



PRESS RELEASE

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Nemaska Lithium Provides Update on Whabouchi Project

- Efforts to complete an optimized project financing structure continue
- Project investment at both sites totals \$392 million as at September 30, 2019
- Temporary shutdown of activities will be completed shortly at the Whabouchi mine
 - Phase 1 plant to fulfill last orders before beginning of the shutdown

Québec, Québec, November 15, 2019 – Nemaska Lithium (Nemaska Lithium Inc. (“**Nemaska Lithium**” or the “**Corporation**”) (TSX: NMX) (OTCQX: NMKEF) (Frankfurt: NOT) today provides an update on its Whabouchi Project and the status of its ongoing efforts to complete the project financing. This update follows the filing, on November 14, of the financial statements and Management Discussion and Analysis (MD&A) for the first quarter, ended September 30, 2019, of its financial year. Nemaska Lithium also takes this opportunity to provide details on the activities at the mine site and the Phase 1 plant.

“We continue working with Pallinghurst and our other strategic partners on completing an optimized project financing structure to be submitted to the shareholders’ approval as soon as possible,” said Guy Bourassa, President and CEO of Nemaska Lithium. “Over the past month, our teams have worked diligently to prepare the sites for temporary shutdown, in anticipation of an orderly resumption of activities that will minimize delays once financing has been secured and the construction schedule is confirmed.”

Annual General Meeting of Shareholders

As a result of the ongoing discussions with The Pallinghurst Group (“**Pallinghurst**”), Nemaska Lithium has requested and obtained approval from the capital markets authorities to hold its shareholders Annual General Meeting (“**AGM**”) in early 2020. If appropriate, the Corporation may elect to combine the AGM with the Special Meeting regarding Pallinghurst’s potential investment under a court approved plan of arrangement under the *Canada Business Corporations Act* (“**CBCA**”). Details about the AGM and/or Special Meeting will be communicated to shareholders when available.

Discharge of the security which secured the Bonds

As regards the Corporation’s application filed on September 16, 2019 with the Superior Court of Québec, in connection with its arrangement proceedings under the CBCA, which seeks the discharge of the security which secured the \$350 million US senior secured bonds (the “**Bonds**”), the hearing of such application is set for January 2020, in Montréal. It is the Corporation’s view that the Bonds were discharged. The Trustee considers that the Bonds were not discharged, and that the Corporation owes penalties to the holders of the Bonds. Readers may refer to the press releases of Nemaska Lithium dated September [17](#) and [25](#), 2019 for further information.

Financial Highlights

On November 14, 2019, Nemaska Lithium filed its first quarter financial statements as well as Management discussion and analysis (MD&A) on SEDAR. As at September 30, 2019, the Corporation had on hand approximately \$77 million in unrestricted cash and cash equivalents to finance its current activities, plus cash and cash equivalents of \$40 million that Nemaska Lithium has agreed, for the moment, to maintain in a cost overrun account, even if the Bonds were discharged. As at September 30, 2019, cumulative incurred capital investment totalled \$392 million on a total Whabouchi Project budget of \$1.269 billion,



including contingency. Moving forward the Corporation has taken a number of additional proactive steps to preserve cash while it completes its project financing.

Construction Report Selected Information on Expenditures			
All amounts are in Canadian dollars			
(in millions, including contingency)			
Incurred and Remaining CAPEX as at September 30, 2019, per NI 43-101 Technical Report estimate, July 2019	Total	Incurred as at September 30, 2019	Remaining as at September 30, 2019
Whabouchi:	448	261	187
Plant:	<u>821</u>	<u>131</u>	<u>690</u>
Total:	1,269¹	392	877

¹The Total CAPEX includes amounts for corporate owners' costs, which are ≈\$42 million for Whabouchi and ≈\$29 million for the Plant.

Project Standby Readiness

Equipment deliveries to the Whabouchi site have been completed. In the coming weeks, the Whabouchi site winterization and orderly demobilization will be completed. A small crew will conduct care and maintenance activities as well as ensuring site security. Detailed engineering will be pursued, at an adapted pace, to continue the development of project until financing is secured for both the Whabouchi mine and the Shawinigan plant.

The shutdown of the Phase 1 plant will begin in a few weeks, with a view to ceasing operations by December 31, 2019. The team is also working to fulfill the last orders as well as preparing samples of lithium hydroxide to continue product qualification trials with potential end users. In operation since February 2017, this demonstration plant enabled the Corporation to showcase the reliability of its patented process and the exceptional quality of its product intended for the lithium battery market.

Nemaska Lithium has taken the necessary steps to ensure the preservation of its assets and to comply with regulatory, safety and environmental obligations at both sites for the duration of the project standby phase.

About Nemaska Lithium

Nemaska Lithium Inc. is a developing chemical company whose activities will be vertically integrated, from spodumene mining to the commercialization of high-purity lithium hydroxide. This lithium salt is mainly destined for the fast-growing lithium-ion battery market, which is driven by the increasing demand for electric vehicles and energy storage worldwide. With its products and processes, the Corporation intends to facilitate access to green energy, for the benefit of humanity.

The Corporation will be operating the Whabouchi mine in Québec, Canada, one of the richest lithium spodumene deposits in the world, both in volume and grade. The spodumene concentrate produced at the Whabouchi mine will be processed at the Shawinigan plant using a unique membrane electrolysis process for which the Corporation holds several patents.



The Corporation is a member of the S&P/TSX SmallCap Index, S&P/TSX Global Mining Index, S&P/TSX Global Base Metals Index, S&P/TSX Equal Weight Global Base Metals Index, and the MSCI Canada SmallCap Index. For more information, visit www.nemaskalithium.com.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained in this press release including, but not limited to, those relating to (A) the additional capital required to enable the Corporation to complete the Project's construction, (B) the eventual conclusion of a definitive agreement with Pallinghurst and other strategic partners and closing of the investment, (C) the expected resumption of construction and commissioning, and (D) the outcome of the application filed by Nemaska Lithium on September 16, 2019 with the Superior Court of Québec, in connection with its arrangement proceedings under the Canada Business Corporations Act, seeking the discharge of the security which secured the Bonds, constitute "forward-looking information" and "forward-looking statements" within the meaning of certain securities laws and are based on expectations and projections as of the date of this press release. Certain important assumptions by the Corporation in making forward-looking statements include, but are not limited to, reaching a definitive agreement with Pallinghurst and other strategic partners in a timely manner and satisfying all closing conditions, and the obtaining of the additional capital required to fulfill the conditions precedent to receive the remaining proceeds from the Project financing, being the second tranche payment under the Orion Streaming facility.

Forward-looking statements contained in this press release include, without limitation, those related to (i) the Corporation completing an optimized project financing structure to be submitted to the shareholders' approval as soon as possible, (ii) the eventual definitive agreements to implement Pallinghurst's investment proposal and closing of the investment under a court approved plan of arrangement, (iii) the orderly resumption of activities that will minimize delays once financing will have been secured, (iv) holding the annual shareholders' meeting in 2020 and combining same with the shareholders' special meeting re Pallinghurst's potential investment under a CBCA arrangement, (v) the CAPEX estimates, (vi) the Corporation reaching an agreement with Pallinghurst that will satisfy all parties, including its own shareholders, (vii) the Corporation taking the necessary steps to ensure asset preservation, (viii) the Whabouchi site winterization and orderly demobilization to be completed shortly, and the Phase 1 plant shut down to commence shortly, (ix) the continuance of detailed engineering to continue the development of the project until financing is secured, (x) the Corporation to eventually be in position to restart construction work quickly when financing is completed, (xi) the outcome of the application filed by Nemaska Lithium on September 16, 2019 with the Superior Court of Québec, in connection with its arrangement proceedings under the Canada Business Corporations Act, seeking the discharge of the security which secured the Bonds, and (xiii) generally, the above "About Nemaska Lithium" paragraph which essentially describes the Corporation's outlook. Forward-looking statements are based on expectations, estimates and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect.

Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that the Pallinghurst investment will close or that other funding / strategic alternatives can be available, that the Corporation will meet conditions under the Streaming Agreement, that the court will grant the discharge of the security on the bonds, and that the Whabouchi mine and/or the electrochemical plant in Shawinigan will be commissioned and will begin production, as future events could differ materially what is currently anticipated by the Corporation. In addition, there can be no assurances that the CAPEX estimates will prove accurate.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could



cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the “Risk Factors” section of the Corporation’s Annual Information Form dated September 30, 2019, and the “Risk Exposure and Management” section of the Corporation’s most recent Management Discussion & Analysis. The Corporation cautions that the foregoing list of factors that may affect future results is not exhaustive, and new, unforeseeable risks may arise from time to time. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Further information regarding Nemaska Lithium is available in the SEDAR database (www.sedar.com) and on the Corporation’s website at: www.nemaskalithium.com.

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