NEMASKA LITHIUM


# Corporate Presentation

## September 2018

# Forward-looking statement

- During the course of this presentation, Nemaska Lithium Inc. will make a number of statements with regard to the Company's projects, business strategy and plan, which could be construed as forward-looking.
- Such forward-looking statements are subject to risks and uncertainties that could cause results to be materially different than expectations. It is uncertain if further work will in fact lead to production of mineral resources and of lithium compounds.
- Nemaska Lithium filed a NI-43-101 compliant feasibility study report on SEDAR on February 23, 2018, concerning its Whabouchi project. All technical information should be reviewed according to this 2018 feasibility study.
- All figures are in Canadian Dollars unless otherwise specified. Exchange Rate is **CAD 1.00 = USD 0.77**

# Corporate Overview

| | |
|---|---|
| **Fully Funded Project under construction** | • Nemaska is fully funded for project construction plus one year of working capital following the closing of CAD 1.1 B. |
| **Vertically integrated lithium project** | • Nemaska Lithium's Whabouchi project in Québec is a vertically integrated lithium project from the raw material at Whabouchi mine to the Electrochemical Plant in Shawinigan where it is transformed into high-purity lithium hydroxide and lithium carbonate. |
| **Lowest cost producer of lithium hydroxide** | • With a vertically integrated operation, proprietary process, and access to affordable hydroelectric power in Québec, the Whabouchi project is being forecast to become the lowest cost producer of lithium hydroxide globally. |
| **Near-term cash flow** | • Whabouchi Mine and concentrator are expected to start production with sales of spodumene concentrate in Q3 2019. An offtake agreement for the whole production has been signed for approximately 2 years while the electrochemical plant is ramping up. |
| **World-class counterparties** | • Nemaska Lithium has secured offtake agreements with FMC and Johnson Matthey and signed an agreement in principle with Northvolt. The various groups have given the project key endorsements through offtake contracts, product qualification and financial support. |
| **Strong support from key stakeholder** | • Nemaska Lithium has strong support from both the Government of Québec and the federal government. The Québec government holds about 12.5% of the Corporation. Additionally, Softbank holds 9.9% of Nemaska and the Cree Nation of Nemaska is a shareholder. |
| **Producing Phase 1 Plant since Feb. 2017** | • Nemaska Lithium is currently producing lithium hydroxide from Whabouchi spodumene concentrate demonstrating its ability to produce high purity lithium hydroxide but also enabling the qualification of product with off-takers and potential customers. |

# Project Financing of CAD 1.1B

## Equity CAD 454M

- A **94M private placement from world-leader SoftBank Group Corp.** SoftBank also has a right of first offer to purchase up to 20% of lithium salts produced from Shawinigan.
- A **80M private placement with Ressources Québec**
- A **280M public offering** through a bought deal

## Streaming USD 150M

Signed a **streaming facility agreement with Orion Resources Partners (UK) LLP** under which Nemaska Lithium and Orion will share 14.5% of future production of all lithium products. Net effect is Orion receives 8.7% of total revenue. The agreement is capped at 5,000 t of product per year.

## Debt USD 350M Senior Secured Bond Offering

The Bonds have a five year term and bears an 11.25% interest rate per annum

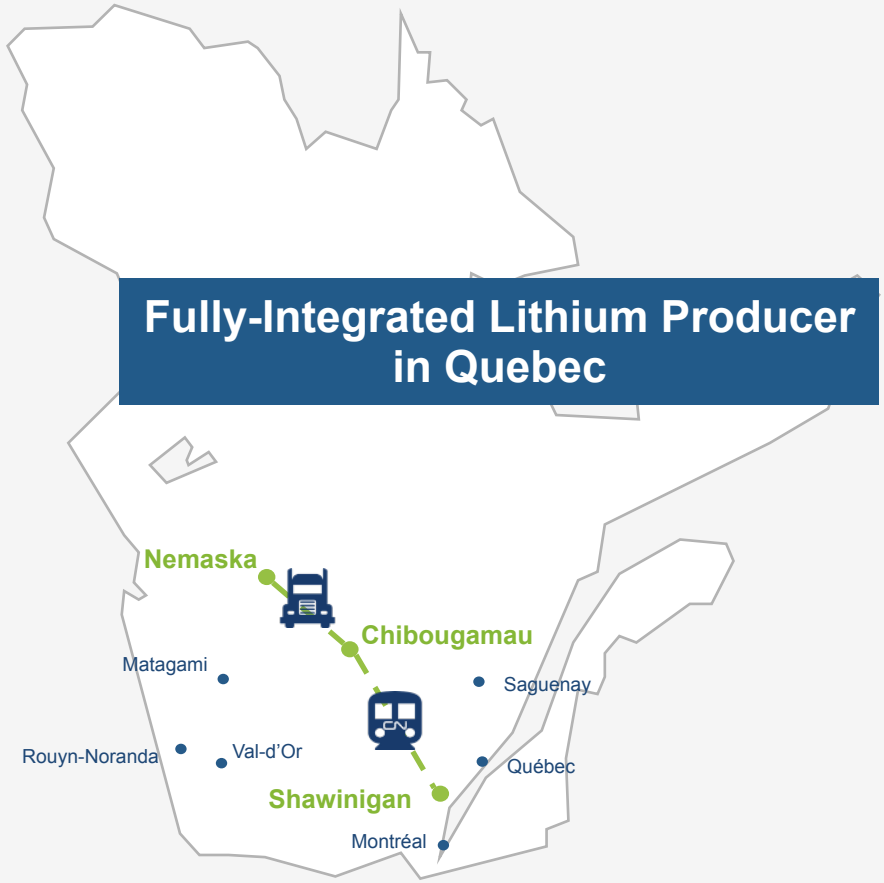
## Use of Proceeds

| | |
|---|---|
| Project financing | CAD 801M |
| Interest payments | CAD 128M |
| Working capital | CAD 87M |
| Cost over run account | CAD 40M |
| Transactions costs | CAD 48M |

# Nemaska Lithium Project Overview

- **One of North America's largest spodumene deposits located in the Eeyou Istchee James Bay region, Canada**
  - 33 years initial mine life.
  - Expected to produce 213,000 tonnes/y of 6.25% ($Li_2O$) spodumene concentrate

| Reserve Overview | | |
|---|---|---|
| **Category** | **Tonnage (Mt)** | **$Li_2O$** |
| | ***Open pit*** | |
| Proven and probable | 24 | 1.53% |
| | ***Underground*** | |
| Proven and probable | 13 | 1.16% |
| | ***Combined*** | |
| Proven and probable | 37 | 1.40% |




- **Shawinigan Electrochemical Plant to convert spodumene concentrate to lithium hydroxide and lithium carbonate with a 33,000 tonnes LCE annual capacity**



*Source: Nemaska Lithium Feasibility Study Issue Date 21st of February 2018*

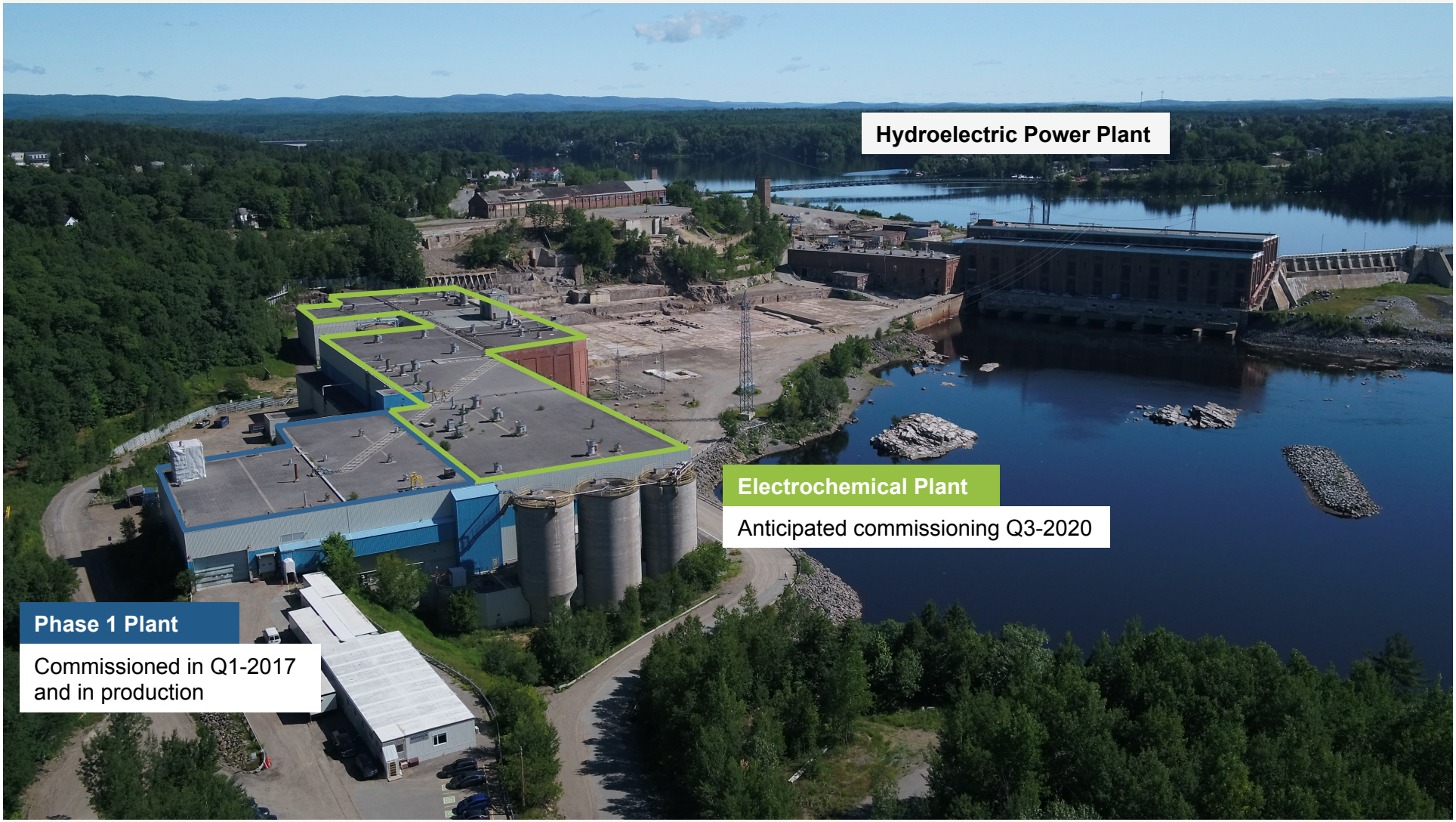
# **Whabouchi Mine** | Construction Progress



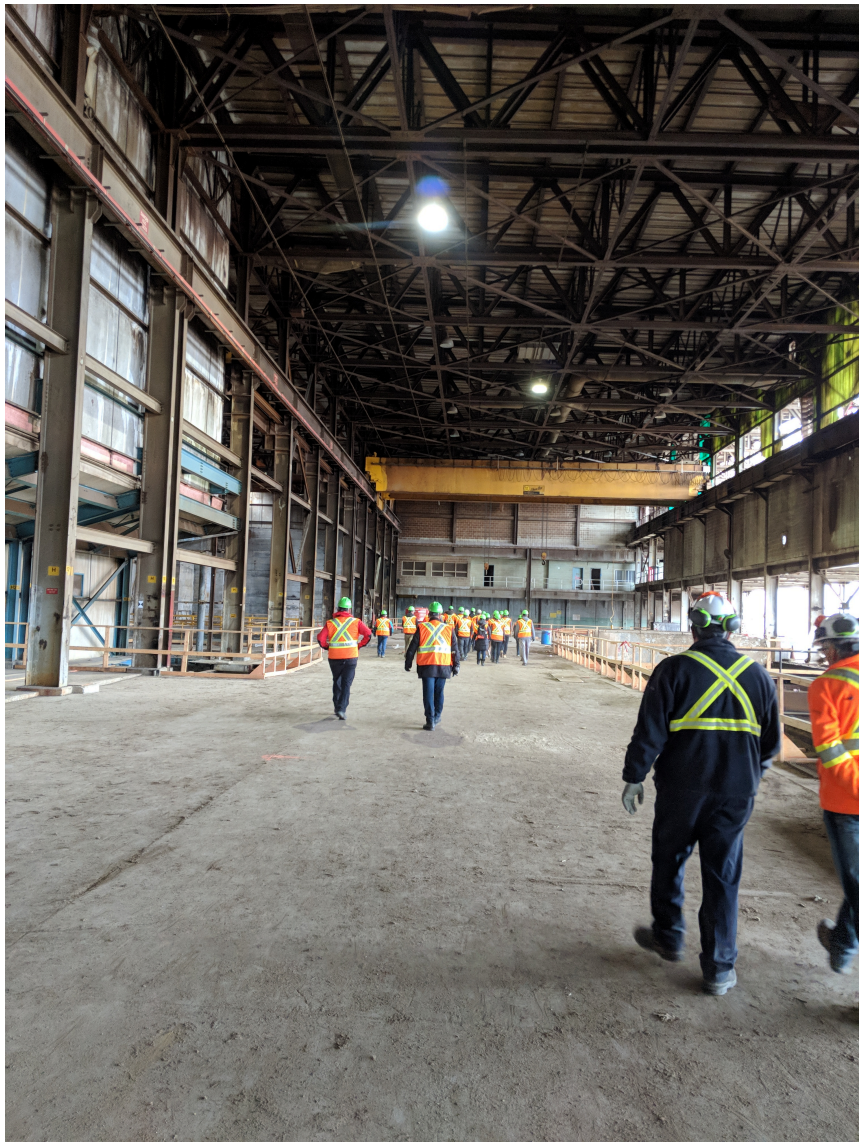



*Source: Nemaska Lithium, Google Maps*

# Electrochemical Plant | Existing Buildings in Shawinigan



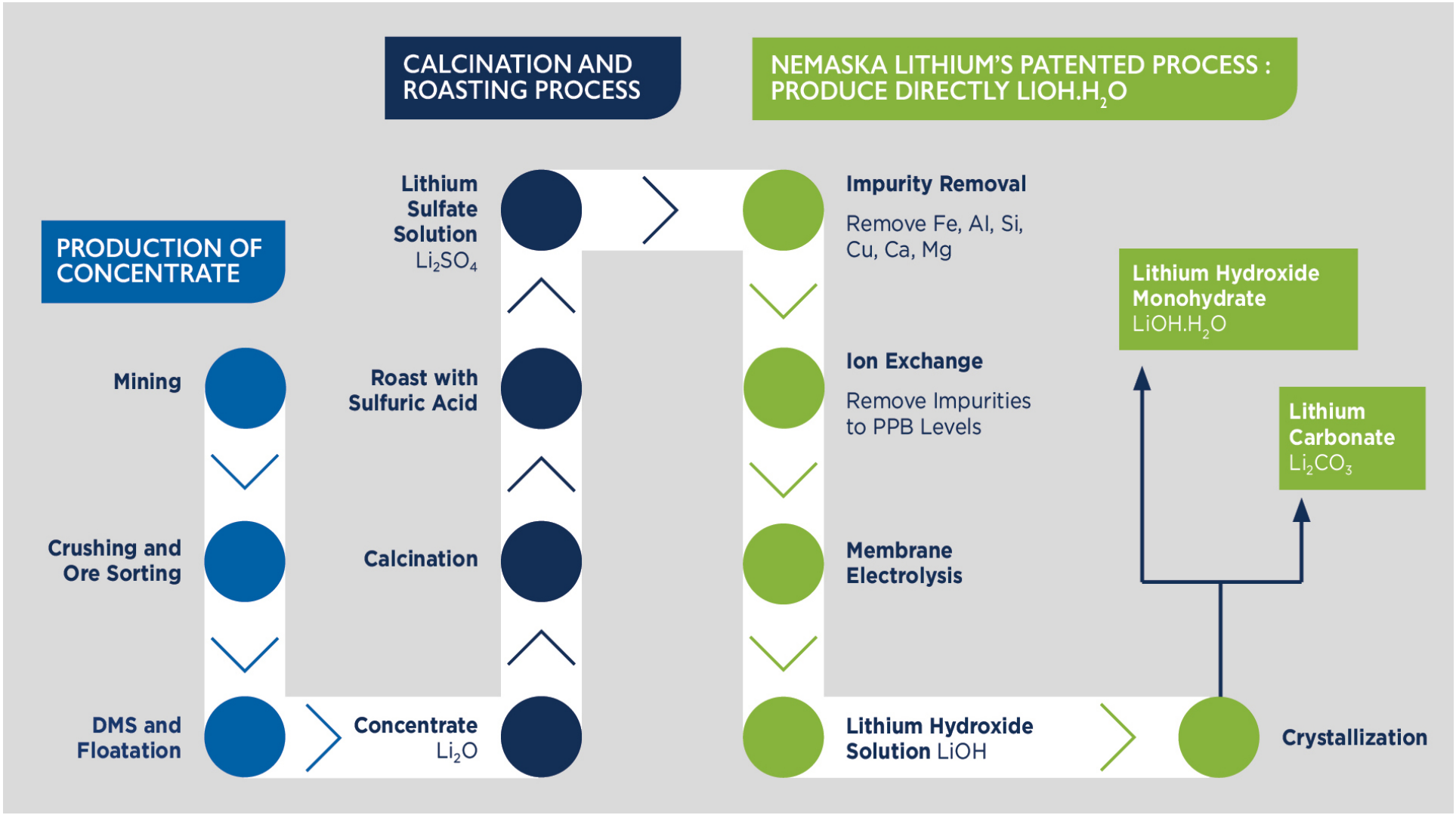
# Electrochemical Plant | Construction Progress



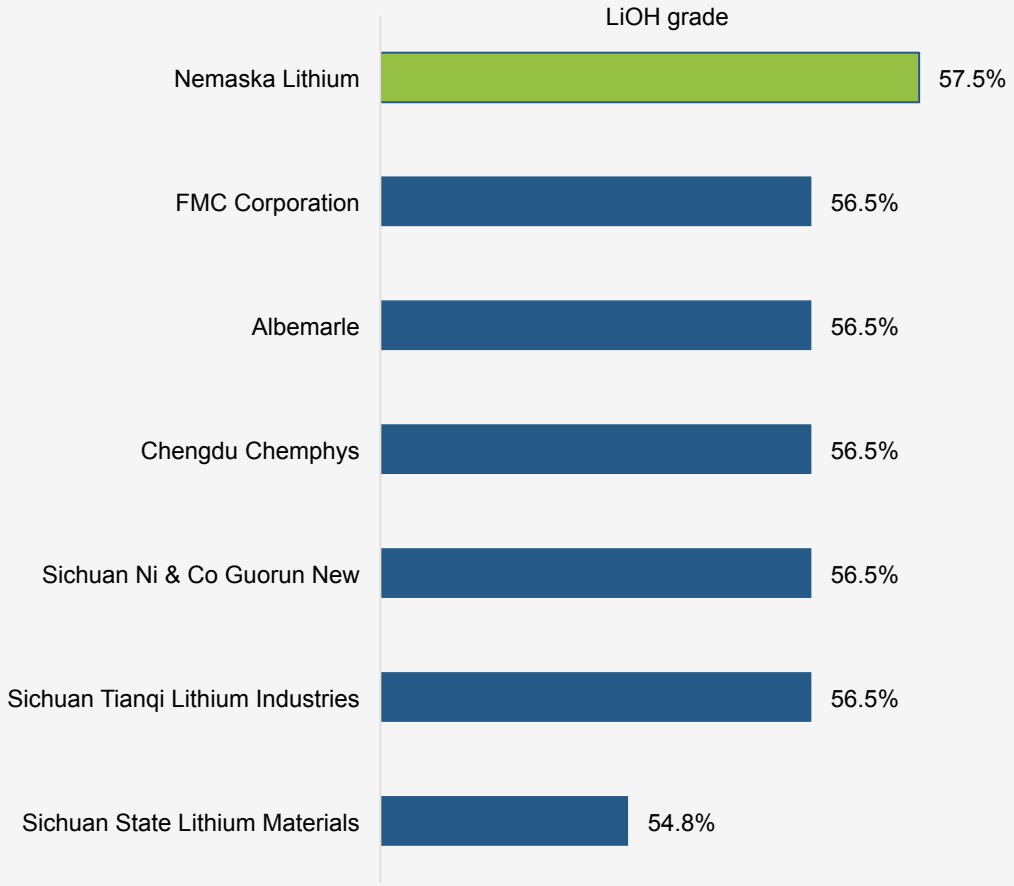
*Source: Nemaska Lithium, Google Maps*

# A Unique Process | Whabouchi Mine & Electrochemical Plant



# Nemaska Purity Hydroxide Compares Well

## Lithium Hydroxide Grade Comparison




*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018, Nemaska Lithium*

## Purity Comparison

| Product | Market specifications(1) | NMX Specifications |
|---|---|---|
| LiOH, wt% | 54.8 - 56.5 | 57.5 |
| Ca, mg/kg | 10 – 100 | < 1 |
| Na, mg/kg | 20 – 500 | < 20 |
| K, mg/kg | 10 – 250 | < 10 |
| Mg, mg/kg | 10 | < 1 |
| Fe, mg/kg | 5 – 21 | < 5 |
| Al, mg/kg | 10 | < 1 |
| CO2, wt% | 0.035 - 0.35 | < 0.2 |
| Cl, mg/kg | 15 – 100 | < 10 |
| SO4, mg/kg | 50 – 300 | < 150 |
| Cr, mg/kg | 5 – 100 | < 1 |
| Cu, mg/kg | 1 – 5 | < 1 |
| Ni, mg/kg | 1 – 10 | < 1 |
| Si, mg/kg | 20 - 30 | < 10 |
| Zn, mg/kg | 10 | < 1 |
| Sol. Acid, mg/kg | 40 – 1000 | < 50 |

*(1) Based on the companies to the left's specifications*
*Source: Nemaska Lithium press release 8th of January, 2018*

# Project Economics Key Figures

## Expected Mine Life and Payback Period

**33 years**

with 2.9 year (2 year**) payback period (after-tax)

## Average Cost Per Tonne | Spodumene Concentrate

**CAD 334/t**

(USD 257/t) CIF Shawinigan (open pit)

## Average Cost Per Tonne | Lithium Hydroxide

**CAD 3,655/t**

(USD 2,811/t) FOB Shawinigan

## Average Cost Per Tonne | Lithium Carbonate 99.99%

**CAD 4,424/t**

(USD 3,403/t) FOB Shawinigan

## Total Initial Capital Costs

**CAD 801M**

(USD 616M) in CAPEX including contingency

## Yearly Average Production

### Whabouchi Mine

≈ 213,000 tonnes of concentrate (6.25% $Li_2O$)

### Shawinigan Electrochemical Plant

≈ 23,000 tonnes of lithium hydroxide

≈ 11,000 tonnes of lithium carbonate

## NPV

**CAD 3.3B*** (USD 2.5B)

**CAD 3.0B**** (USD 2.3B)

**8% Discount** (pre-tax)

**CAD 2.4B*** (USD 1.8B)

**CAD 2.2B**** (USD 1.7B)

**8% Discount** (after tax)

## Internal Rate of Return (IRR)

**34.4%*** (pre-tax)

**60.5%**** (pre-tax)

**30.5%*** (after tax)

**56.0%**** (after tax)

*Sales Prices FOB Shawinigan lithium hydroxide USD14,000/t, lithium carbonate USD 9,500/t for first 5 years and USD 12,000t thereafter*

*All calculations assume a 6.25% ($Li_2O$) spodumene concentrate*

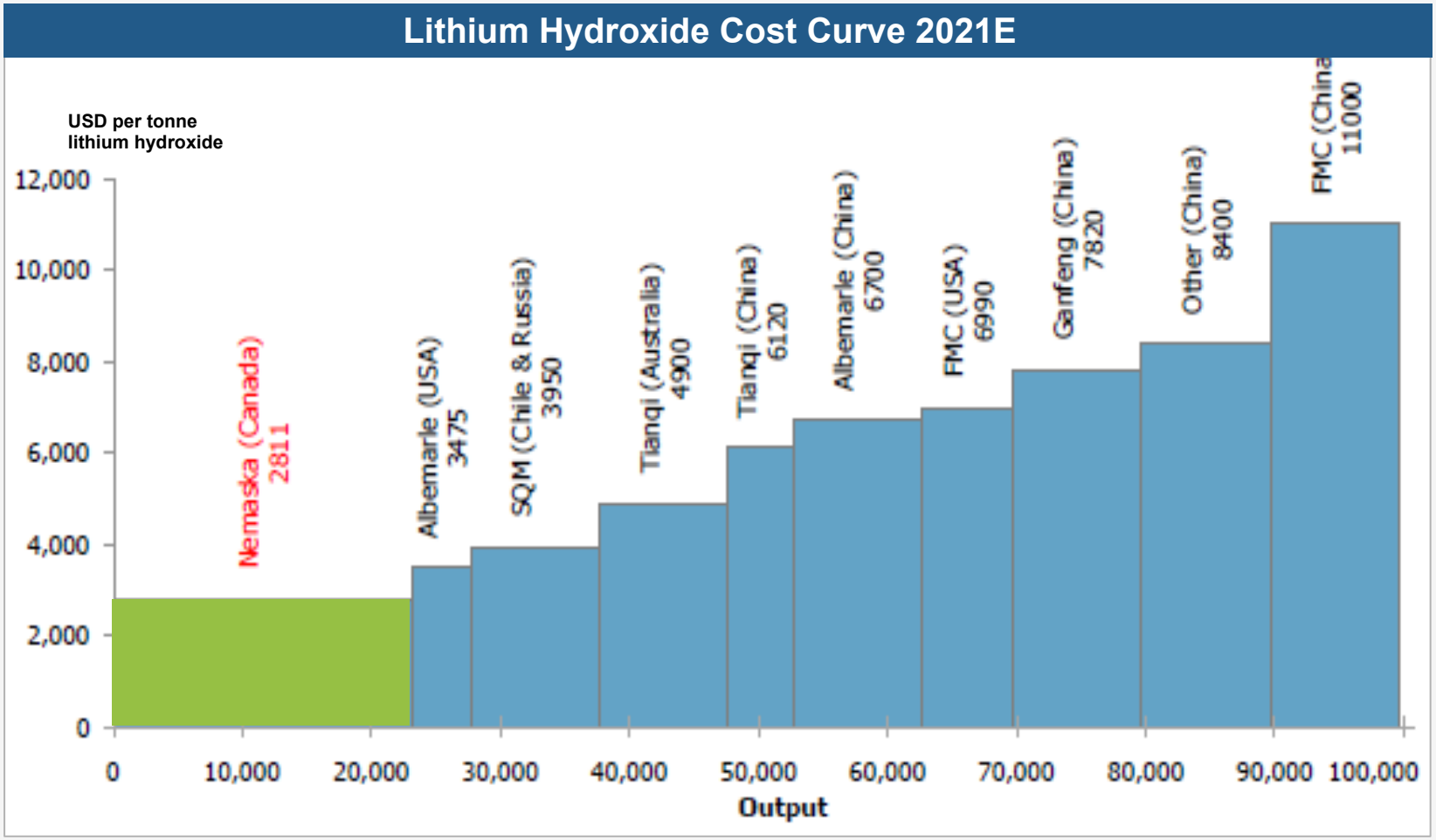
*Exchange rate CAD/USD: 0.77*

**Only equity as per the Feasibility Study*

*** * Using the CAD 1.1B Project financing closed**

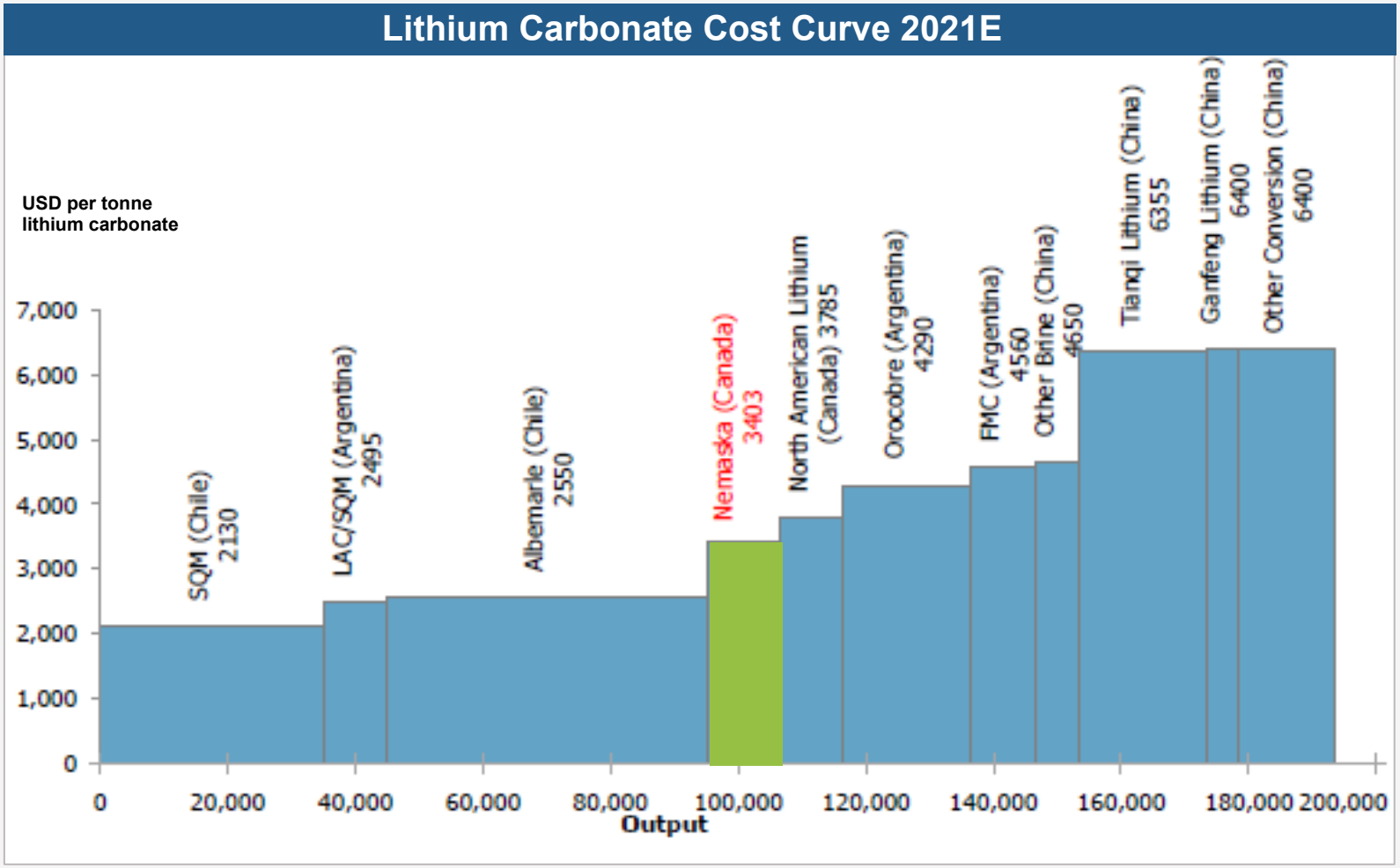
*Source: Nemaska Lithium Feasibility Study, Issue Date 21st of February 2018*

# Nemaska to Become a Low Cost Producer



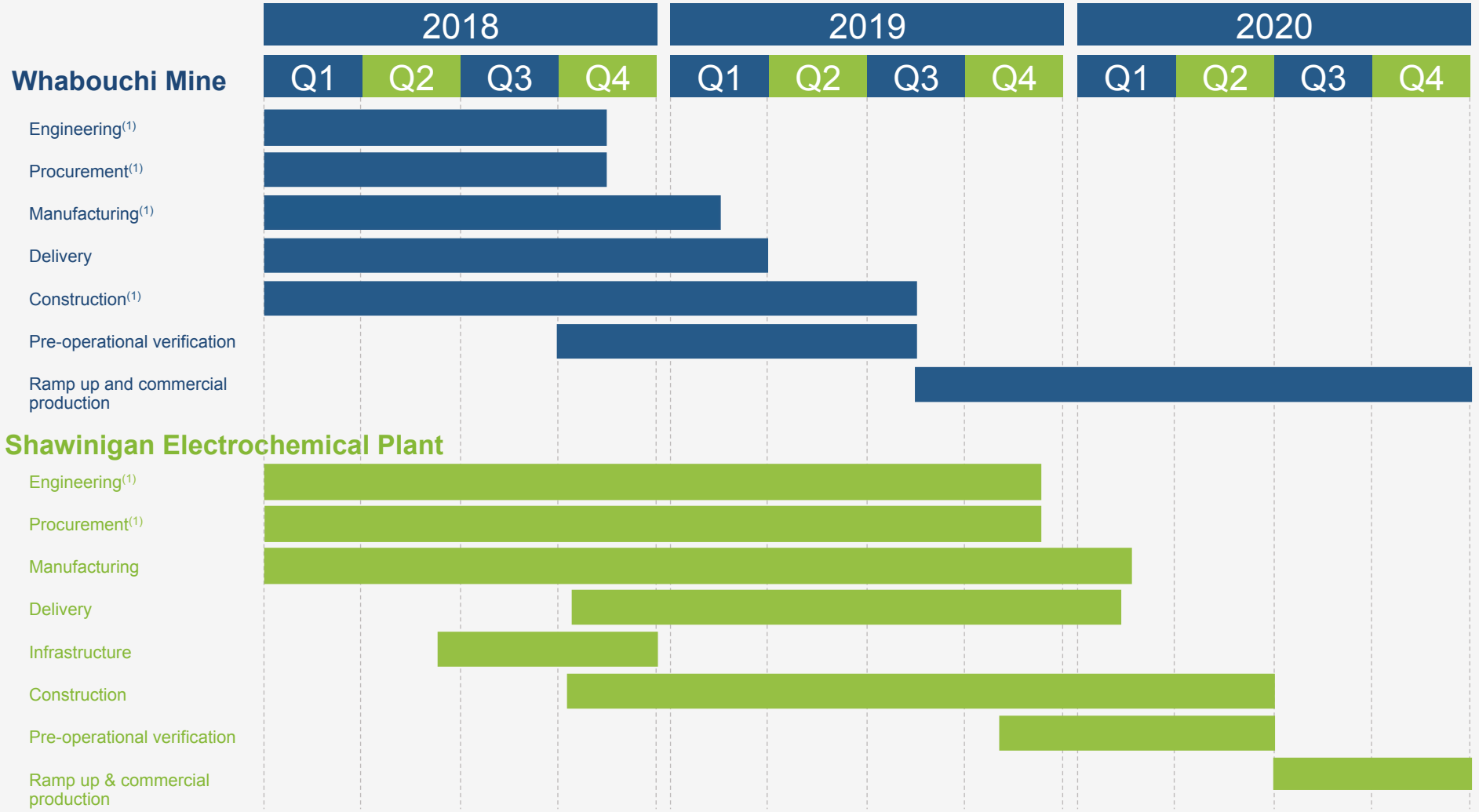

*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018, Nemaska Lithium*
*Technical and battery grades; SQM, Albemarle and FMC costs assume lithium carbonate procured internally at cost; China and Australia conversion plant costs assume USD 500/t spodumene concentrate cost; FMC assumes USD 9,500/t carbonate feedstock cost; Nemaska shown at capacity;*

# Nemaska to Become a Low Cost Producer




*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018, Nemaska Lithium*
*Note: Battery and technical grades: Includes direct carbonate production from raw materials (brine and minerals); SQM & Albermarle costs assume potash cost share methodology; China mineral conversion assumes USD 500/t CIF spodumene price; Nemaska shown at 2021 carbonate output; North American Lithium (NAL) assumes 50% increase in feasibility –level costs; LAC/SQM & NAL output shown at 50% of capacity*

# Construction Schedule




*(1) Work streams initiated before Q1 2018*
*Source: Nemaska Lithium Feasibility Study, Issue Date 21st of February 2018*

# Capital Expenditures as of September 1, 2018

All amounts are in Canadian dollars
Expenditures and commitments as of September 1, 2018

| Description | Budget | To date | | Estimate to complete | Estimate at completion (EAC) | Variance To date |
|---|---|---|---|---|---|---|
| | | Commitments | Incurred | | | |
| Whabouchi mine Site | 303.6M | 146.3M | 93.0M | 167.3M | 313.6M | 10.0M |
| Shawinigan Electrochemical Plant | 470.8M | 126.1M | 41.9M | 355.3M | 481.4M | 10.6M |
| Contingency | 100.3M | $ | $ | 79.7M | 79.7M | (20.6M) |
| TOTAL WHABOUCHI & SHAWINIGAN | 874.7M | 272.4M | 134.9M | 602.3M | 874.7M | $ |

# Quality Offtake Agreements Secured

Johnson Matthey

- Johnson Matthey is a global specialty chemicals company.
- Johnson Matthey focuses on clean air, clean energy and low carbon technologies and is an expert in the application and recycling of precious metals.
- Johnson Matthey has operations in over 30 countries and employs around 13,000 people.
- Its products and services are sold across the world to a wide range of advanced technology industries.
- Johnson Matthey has made an up front payment of CAD 12 million for services and product from the Phase 1 Plant.

FMC

- FMC is a U.S. chemical manufacturing company based in Philadelphia, Pennsylvania, United States of America.
- FMC serves the global agricultural, industrial and consumer markets with innovative solutions, applications and quality products.
- FMC employs approximately 6,000 people globally and operates its businesses in three segments: FMC Agricultural Solutions, FMC Health and Nutrition and FMC Lithium.
- FMC has paid a lump sum of USD 10 million to Nemaska Lithium.

*For further information see section 4 of "Risk Factors and Other Considerations" in the Offering Memorandum and 10.2 of "Offtake and other sale agreements"*
*Source: Nemaska Lithium FMC, Johnson Matthey*

# Quality Offtake Agreements Secured

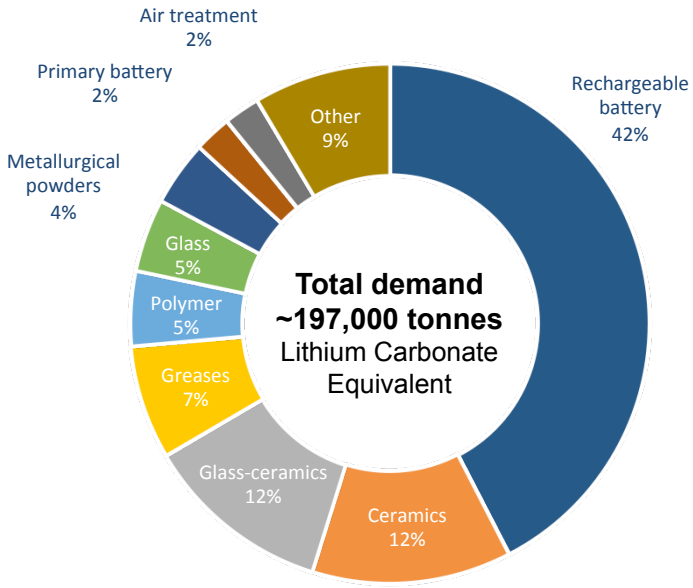
- With over 20 years' experience of development and production of batteries, LG Chem has established itself as one of the world's leading lithium-ion manufacturers. The company is a primary supplier of lithium batteries throughout the world for the mobile phone and hybrid/ electric vehicle industries & Energy Storage System (ESS).
- Under this agreement, Nemaska Lithium agrees to supply LG, on a take-or-pay basis with 7,000 tonnes per year of lithium hydroxide produced for an initial 5-year period scheduled to start in October 2020.

- Northvolt was founded in 2016 with the mission to build the world's greenest battery, with a minimal carbon footprint and the highest ambitions for recycling, to enable the European transition to renewable energy.
- Northvolt's team of experts is building the next generation battery factory focused on process innovation, scale and vertical integration.
- Once completed, it will be Europe's largest battery factory and will produce 32 GWh worth of battery capacity annually.
- Northvolt agreed to purchase, on a take-or-pay basis, up to 5,000 but not less than 3,500 metric tonnes per year of lithium hydroxide, for a 5-year period commencing upon the start of commercial production at both the Shawinigan Plant and Northvolt's projected Skellefteå factory in Sweden.

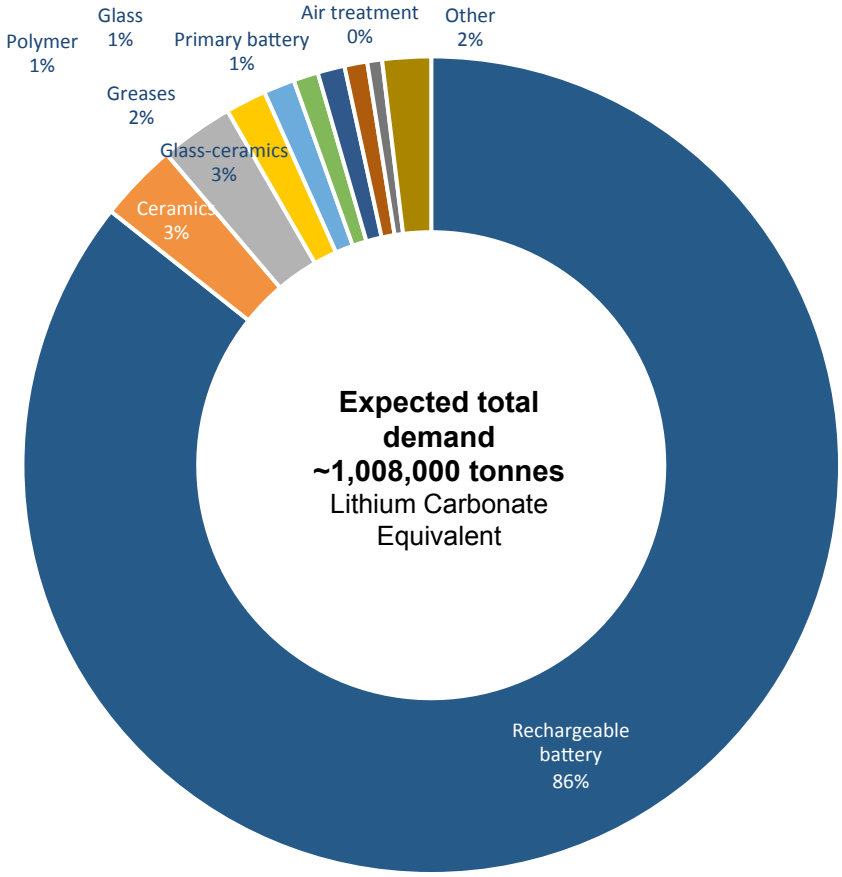
# The Market

# Lithium Uses 2016 and 2026E

## Uses of Lithium in 2016




## Uses of Lithium in 2026E




*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018*

# Lithium Demand Per Product 2016 - 2031

| | 2016 | 2021 | 2023 | 2026 | 2031 | CAGR '16-'31 (%) |
|---|---|---|---|---|---|---|
| **Battery-grade carbonate** | **72,200** | **150,600** | **202,100** | **314,200** | **460,100** | **13.1** |
| Technical-grade mineral conc. | 37,500 | 42,100 | 44,100 | 47,300 | 53,100 | 2.3 |
| **Technical-grade carbonate** | **27,000** | **30,400** | **31,900** | **34,200** | **38,600** | **2.4** |
| **Technical-grade hydroxide** | **14,100** | **15,200** | **15,700** | **16,400** | **17,700** | **1.5** |
| **Battery-grade hydroxide** | **11,700** | **78,600** | **170,800** | **549,900** | **1,605,500** | **38.8** |
| Butylithium | 9,200 | 10,700 | 11,300 | 12,400 | 14,400 | 3.0 |
| Battery-grade metal | 4,300 | 6,200 | 7,200 | 9,500 | 14,200 | 8.3 |
| Bromide | 4,200 | 4,900 | 5,200 | 5,700 | 6,600 | 3.1 |
| Other[1] | 16,900 | 18,000 | 18,600 | 19,300 | 20,800 | 1.3 |
| **Total** | **197,100** | **356,700** | **506,900** | **1,008,900** | **2,231,000** | **17.6** |
| **High** | - | **423,900** | **670,343** | **1,633,900** | **4,509,400** | **23.6** |
| **Low** | - | **316,500** | **425,423** | **776,900** | **1,583,700** | **14.7** |

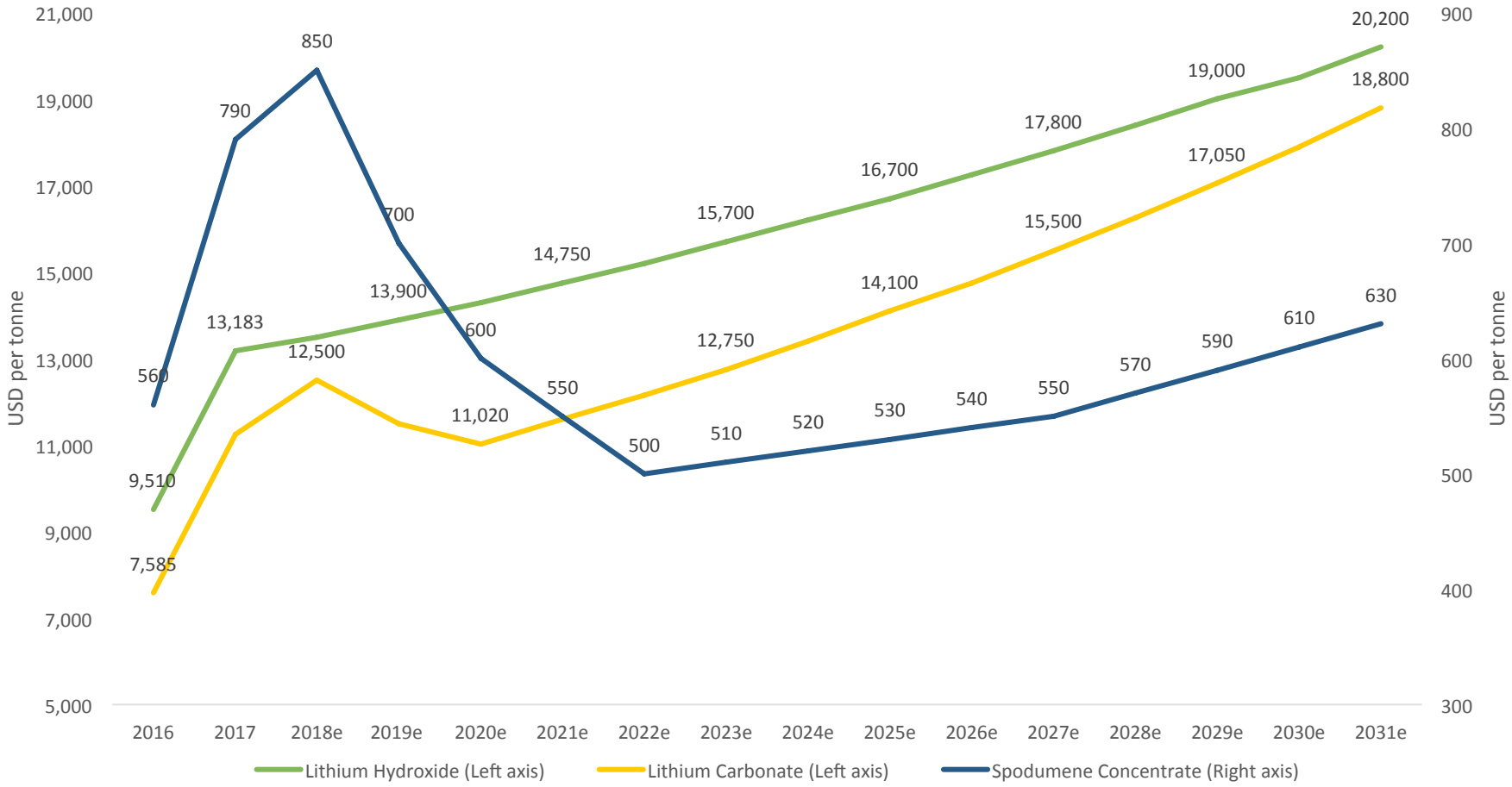
*Source:* *Roskill estimates*

*Note:* *1 - Includes some of the products above that have not been differentiated from the total*

*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018*

# Pricing Outlook

## Nominal Price Forecasts for Spodumene Concentrate, Lithium Carbonate and Lithium Hydroxide



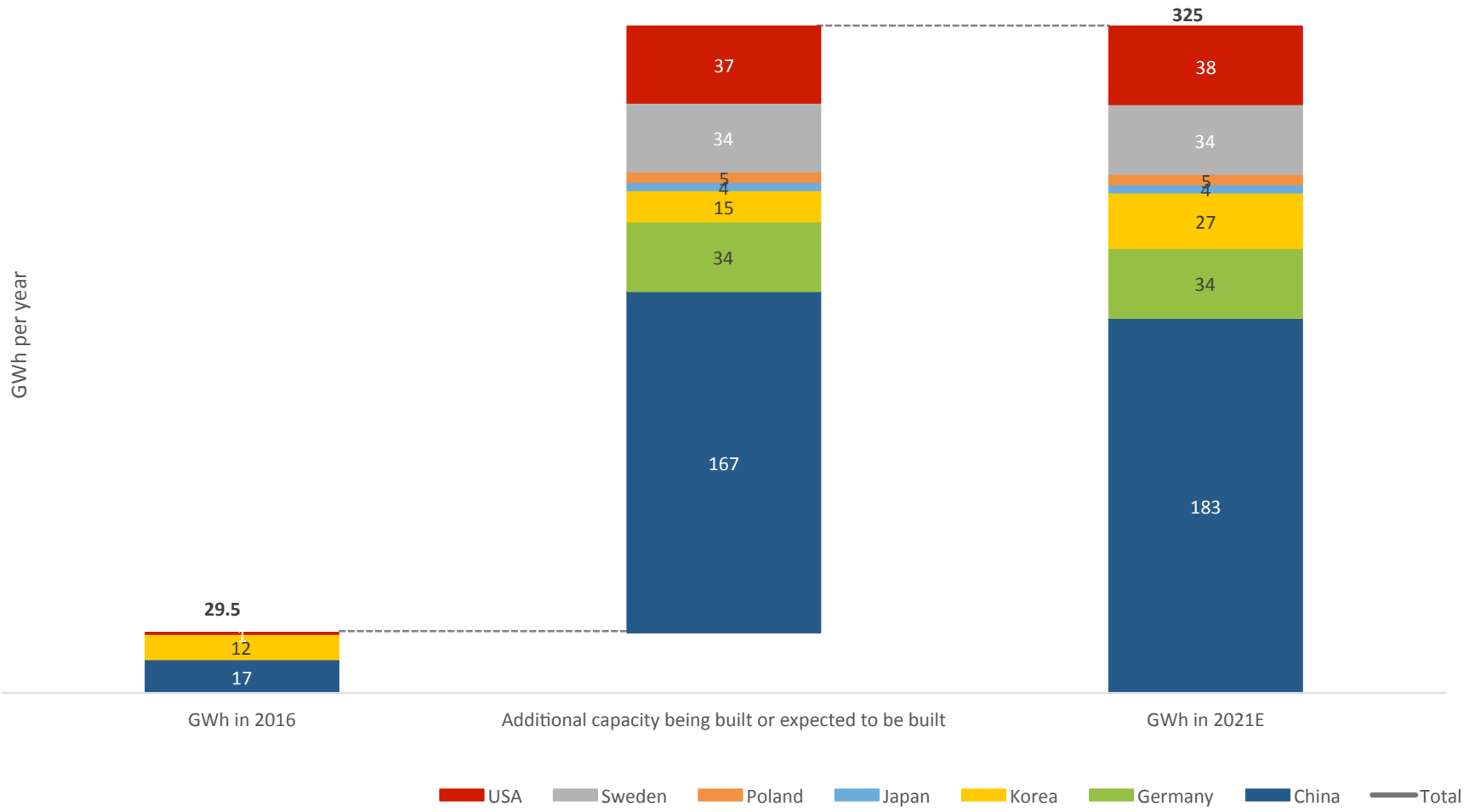

*Source: Roskill Marketing Review on Nemaska Lithium, 19th of February 2018*

# Gigafactories Driving Demand for Lithium

## 10x in Expected Lithium Demand from Gigafactories between 2016 – 2021E

**24 000** *tonnes **battery grade** LCE consumption per year in 2016*

**260 000** *tonnes **battery grade** LCE consumption per year expected in 2021*




*Assumed 0.8 tonne LCE per GWh*
*Source: Nemaska Lithium company presentation 9th of March, Benchmark Intelligence Network*

# Pricing Outlook

## New Lithium Development Projects (1)

| Company | Location | 2011 | 2016 | 2021 | 2026 | Notes |
|---|---|---|---|---|---|---|
| Talison | Greenbushes, Australia | 47,000 | 75,000 | 165,000 | 165,000 | Doubling of capacity planned by 2020 |
| Albemarle | Atacama, Chile & Silver Peak, USA | 25,000 | 33,000 | 86,000 | 86,000 | Increasing capacity to accommodate larger extraction licence in Chile |
| SQM | Atacama, Chile | 40,000 | 60,000 | 60,000 | 60,000 | Future expansion possible if new licenses granted |
| Process Minerals International | Mt Marion, Australia | - | 5,000 | 54,340 | 54,340 | Start-up of production in 2016, expansion expected by 2018 |
| Lithium Americas / SQM | Cauchari | - | - | 25,000 | 50,000 | Assumed start-up in 2019 |
| Pilbara Minerals | Pilgangoora, Australia | - | - | 46,500 | 46,500 | Construction started, ramp-up to capacity by end-2018 |
| China Mineral | Various | 20,500 | 39,250 | 42,450 | 42,450 | Small expansions only |
| FMC | Hombre Muerto, Argentina | 19,000 | 26,000 | 40,000 | 40,000 | Expected to expand capacity by 2021 |
| Orocobre | Olaroz, Argentina | - | 17,250 | 35,000 | 35,000 | Plan to double production capacity in 2020 |
| Altura | Pilgangoora, Australia | - | - | 32,500 | 32,500 | Assumed start-up by 2019 |
| Nemaska | Whabouchi, Canada | - | - | 31,600 | 31,600 | Ramp-up to Phase 2 capacity expected by 2021 |
| China Brine | Various | 10,200 | 17,750 | 30,000 | 30,000 | Expansions planned at Dongtai Jiniaer and Chaerhan salt lakes |
| Alliance Mineral Assets | Bald Hill, Australia | - | - | 30,000 | 30,000 | Shipping of DSO underway in 2017, upgrading facility under evaluation |
| North American Lithium | La Corne, Canada | - | - | 21,000 | 21,000 | Assumed restart mid-2017 |
| Galaxy / GMC | Mt. Cattlin, Australia | 15,000 | 500 | 20,600 | 20,600 | Restarted production in 2016, ramp-up to capacity in 2017 |
| AMG | Mibra, Brazil | - | - | 13,300 | 13,300 | Assumed start-up in 2018 |
| Portugal Mineral | Various | 4,000 | 4,000 | 4,000 | 4,000 | No further expansion committed |
| Spain Mineral | Alberto, Spain | 400 | 400 | 400 | 400 | No further expansion committed |
| Bikita | Bikita, Zimbabwe | 6,200 | 6,200 | 6,200 | 6,200 | No further expansion committed |
| New brine operations | Various | - | - | - | 45,000 | E.g. LSC Lithium, Enirgi, Eramet, Galaxy (Sal d'Vida), Lithium X, Pure Energy, etc. |
| New mineral operations | Various | - | - | - | 450,000 | E.g. Lithium Americas, Critical Elements, European Lithium, Bacanora, Keliber, etc. |
| **Total** | | **176,700** | **273,750** | **743,890** | **1,263,890** | |

*Source: Roskill estimates*

(1) *Estimates made prior to announcement of SQM and ALB's deal with CORFO*

*Source: Roskill Global Industry, Markets and Outlook to 2026*

# Project Summary | Key investment takeaways

**Emerging Vertically Integrated Low-Cost Lithium Producer in a Premier Jurisdiction**

1. **Proven production process**
2. **Near term commercial producer of lithium compounds**
3. **To become the lowest cost producer of lithium hydroxide**
4. **World-class counterparties**
5. **Unique location and process of processing lithium**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