass ("**JV Transaction**"). GM acquired a 38% interest in Thacker Pass for \$625 million in total committed cash and letters of credit, comprised of a \$430 million commitment of direct cash funding to the JV to support the construction of Phase 1 of Thacker Pass and a \$195 million letter of credit facility ("**LC Facility**") that can be used as collateral to support reserve account requirements under the DOE Loan. Lithium Americas owns a 62% interest in Thacker Pass and will manage the Project. On December 23, 2024, the Company announced the closing of the JV Transaction whereby GM contributed \$330 million of cash into the JV alongside \$138 million of cash funding from the Company. The remaining \$100 million cash contribution from GM, and Lithium Americas' \$192 million contribution, is to be contributed at FID for Phase 1. GM will post the LC Facility prior to first draw on the DOE Loan, which is expected to occur sometime in Q3 2025.

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- In connection with the JV, GM's offtake agreement for up to 100% of production volumes from Phase 1 of Thacker Pass was extended to 20 years and GM entered into an additional offtake agreement for up to 38% of Phase 2 production for 20 years, and will retain its right of first offer on the remaining balance of Phase 2 production volumes.
- Together with the DOE Loan and the investments from both GM and Orion, the Company expects to achieve fully funded status at the project and corporate level for the development and construction of Phase 1 of Thacker Pass for the duration of construction.
- In the fourth quarter of 2024, the Company provided Bechtel and other major contractors with limited full notice to proceed ("**FNTP**") to de-risk the construction schedule and continue to target completion in late 2027. The Company continues to focus on de-risking project execution by advancing detailed engineering, project planning and procurement packages.
- In August 2024, the Company received approval for a \$11.8 million grant from the U.S. Department of Defense to support an upgrade of the local power infrastructure and to help build a transloading facility.
- On April 22, 2024, the Company completed an underwritten public offering (the "**Offering**") of 55 million Common Shares at a price of \$5.00 per Common Share (the "**Issue Price**") for aggregate gross proceeds to the Company of \$275 million. The net proceeds from the Offering of approximately \$262 million are intended to fund the advancement of construction and development of Thacker Pass.

MATERIAL RELATIONSHIPS AND RELATED AGREEMENTS

DOE ATVM Loan Program

On October 28, 2024, the Company closed the \$2.26 billion DOE Loan from the U.S. DOE LPO under the ATVM Loan Program, for financing the construction of Phase 1 processing facilities at Thacker Pass. The \$2.26 billion DOE Loan includes principal of \$1.97 billion and capitalized interest during construction, which is estimated to be \$290 million over a three-year period (based on an interest rate of 5.2%) The DOE Loan has a 24-year maturity (from the date of first draw on the DOE Loan) with interest rates fixed from the date of each monthly advance for the term of the loan at applicable U.S. Treasury rates, without any additional credit spread. Other key terms include customary covenants and events of default for a project finance loan facility and customary conditions precedent to loan effectiveness and advances for a project finance loan facility.

The Company currently expects to make the first draw on the DOE Loan sometime in the third quarter of 2025 ("**Q3 2025**"). Conditions precedent to first draw include project finance model bring down.

General Motors Equity Investment, Joint Venture and Offtake

Prior to the Separation, on January 30, 2023, Old LAC had entered into a purchase agreement with GM, pursuant to which GM agreed to make a \$650 million equity investment (the "**2023 Transaction**"), the proceeds of which were to be used for the construction and development of Thacker Pass. The 2023 Transaction was comprised of two tranches, a first tranche investment of \$320 million ("**Tranche 1 Investment**") a second tranche investment of up to \$330 million (the "**Tranche 2 Investment**"). Tranche 1 closed and the Phase 1 offtake agreement was executed on February 16, 2023, when GM subscribed for 15,002,000 subscription receipts of Old LAC, which were automatically converted into 15,002,000 units comprising 15,002,000 shares and 11,891,000 warrants of Old LAC, which became 15,002,000 common shares of the Company post-Separation. The subscription proceeds were paid to Old LAC, and the remaining unspent proceeds were distributed to the Company on October 3, 2023, pursuant to the Arrangement.

On October 3, 2023, pursuant to the Separation, the full amount of the remaining unspent proceeds of Tranche 1 Investment were included in the net assets distributed by Old LAC to the Company.

As the Separation was completed before the closing of the Tranche 2 Investment, on October 3, 2023, the agreement for the Tranche 2 Investment in Old LAC was terminated and replaced by a corresponding subscription agreement between GM and the Company whereby the proceeds of the Tranche 2 Investment were to be received by the Company.

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On October 15, 2024, the Company and GM entered into a new Investment Agreement to establish a JV for the purpose of funding, developing, constructing and operating Thacker Pass. Prior to closing the JV Transaction on December 23, 2024, the Company transferred its interest and certain other assets into Lithium Nevada Ventures. In connection with the JV Transaction, the Company also closed an amendment to the DOE Loan to accommodate changes relating to the JV Transaction.

Under the terms of the Investment Agreement, GM acquired a 38% asset-level ownership stake in Thacker Pass for \$625 million in total cash and letters of credit, including \$430 million of direct cash funding to the JV to support the construction of Phase 1 and a \$195 million LC Facility that can be used as collateral to support reserve account requirements under the DOE Loan. The key terms of the JV Transaction are summarized below:

- Lithium Americas has a 62% interest in Thacker Pass and will manage the Project (the **"Manager"**) on behalf of the JV Partners.
- GM has a 38% interest in Thacker Pass and has committed \$625 million in cash and letters of credit to the JV:
 - \$330 million cash was contributed to the JV upon closing of the JV on December 20, 2024;
 - \$100 million cash is to be contributed to the JV at FID for Phase 1; and
- \$195 million LC Facility to be posted by GM prior to first draw on the DOE Loan.
- Lithium Americas has contributed \$330 million of cash to the JV for its 62% ownership in the Project:
 - \$138 million was contributed to the JV upon closing of the JV on December 20, 2024; and
 - \$192 million is to be contributed to the JV at FID for Phase 1.
- The LC Facility provided by GM to the JV as part of its consideration for its equity interest will have no interest and a maturity consistent with DOE Loan requirement that will be withdrawn once replaced with cash that is generated by Thacker Pass.
- A Board of Directors was established at the JV level to oversee the JV and approve the Project's budgets and business plans, and implement policies to align with GM's vendor requirements, including GM's Human Rights Policy.

As part of the Investment Arrangement, the agreement to supply GM with lithium carbonate production from Thacker Pass (the **"Offtake Agreement"**) was assigned by Old LAC to the Company. GM agreed to extend its existing Offtake Agreement for up to 100% of production volumes from Phase 1 of Thacker Pass to 20 years to support the maturity of the DOE Loan. On closing of the JV Transaction, GM also entered into an additional 20-year offtake agreement for up to 38% of Phase 2 production volumes and will retain its existing right of first offer on the remaining Phase 2 production volumes.

The Company and GM terminated the Tranche 2 Investment subscription agreement concurrent with the execution of the JV Investment Agreement.

Orion Resource Partners

Subsequent to Q4 2024 on March 6, 2025, the Company announced a strategic investment of \$250 million from fund entities managed by Orion, for the development and construction of Phase 1 of the Thacker Pass (**"Orion Investment"**). Orion has committed to purchase senior unsecured convertible notes in the aggregate principal amount of \$195 million (the **"Notes"**) and enter into a Production Payment Agreement (**"PPA"**) whereby Orion will pay the Company \$25 million in exchange for payments corresponding to the minerals processed and gross revenue generated by Thacker Pass (together, the Notes and PPA represent an aggregate initial investment of \$220 million). Orion has committed, subject to the satisfaction of certain conditions precedent, to purchase an additional \$30 million in aggregate principal amount Notes within two years (the **"Delayed Draw Notes"**) upon request by the Company. Together, the Notes, PPA and Delayed Draw Notes represent an aggregate \$250 million investment for the development and construction of Phase 1 of Thacker Pass.

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The Notes will mature in 2030 and bear an initial conversion price of \$3.78 per share, which represents a 43% premium to Lithium Americas' 5-day VWAP on the New York Stock Exchange ending on March 5, 2025. Lithium Americas will initially pay interest on the Notes in-kind or in cash at a rate of 9.875% per annum until the maturity of the Notes. Under the terms of the PPA, Orion will receive fixed payments of \$128 per tonne (\$152 per tonne assuming draw of the Delayed Draw Notes) of the total lithium produced each year at Thacker Pass for a period of 72 quarters after first production. Orion will receive additional variable payments of 0.96% of total gross revenue (1.14% of total gross revenue assuming draw of the Delayed Draw Notes) for the life of the mine. Both fixed and variable payments will only apply to the first 41,500 tonnes of lithium produced each year and are subject to certain adjustments relating to total Phase 1 project costs. The production payments are also subject to certain adjustments related to the tonnage of battery-grade lithium carbonate equivalent sold. The variable payments are also subject to certain adjustments related to the future price of lithium.

Lithium Americas has granted Orion the right to designate an Independent Engineer and an Independent Environmental and Social Consultant to a newly established technical committee of the Company's management team to monitor development.

Common Shares Offering

On April 22, 2024, the Company completed an underwritten Offering of 55 million Common Shares at an Issue Price of \$5.00 per Common Share for aggregate gross proceeds to the Company of \$275 million. The net proceeds from the Offering of approximately \$262 million are intended to fund the advancement of construction and development of Thacker Pass.

Department of Defense Grant

In August 2024, the Company received approval for a \$11.8 million grant from the U.S. Department of Defense to support an upgrade of the local power infrastructure and to help build a transloading facility.

RESULTS OF OPERATIONS

The Year Ended December 31, 2024 compared with the Year Ended December 31, 2023

The following table provides a summary of the Company's consolidated results of operations for the years ended December 31, 2024, and December 31, 2023.

The selected consolidated financial information set out below has been derived from the Company's audited consolidated financial statements and should be read in conjunction with those consolidated financial statements and the related notes thereto.

(in US\$ millions except for share amounts)	Year ended December 31,		Increase/ (decrease)
	2024	2023	
Exploration expenditures	\$ 0.2	\$ 4.1	\$ (3.9)
General and administrative expenses	28.1	24.6	3.5
Transaction costs	22.2	10.5	11.7
Gain (loss) on financial instruments measured at fair value	6.7	(31.6)	38.3
Interest expense	-	0.4	(0.4)
Other income (expense)	14.5	3.0	11.5
Net loss	42.6	5.1	37.5
Net loss attributable to LAC stockholders	42.5	5.1	37.4
Net loss per share – basic and diluted	(0.21)	(0.03)	(0.18)
Attributed to common stockholders	(0.21)	(0.03)	(0.18)
Cash, cash equivalents and restricted cash	594.2	195.8	398.4
Mineral properties, plant and equipment, net	398.9	200.6	198.3
Total assets	1,044.9	436.9	608.0
Total liabilities	99.6	52.0	47.6
Total long-term liabilities	41.3	27.4	13.9

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Exploration expenditures decreased to \$0.2 million for FY 2024 compared with \$4.1 million for FY 2023 due to commencement of construction of Thacker Pass and capitalization of a majority of the project costs from February 1, 2023.

General and administrative expenses for FY 2024 increased to \$28.1 million compared with \$24.6 million in FY 2023, reflecting full expenses of the Company as a stand-alone entity post-Separation compared with the allocation of salaries and general administrative expenses used for FY 2023 prior to Separation and costs association with the transition from being a foreign private issuer to a domestic filer.

Transaction costs for FY 2024 increased to \$22.2 million (2023 - \$10.5 million) due to closing of the DOE Loan, JV Transaction and other financing activities in FY 2024 and the 2023 Transaction and the Separation in FY 2023. Loss on change in fair value of the investment in GT1 for FY 2024 decreased to \$2.0 million (2023 - \$4.9 million).

The gain/loss on investment includes the gain/loss on the Company's investment in GT1, Ascend Elements and, until October 15, 2024, the GM Tranche 2 liability. The loss on change in fair value of the investment in GT1 of \$2.0 million for FY 2024 compared to the loss of \$4.9 million for FY 2023, reflecting the publicly-listed share price at these respective dates. The gain on change in fair value of the GM Tranche 2 liability of \$0.3 million for FY 2024 compared with a gain of \$32.8 million for FY 2023, reflecting the decrease in the market value of the Company's share price and an increase in the volatility assumption. The loss on change in fair value of the investment in Ascend Elements for FY 2024 of \$5.0 million compared with a gain of \$3.6 million for FY 2023, reflecting the overall downturn of the battery recycling market in 2024.

The difference between other income (expense) of \$14.5 million for FY 2024 compared with \$3.0 million for FY 2023 was primarily due to interest earned on higher balances of cash on hand after the Separation and the Offering.

The increase in net loss of \$42.6 million for FY 2024 compared with a net loss of \$5.1 million for FY 2023 is primarily attributable to the changes in exploration expenses, general and administrative expenses, transaction costs, gain/loss on investments and other income (expense) explained above.

In 2024, total assets increased primarily due to the closing of the Offering and the JV Transaction. Mineral properties, plant and equipment increased due to the capitalization of Thacker Pass construction costs for the full year including engineering, earthworks and the shipping and delivery of the final Workforce Hub modules.

In 2024, total liabilities increased primarily due to the increase in accounts payable and accrued liabilities as a result of an increased level of expenditures, reflecting increased activity at Thacker Pass towards the end of 2024, as well as an increase in lease obligations related to equipment.

LIQUIDITY AND CAPITAL RESOURCES

The Company has recurring net losses and negative operating cash flows and expects to continue to operate at a loss for the foreseeable future, which includes the period that Thacker Pass Phase 1 is under development. As the Company develops Thacker Pass, it will not generate revenues from operations and there is no expectation to generate any revenue from operations until Thacker Pass begins production. Thacker Pass is targeting completion in late 2027 with ramp up during 2028.

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As at December 31, 2024, the Company had cash, cash equivalents and restricted cash of \$594.2 million (December 31, 2023 - \$195.5 million); and working capital (non-GAAP) of \$543.9 million (December 31, 2023 - \$181.3 million).

On October 28, 2024, the Company closed the \$2.26 billion DOE Loan under the ATVM Loan Program, for financing the construction of Phase 1 processing facilities at Thacker Pass. The \$2.26 billion DOE Loan, with a 24-year maturity, includes principal of \$1.97 billion and capitalized interest during construction of \$290 million, with interest rates fixed from the date of each monthly advance for the term of the loan at applicable U.S. Treasury rates, without any additional credit spread. Lithium Americas has guaranteed the full and timely payment of costs to complete the construction of Thacker Pass and has guaranteed payment of any amounts borrowed under the DOE Loan.

On October 15, 2024, the Company and GM entered into the Investment Agreement to establish the JV for the purpose of funding, developing, constructing and operating Thacker Pass. The JV Transaction delivers \$625 million of cash and letters of credit from GM to Thacker Pass. Under the terms of the Investment Agreement, the Company and GM terminated the Tranche 2 subscription agreement and GM acquired a 38% asset-level ownership stake in Thacker Pass. Upon closing of the JV on December 20, 2024, GM contributed cash of \$330 million to the JV and also entered into an additional 20-year offtake agreement for up to 38% of Phase 2 production volumes while retaining its existing right of first offer on the remaining Phase 2 production volumes.

On April 22, 2024, the Company completed the Offering for aggregate gross proceeds to the Company of \$275 million or net proceeds of approximately \$262 million after deducting fees and share issuance costs.

On March 6, 2025, the Company announced a strategic investment by Orion for \$250 million in Notes and PPA. In addition, subject to certain conditions precedent, Orion agreed to purchase an additional \$30 million in Notes within two years upon request by the Company.

At December 31, 2024, the Company's net assets of \$945 million included \$817 million held in the JV (inclusive of GM's non-controlling interest) and \$368 million held by LN. The DOE Loan imposes certain restrictions on the transfer of assets from LN to the Company, including prohibitions on dividend payments and loans from LN to the Company, the making of other payments to the Company, and transfers of any assets comprising part of the collateral package. Exceptions to such restrictions are possible upon the satisfaction of certain conditions, including attainment of certain construction milestones. The DOE Loan also requires LN to maintain a certain amount of working capital sufficient to cover project-related costs. Under the terms of the JV there are certain additional restrictions on asset transfers from LN to the Company, including transfers of material assets outside of the ordinary course of business or transfers involving assets with a value of greater than \$5 million (subject to certain exceptions, including for sales of lithium in the ordinary course of business or sales of non-productive assets with a value of less than \$10 million).

The Company believes that it will have sufficient cash resources to carry out its business plans, including the currently planned development activities at Thacker Pass, for at least the next 12 months. Over the long-term, the Company expects to meet its obligations and fund the development of Thacker Pass through its financing plans described above; however, due to the conditions associated with such financings, there can be no assurance that the Company will successfully complete all of its contemplated financing plans. Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity and capital resources either materially increasing or decreasing at present or in the foreseeable future. The Company does not engage in currency hedging to offset any risk of currency fluctuation.

The Company has entered into long-term purchase agreements related to long-lead equipment, infrastructure and services related to the construction of the processing plan as well as development and mining services at Thacker Pass. These agreements contain certain fixed and determinable cost components that are variable based on time and materials. There were no commitments under these agreements at December 31, 2024.

The Company's contractual obligations, commitments under long-term purchase agreements and other commitments as at December 31, 2024 are disclosed in notes 4, 12, 13 and 25 of the consolidated financial statements for the year ended December 31, 2024.

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Cash Flow

Cash Flow Highlights

(in US\$ millions)

	Years ended December 31,	
	2024	2023
Cash (used) in operating activities	\$ (13.0)	\$ (39.5)
Cash (used) in investing activities	(177.7)	(188.9)
Cash provided by financing activities	589.1	423.6
Change in cash and cash equivalents	398.4	195.2
Cash and cash equivalents – beginning of period	195.8	0.6
Cash and cash equivalents – end of period	594.2	195.8

Operating Activities

Cash used in operating activities during the year ended December 31, 2024 was \$13.0 million compared with \$39.5 million during the year ended December 31, 2023. The decrease is primarily attributable to changes in working capital.

Investing Activities

Cash used in investing activities for the year ended December 31, 2024, was \$177.7 million compared with \$188.9 million for the year ended December 31, 2023, which reflects a reduced level of construction activity at Thacker Pass in FY 2024 compared with FY 2023. In FY 2024, the Company adjusted timing of construction spending until the DOE Loan closed on October 28, 2024. The Company commenced capitalization of construction costs for Thacker Pass on February 1, 2023.

Financing Activities

Prior to the Separation in FY2023, the Company was funded with \$320.1 million in gross proceeds from the General Motors Tranche 1 Investment or capital contributions from Old LAC (recorded within Net former parent investment in equity in the consolidated financial statements). Net former parent investment in equity represents Old LAC's interest in the recorded net assets and the cumulative net equity investment in LAC North America during the period prior to the Separation on October 3, 2023. Subsequent to October 3, 2023, the impact of funding by parent of LAC North America eliminates on consolidation.

On April 22, 2024, the Company completed the Offering for gross proceeds to the Company of \$275 million or net proceeds of \$262.2 million after deducting fees and other share issuance costs of \$12.8 million.

Cash provided by financing activities for the year ended December 31, 2024 was \$589.1 compared with \$423.6 million for the year ended December 31, 2023. During the year ended December 31, 2024, the Company closed the Offering for net proceeds of \$262.2 million and GM contributed \$330 million in net cash pursuant to its obligations upon closing of the Joint Venture on December 20, 2024. During the year ended December 31, 2023, the Company received the Tranche 1 Investment of \$320.1 million in cash from GM and was allocated \$75 million in working capital (non-GAAP) pursuant to the Separation.

On October 28, 2024, the Company closed a \$2.26 billion DOE Loan for financing the construction of the Phase 1 processing facilities at Thacker Pass. The Company expects to first draw on the DOE Loan sometime in Q3 2025. The Company also announced on October 16, 2024 that it established a joint venture with GM for the purpose of funding, developing, constructing and operating Thacker Pass. As part of the closing of the JV Transaction, GM funded \$330 million of cash into the JV. GM will make an additional \$100 million cash contribution at FID for Phase 1 and will post a \$195 million LC Facility prior to first draw on the DOE Loan, which is expected to occur sometime in Q3 2025.

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OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2024, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a material effect on its financial condition, results of operations, or liquidity.

DECOMMISSIONING PROVISION AND RECLAMATION BOND

The carrying value of the liability for decommissioning that has arisen to date as a result of exploration and development activities at Thacker Pass as at December 31, 2024 is \$0.3 million (December 31, 2023 - \$0.1 million). The Company has a \$1.7 million reclamation bond payable to the BLM guaranteed by a third-party insurance company. The current approved reclamation cost estimate for the Thacker Pass plan of operations is \$47.6 million. Financial assurance of \$13.7 million was placed with the agency in February 2023 prior to initiating construction with the remaining amount to be placed as construction activities progress.

CRITICAL ACCOUNTING ESTIMATES

The audited consolidated financial statements have been prepared in accordance with US GAAP. The preparation of the consolidated financial statements requires management to make estimates that affect the reported amounts of assets, liabilities, and expenses. The Company bases its estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While significant accounting policies are more fully described in the notes to the audited consolidated financial statements, the Company has included below the accounting policies and estimates critical to its business operations and understanding of its financial results.

Also included below are the key judgments and sources of estimation uncertainty that management has determined could have the most significant impact on the amounts recognized in the audited consolidated financial statements.

Accounting for the Agreements with General Motors

Accounting for the agreements with GM requires management to make judgments in determining that no portion of the investment proceeds by GM were attributable to the Offtake Agreements, which management concluded contained a market pricing structure. The Company's assessment was informed by a competitive process for the investment and offtake agreements on a combined basis.

The fair value of the Tranche 2 Investment Agreement with GM as of January 1, 2023 and December 31, 2023 involved estimation, which was determined using Monte Carlo simulation. The simulation of the fair value required significant assumptions, including expected volatility of the Company's share price, a risk-free rate and no expected dividends. On October 15, 2024, the Company and GM terminated the Tranche 2 subscription agreement concurrent with the execution of the JV Investment Agreement.

Commencement of Development of Thacker Pass

The Company determined that Thacker Pass has proven and probable reserves following the release of the Thacker Pass Feasibility Study on January 31, 2023, the receipt of the favorable ruling from the Federal Court for the issuance of the ROD, and the receipt of notice to proceed from BLM on February 7, 2023. The Company entered into an EPCM agreement and other construction-related contracts. Based on these circumstances, management determined that construction of Thacker Pass, including site preparation, geotechnical drilling, water pipeline development and associated infrastructure had commenced. Accordingly, the Company began to capitalize development costs starting February 1, 2023.

Assessment of Impairment of Thacker Pass

On June 30, 2024, the Company determined that an impairment indicator existed for Thacker Pass due to the decrease in market prices of lithium. A recoverability test was conducted by updating the mine model using estimates of long-term lithium pricing from analyst reports to determine whether an impairment existed. The

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in US dollars, unless stated otherwise)

undiscounted cash flows significantly exceeded the carrying value of Thacker Pass and no impairment was identified.

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Once it is determined that impairment exists, an impairment loss is measured as the amount by which the asset carrying value exceeds its fair value. For asset groups where an impairment loss is determined using the discounted future net cash flows method, future cash flows are estimated based on quantities of recoverable mineralized material, expected lithium prices (considering current and historical prices, trends and related factors), production levels, operating costs, capital requirements and reclamation costs, all based on life-of-mine plans. The term "recoverable mineralized material" refers to the estimated amount of lithium or other commodities that will be obtained after considering losses during processing and treatment. The Company's estimates of future cash flows are based on numerous assumptions and uncertainties. It is possible that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, lithium and other commodity prices, production levels and costs of capital are each subject to significant risks and uncertainties.

Accounting for Joint Venture with GM

The Company determined that the JV is a variable interest entity due to its reliance on additional financing to complete Phase 1 of the development of Thacker Pass. The Company has determined it is the primary beneficiary of the joint venture due to the relative decision-making power of the parties over the most significant activities of the joint venture. As a result, the Company has consolidated Lithium Nevada Ventures in its consolidated financial statements.

Royalties and Production Payments

Royalties on future production or sales are reported based on their underlying characteristics. When indicated by their terms, royalties and production payments are treated as financial liabilities, such as those subject to call options for a specified price or those sold on proven properties and settleable with cash flows in which the Company has significant continuing involvement.

Accounting Developments

For a discussion of Recently Adopted and Recently Issued Accounting Pronouncements, refer to Note 2 to the Consolidated Financial Statements.

USE OF NON-GAAP FINANCIAL MEASURES AND RECONCILIATION

The Company makes reference to certain non-GAAP measures. These measures are not recognized measures under US GAAP, do not have a standardized meaning prescribed by US GAAP and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those US GAAP measures by providing further understanding of the Company's liquidity from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to other performance measures derived in accordance with US GAAP as measures of liquidity. In addition to results determined in accordance with US GAAP, the Company uses "working capital", a non-GAAP measure. This non-US GAAP measure is used to provide investors with a supplemental measure of the Company's liquidity and thus highlight trends in the core business that may not otherwise be apparent when relying solely on US GAAP measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in US dollars, unless stated otherwise)

"Working capital" is the difference between current assets and current liabilities. It is a financial measure that has been derived from the Company's consolidated financial statements and applied on a consistent basis as appropriate. Various assets and liabilities fluctuate significantly from month to month depending on short term liquidity needs. The Company discloses this financial measure because it believes it assists readers in understanding the Company's financial position and provides further information about the Company's liquidity to investors.

	December 31, 2024	December 31, 2023	Change
Current assets	\$ 602,175	\$ 205,883	\$ 396,292
Less: current liabilities	58,280	24,587	(33,693)
Working capital (non-US GAAP)	<u>\$ 543,895</u>	<u>\$ 181,296</u>	<u>\$ 362,599</u>