

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States (as such term is used in Regulation S under the 1933 Act ("Regulation S")) or to, or for the account or benefit of a U.S. Person (as defined in Regulation S) or a person in the United States except in compliance with exemptions from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Nemaska Lithium Inc. (the "Corporation") at 450 de la Gare-du-Palais Street, 1st Floor, Québec, Québec G1K 3X2 telephone: 1-418-704-6038 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

July 4, 2016



NEMASKA LITHIUM INC.

Minimum Offering: \$50,002,000 (the "Minimum Offering")
A minimum of 43,480,000 Units
Maximum Offering: \$60,000,100 (the "Maximum Offering")
A maximum of 52,174,000 Units
Price: \$1.15 per Unit

This short form prospectus (the "Prospectus") qualifies the distribution (the "Offering") by the Corporation through Dundee Securities Ltd., acting as lead agent (the "Lead Agent"), and including Cormark Securities Inc., CIBC World Markets Inc., GMP Securities L.P., Desjardins Securities Inc., Echelon Wealth Partners Inc. (together with the Lead Agent, the "Canadian Agents") and Jett Capital Advisors, LLC ("Jett Capital", and together with the Canadian Agents, the "Agents") of a minimum of 43,480,000 units of the Corporation (the "Units") for aggregate gross proceeds of \$50,002,000 and a maximum of 52,174,000 Units for aggregate gross proceeds of \$60,000,100, at a price of \$1.15 per Unit (the "Offering Price"). Each Unit consists of one common share in the share capital of the Corporation (a "Common Share" and each Common Share comprising part of the Unit, a "Unit Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant entitles its holder to purchase one Common Share of the Corporation (a "Warrant Share") at a price of \$1.50 per Warrant Share at any time prior to 5:00 p.m. (Montréal time) on the date that is 36 months following the Closing Date (as hereinafter defined) (the "Warrant Expiry Date"). The Corporation may accelerate the Warrant Expiry Date if, before the Warrant Expiry Date and at any time following the Closing Date, the closing price of the Common Shares listed on the TSX Venture Exchange ("TSXV") or the Toronto Stock Exchange ("TSX"), as applicable, is equal to or above \$2.25 for a period of 20 consecutive trading days (the "Early Expiry Event"). See "Description of the Securities Being Distributed" for additional details about the acceleration provisions. The Units will be offered for sale on a "best efforts" basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the "Agency Agreement") dated July 4, 2016 between the Corporation and the Agents. The Offering Price was determined based upon arm's length negotiations between the Corporation and the Lead Agent, on behalf of the Agents, in the context of the market. Jett Capital is not registered as a dealer in any Canadian jurisdiction and accordingly, will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada.

The Corporation's outstanding Common Shares are listed and posted for trading on the TSXV under the symbol "NMX" and on the OTCQX under the symbol "NMKEF". On June 30, 2016, the last trading day before the filing of the Prospectus, the closing price of the Common Shares on the TSXV was \$1.33, while the closing price of the Common Shares on the OTCQX was US \$1.04.

Price: \$1.15 per Unit

| | Price to Public | Agents' Fee ⁽¹⁾⁽²⁾ | Net Proceeds to the Corporation ⁽³⁾⁽⁴⁾⁽⁵⁾ |
|------------------------------------|-----------------|-------------------------------|--|
| Per Unit | \$1.15 | \$0.069 | \$1.081 |
| Minimum Offering ⁽⁴⁾⁽⁵⁾ | \$50,002,000 | \$3,000,120 | \$47,001,880 |
| Maximum Offering ⁽⁵⁾ | \$60,000,100 | \$3,600,006 | \$56,400,094 |

Notes:

- (1) In consideration for the services rendered by the Agents in connection with the Offering, the Corporation has agreed to pay the Agents a fee (the "Agents' Fee") equal to 6% of the gross proceeds of the Offering (including the gross proceeds from any exercise of the Over-Allotment Option (as hereinafter defined)), other than in respect of sales to certain purchasers on a "president's list" on which only a fee of 3% will be paid. All calculations of the Agents' Fee herein assume no offers or sales to "president's list" purchasers. See "Plan of Distribution".
- (2) As additional compensation, the Corporation will issue options (the "Agents' Options") that will entitle the Agents to purchase that number of Units (the "Agents' Units"), equal to 6% of the total number of Units sold under the Offering (including pursuant to the exercise of the Over-Allotment Option), at a price of \$1.15 per Agents' Unit, for a period of 36 months from the Closing Date. The Agents' Units are comprised of Unit Shares (the "Agents' Unit Shares") and Warrants (the "Agents' Unit Warrants") with each Agents' Unit Warrant exercisable for one Warrant Share (the "Agents' Warrant Shares"). The Agents' Options are qualified for distribution under the Prospectus. See "Plan of Distribution".
- (3) After deducting the Agents' Fee, but before deducting the expenses and costs relating to the Offering which are estimated to be \$500,000. The Agents' Fee and the expenses and costs relating to the Offering will be paid from the gross proceeds of the Offering. See "Use of Proceeds and Other Available Funds".
- (4) There will be no closing of the Offering unless a minimum of 43,480,000 Units are sold, representing a minimum aggregate gross proceeds of \$50,002,000.
- (5) In order to cover for over-allotments, if any, and for market stabilization purposes, the Corporation will grant the Agents an over-allotment option (the "Over-Allotment Option"), exercisable for a period of 30 days from and including the Closing Date, to offer and sell at the Offering Price an additional number of Units (the "Over-Allotment Units"), equal to 15% of the number of Units sold pursuant to the Offering. The grant of the Over-Allotment Option and the Over-Allotment Units issuable upon exercise of the Over-Allotment Option are qualified for distribution under the Prospectus. A purchaser who acquires Over-Allotment Units forming part of the Agents' over-allocation position acquires those securities under the Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total "Price to Public", "Agents' Fee" and "Net Proceeds to the Corporation" (before payment of the estimated expenses and costs relating to the Offering (see note 3 above)) will be \$69,000,115, \$4,140,007 and \$64,860,108 respectively in the case of the Maximum Offering. See "Plan of Distribution".

The following table sets forth the maximum number of securities that may be granted by the Corporation to the Agents in connection with the Offering.

| Agents' Position ⁽¹⁾ | Number of Securities Available or Maximum Size | Exercise Period | Exercise Price |
|---------------------------------|---|---|--------------------------------|
| Over-Allotment Option | 7,826,100 Over-Allotment Units (assuming the full exercise of the Over-Allotment Option) | A period of 30 days from and including the Closing Date | \$1.15 per Over-Allotment Unit |
| Agents' Options | 3,130,440 Agents' Options (3,600,006 Agents' Options assuming the full exercise of the Over-Allotment Option) | 36 months from the Closing Date | \$1.15 per Agents' Unit |

Note:

- (1) The Prospectus qualifies the grant of the Over-Allotment Option and the grant of the Agents' Options. See "Plan of Distribution".

Unless the context otherwise requires, all references to the "Offering", "Units", "Unit Shares", "Warrants", "Warrant Shares", "Agents' Options" and "Agents' Units" in the Prospectus, includes all securities issuable assuming the exercise of the Over-Allotment Option.

The TSXV has conditionally approved the listing of the Unit Shares, the Warrant Shares, the Agents' Unit Shares and the Agents' Warrant Shares. Listing is subject to the Corporation fulfilling all of the requirements of the TSXV. However, the Corporation has also filed an application to graduate to the TSX to have all of its issued and outstanding Common Shares, the Unit Shares, the Warrants, the Warrant Shares, the Agents' Unit Shares, the Agents' Unit Warrants and the Agents' Warrant Shares listed on the TSX, upon closing of the Offering. As at the date of the Prospectus, the Corporation has obtained conditional approval for final listing on the TSX under the current stock symbol "NMX" for the Common Shares and "NMX.WT" for the Warrants. Listing of the Common Shares, the Unit Shares, the Warrants, the Warrant Shares, the Agents' Unit Shares, the Agents' Unit Warrants and the Agents' Warrant Shares on the TSX is subject to final approval by the TSX of the Corporation's final listing application and fulfillment by the Corporation of all the listing requirements of the TSX on or before September 8, 2016. Should the Common Shares be listed on the TSX upon the closing of the Offering, they would be concurrently delisted from TSXV. See "Plan of Distribution".

An investment in the Units involves a high degree of risk and must be considered speculative due to the nature of the Corporation's business and the present stage of development of its mineral properties. Prospective investors should carefully consider the risk factors described in and incorporated by reference into the Prospectus. See "Forward-Looking Statements" and "Risk Factors".

Subject to applicable securities legislation, in connection with the Offering, the Agents may over-allot or effect transactions intended to stabilize or maintain the market price for the Common Shares and Warrants at levels above those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

The Offering is being conducted on a “best efforts” agency basis, without underwriter liability, by the Agents who conditionally offer the Units for sale, if, as and when issued by the Corporation and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters by Stein Monast L.L.P., on behalf of the Corporation, and by Cassels Brock & Blackwell LLP, on behalf of the Agents. Jett Capital will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Provided the Minimum Offering is met, it is expected that the closing date will occur on or about July 8, 2016 or such other date as may mutually be agreed to by the Corporation and the Agents (the “Closing Date”). Pending closing of the Offering, all subscription funds will be deposited and held by the Agents in trust pursuant to the terms and conditions of the Agency Agreement. If the Minimum Offering is not met or the Closing Date does not occur within 90 days from the date a receipt is issued for the Prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction. See “Plan of Distribution”.

It is anticipated that the Units will be deposited electronically with CDS Clearing and Depository Services Inc. (“CDS”) or its nominees, which shall include Units purchased by a person in the United States or a U.S. Person or Units purchased by or for the account or benefit of purchasers who (as defined in Regulation S) are “qualified institutional buyers” within the meaning of Rule 144A (the “Qualified Institutional Buyers”) under the 1933 Act, on the Closing Date. Transfers of ownership of the Unit Shares and the Warrants comprised in the Units deposited with CDS will be effected through records maintained by participants in the CDS depository service (the “CDS Participants”), which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book based system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. Purchasers of Units, including Qualified Institutional Buyers, will receive only a customer confirmation of purchase from the CDS Participant from or through which such Units are purchased in accordance with the practices and procedures of such CDS Participant. Definitive physical certificates will be issued to purchasers of Units that are in the United States or U.S. Persons or for Units that are purchased by or for the account or benefit of a U.S. Person or a person in the United States and that are institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D (the “Institutional Accredited Investors”) under the 1933 Act. Other than with respect to the issuance of definitive physical certificates to Institutional Accredited Investors, no certificates representing the Unit Shares and the Warrants will be issued unless it is specifically requested or required. See “Plan of Distribution”.

The Corporation’s head and registered office is located at 450 de la Gare-du-Palais Street, 1st Floor, Québec, Québec, G1K 3X2, and the telephone number is 1-418-704-6038.

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GENERAL MATTERS

Unless otherwise indicated or the context suggests otherwise, all references in the Prospectus to the “Corporation” are to Nemaska Lithium Inc. and its subsidiaries 9671714 Canada Inc. and 9672486 Canada Inc. You should rely only on the information contained in or incorporated by reference in the Prospectus.

Information contained on the Corporation’s website is not part of the Prospectus and is not incorporated by reference into the Prospectus and may not be relied upon by prospective purchasers for the purposes of determining whether to invest in the Units.

Neither the Corporation nor the Agents have authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Corporation nor the Agents is making an offer to sell the Units in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in the Prospectus and the documents incorporated by reference in the Prospectus is accurate only as of the respective dates of the documents in which such information appears. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

CURRENCY

The Prospectus and the documents incorporated by reference herein contain references to the Canadian dollar, United States dollar, Euros and Great Britain Pound. Unless otherwise indicated in the Prospectus and the documents incorporated by reference herein, all references to “\$”, “CAD \$” or “dollars” refer to Canadian dollars, all references to “US \$” refer to United States dollars, all references to “€” refer to Euros and all references to GBP refer to Great Britain Pounds.

FINANCIAL INFORMATION

The Corporation’s financial statements that are incorporated by reference into the Prospectus have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are presented in Canadian dollars.

FORWARD-LOOKING STATEMENTS

The Prospectus, including the documents incorporated by reference herein, contains certain forward-looking statements. These statements relate to future events or future performance and reflect management’s expectations and assumptions regarding the Corporation’s growth, results, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to it. In some cases, forward-looking statements can be identified by verbs such as “may”, “would”, “could”, “will”, “should”, “expect”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Corporation’s future results, economic performance and product development efforts are or involve forward-looking statements.

Forward-looking information is based on reasonable assumptions that have been made by the Corporation as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to, the actual results of current exploration and development activities and plans, access to capital and future prices of lithium and those factors discussed in the section entitled “Risk Factors” in the Revised AIF (as defined herein) and Interim MD&A (as defined herein), each of which is incorporated by reference herein, and the section entitled “Risk Factors” in the Prospectus. Forward-looking information in the Prospectus includes, among other things, disclosure regarding: the Corporation’s development and production activities and plans, including the completion and start-up of the Phase 1 Plant (as defined herein) and the future Commercial Hydromet Plant (as defined herein) and receipt of all requisite approvals in connection therewith, anticipated costs and timing thereof, anticipated release or provision of remaining funding for the Phase 1 Plant from applicable funding sources, future outlook, corporate development and strategy, estimates of mineral resources and mineral reserves, government regulation of mining operations, environmental regulation and compliance, the realization of the expected economics of the Whabouchi Project (as defined herein), expectations regarding patent protection of the Corporation’s processing technologies, the Offering and the receipt of all regulatory and stock exchange approvals in connection therewith, the completion of the Offering as well as the information under the heading “Use of Proceeds and Other Available Funds”.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of lithium; the timing of the receipt of regulatory and governmental approvals for the Corporation's projects; the availability of financing for the Corporation's development of its properties on reasonable terms; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the anticipated processing and operational capacities at the Phase 1 Plant and the Commercial Hydromet Plant being achieved; the applicability of the Corporation's proprietary electrolysis technology on a commercial basis; the ability to attract and retain skilled staff; exploration, development and production timetables; market competition; and the accuracy of the Corporation's mineral resource and mineral reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and such other assumptions and factors as set out herein.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information that is incorporated by reference herein, except in accordance with applicable securities laws.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in the Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation and the Agents believe these sources to be generally reliable, market data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. Neither the Corporation nor the Agents have independently verified any of the data from third party sources referred to in the Prospectus and accordingly, the accuracy and completeness of such data is not guaranteed.

SCIENTIFIC AND TECHNICAL INFORMATION

Certain information of a scientific or technical nature in respect of the Whabouchi Project contained in the Prospectus is based on the Technical Report (as defined herein).

André Boilard, P.Eng., PMP, a Senior Manager with Met-Chem, Division of DRA Americas Inc. ("Met-Chem"), has reviewed and approved the scientific and technical information contained in or incorporated by reference in the Prospectus. Mr. Boilard is considered, by virtue of his education, experience and professional association, to be a "qualified person" within the meaning of *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* ("NI 43-101").

ELIGIBILITY FOR INVESTMENT

In the opinion of Stein Monast L.L.P., legal counsel to the Corporation, and Cassels Brock & Blackwell LLP, legal counsel for the Agents, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act") in force as of the date hereof, provided that the Unit Shares and the Warrant Shares are listed on a "designated stock exchange" (which currently includes tiers 1 and 2 of the TSXV) for purposes of the Tax Act, the Unit Shares and Warrant Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan, registered disability savings plan, deferred profit sharing plan or tax-free savings account ("TFSA"), each as defined in the Tax Act (each a "Registered Plan"). The Warrants will be qualified investments for a Registered Plan provided that the Warrant Shares are listed on a "designated stock exchange", as defined in the Tax Act, at the time of issuance of the Warrants and that the Corporation is not a "connected person" under the Registered Plan. A "connected person", in relation to a Registered Plan, is defined in the Tax Act as a person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan, as well as any other person who does not deal at arm's length with that person.

Notwithstanding the foregoing, the holder of a TFSA or the annuitant under a RRSP or RRIF will be subject to a penalty tax under the Tax Act if the Unit Shares, the Warrants or the Warrant Shares held by the particular TFSA, RRSP or RRIF are a "prohibited investment" for purposes of the Tax Act. The Unit Shares, the Warrants or the Warrant Shares will generally be a "prohibited investment" for these purposes if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm's length with the Corporation for the purposes of the Tax Act or (ii) has a "significant interest" as defined in subsection 207.01(4) of the Tax Act in the Corporation. In addition, the Unit Shares, the Warrants or the Warrant Shares will generally not be a "prohibited investment" if the Unit Shares, the Warrants or the Warrant Shares are "excluded property" as defined in the Tax Act for a TFSA, RRSP or RRIF.

Holders or annuitants should consult their own tax advisors with respect to whether the Unit Shares, the Warrants or the Warrant Shares would be prohibited investments, including with respect to whether the Unit Shares, the Warrants or the Warrant Shares would be “excluded property” as defined in the Tax Act.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in the Prospectus from documents filed with the securities commissions or similar regulatory authorities in all provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Corporation at 450 rue de la Gare-du-Palais Street, 1st Floor, Québec, Québec G1K 3X2 telephone: 1-418-704-6038 and are also available electronically at www.sedar.com. The filings of the Corporation through the System for Electronic Document Analysis and Retrieval (“SEDAR”) are not incorporated by reference in the Prospectus except as specifically set out herein.

The following documents of the Corporation, which have been filed with the securities commissions or similar regulatory authorities in all provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of the Prospectus:

- (a) the Revised AIF dated January 22, 2016 for the fiscal year ended June 30, 2015, other than the technical report incorporated by reference therein entitled *NI 43-101 Technical Report - Feasibility Study on the Whabouchi Lithium Deposit and Hydromet Plant (Revised)*, effective as of May 13, 2014, issued on June 26, 2014 and revised on January 22, 2016 (the “Revised AIF”);
- (b) the Annual Audited Financial Statements as at and for the years ended June 30, 2015 and June 30, 2014, together with the notes thereto and the independent auditors’ report thereon;
- (c) the MD&A of the Corporation for the fourth quarter and year ended June 30, 2015;
- (d) the Unaudited Consolidated Condensed Interim Financial Statements as at and for the three-month and nine-month periods ended March 31, 2016 (the “Interim Financial Statements”);
- (e) the MD&A of the Corporation for the three-month and nine-month periods ended March 31, 2016 (the “Interim MD&A”);
- (f) the Management Proxy Circular dated January 26, 2016, prepared in connection with the annual general and special meeting of shareholders of the Corporation held on February 25, 2016;
- (g) the Material Change Report dated July 23, 2015 announcing the filing of an application with the TSXV with respect to certain amendments to be made to outstanding warrants of the Corporation;
- (h) the Material Change Report dated March 31, 2016 announcing the closing of a non-brokered private placement financing with Ressources Québec inc. (“RQ”), acting as agent on behalf of the Government of Québec, and Nemaska Development Corporation (“NDC”), of 38,235,295 units of the Corporation, at a price of \$0.34 per unit, for aggregate gross proceeds of \$13,000,000 (the “Private Placement”);
- (i) the Material Change Report dated April 7, 2016 announcing the results of the Corporation’s updated 2016 feasibility study on the Whabouchi Project;
- (j) the Material Change Report dated May 18, 2016 announcing that the Corporation has received a positive federal environmental assessment decision for the Whabouchi Project from the Ministry of Environment and Climate Change Canada (“MECC”);
- (k) the Material Change Report dated May 18, 2016 announcing that the Corporation has received the General Certificate of Authorization (“CA”) for the Whabouchi Project from the Québec Ministry of Sustainable Development, Environment and the Fight against Climate Change (the “MSDEFCC”);
- (l) the Material Change Report dated May 18, 2016 announcing that the Corporation has obtained a Notice of Allowance in Canada concerning its patent application that describes its proprietary process of preparing lithium hydroxide and lithium carbonate from spodumene sources using membrane electrolysis;
- (m) the Material Change Report dated May 18, 2016 announcing the appointment of François Biron as a director of the Corporation;

- (n) the Material Change Report dated May 18, 2016 announcing the signing by the Corporation of the final contract with Sustainable Development Technology Canada (“SDTC”) for a \$12.87M non-repayable grant (the “SDTC Grant”) for the construction and operation of its Phase 1 hydrometallurgical plant (the “Phase 1 Plant”) and receipt of the first installment of \$2.1M in connection therewith;
- (o) the Material Change Report dated May 18, 2016 announcing the closing by the Corporation of a purchase agreement with Société de développement Shawinigan (the “Shawinigan Purchase Agreement”) for certain lands and selected existing buildings located in Shawinigan, Québec to house the Phase 1 Plant and the future commercial hydrometallurgical plant (the “Commercial Hydromet Plant”) that will convert spodumene concentrate into high purity lithium hydroxide and lithium carbonate;
- (p) the Material Change Report dated May 27, 2016 announcing the receipt by the Corporation of the first \$5,000,000 tranche from RQ for the partial financing of the budget serving to the construction and operation of the Phase 1 Plant;
- (q) the Material Change Report dated June 8, 2016 announcing the completion of the Corporation’s required financing of the Phase 1 Plant through the execution with Johnson Matthey Battery Materials Ltd. (“JMBM”) of (i) a definitive agreement for an up-front payment of \$12,000,000 in exchange for services and products of the same value from the Phase 1 Plant and (ii) a commercial off-take agreement for the supply of lithium salts (the “JMBM Agreements”);
- (r) the Material Change Report dated June 17, 2016 announcing the receipt by the City of Shawinigan of the zoning approval necessary for permitting the site of the Phase 1 Plant and the future Commercial Hydromet Plant and therefore the release from escrow and the disbursement to the Corporation of the JMBM Agreements First Tranche Amount (as defined herein) and the second \$5,000,000 tranche of the RQ financing proceeds in connection with the Private Placement;
- (s) the template version of the term sheet dated June 10, 2016 in connection with the Offering (the “Initial Term Sheet”);
- (t) the template version of the corporate presentation dated June 2016 in connection with the Offering (the “Initial Corporate Presentation”);
- (u) the template version of the revised version of the Initial Term Sheet dated July 4, 2016 in connection with the Offering (the “Revised Term Sheet”); and
- (v) the template version of the revised version of the Initial Corporate Presentation dated July 2016 in connection with the Offering (the “Revised Corporate Presentation”).

Any document of the type referred to in section 11.1 of Form 44-101F1 *Short Form Prospectus* which may be filed by the Corporation with any securities commission or similar regulatory authority in Canada after the date of the Prospectus and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference into the Prospectus.

Any statement contained in the Prospectus or in a document (or part thereof) incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of the Prospectus, to the extent that a statement contained in the Prospectus or in any subsequently filed document (or part thereof) that also is, or is deemed to be, incorporated by reference in the Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of the Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of the Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of the Prospectus.

MARKETING MATERIALS

The template versions of the Initial Term Sheet, the Initial Corporate Presentation, the Revised Term Sheet and the Revised Corporate Presentation which have been incorporated by reference in the Prospectus are not part of the Prospectus to the extent that the contents of those documents have been modified or superseded by a statement contained in the Prospectus.

Statements included in the Initial Term Sheet and the Initial Corporate Presentation relating to the Offering have been modified in view of disclosure contained in the Prospectus in order to reflect the amended terms of the Offering for Units and finalization of terms such as pricing and maximum size.

Pursuant to Section 13.7(7) of *Regulation 41-101 respecting General Prospectus Requirements* (“Regulation 41-101”), the Corporation has prepared a template version of the Revised Term Sheet and a template version of the Revised Corporate Presentation which have been blacklined to reflect the modified statements. The foregoing summary of modifications is not exhaustive and is qualified by the information contained in the Revised Term Sheet and the Revised Corporate Presentation. The blacklined versions of the Revised Term Sheet and the Revised Corporate Presentation were filed with the securities commissions or similar regulatory authorities in all provinces and territories of Canada in connection with the Offering and can be viewed under the Corporation’s profile at www.sedar.com. The Revised Term Sheet and the Revised Corporate Presentation have also been incorporated by reference in the Prospectus.

Any “template version” of the “marketing materials” as such terms are defined in Regulation 41-101 and filed with the securities commissions or similar regulatory authorities in all provinces and territories of Canada in connection with the Offering after the date of the Prospectus and before the termination of the distribution under the Offering is deemed to be incorporated into the Prospectus.

THE CORPORATION

Name and Incorporation

The Corporation was incorporated under the *Canada Business Corporations Act* (the “CBCA”) by articles of incorporation on May 16, 2007 under the name “James B Resources Inc.” and its French version “Ressources James B inc.” On November 5, 2008, the Corporation filed articles of amendment in order to change its name to “NEMASKA EXPLORATION INC.” and its French version “EXPLORATION NEMASKA INC.” On November 22, 2011, the Corporation filed articles of amendment in order to change its name to “Nemaska Lithium Inc.” and in order to allow the directors of the Corporation to appoint one or more additional directors in accordance with the provisions of subsection 106(8) of the CBCA.

The Corporation’s head and registered offices are located at 450 de la Gare-du-Palais Street, 1st Floor, Québec, Québec G1K 3X2.

Intercorporate Relationships

The Corporation beneficially owns 100% of the voting shares of 9671714 Canada Inc. and 9672486 Canada Inc., both corporations incorporated under the CBCA.

All assets of the Corporation are located in the province of Québec.

General Business Activities

The Corporation is a Québec-based resource company that has been conducting exploration and development work on its 100% owned spodumene deposit known as the Whabouchi property, located in the Eeyou Istchee James Bay Region in the province of Québec (the “Whabouchi Property”). The Corporation’s objective is to become a lithium hydroxide/lithium carbonate producer and supplier to the emerging lithium battery market, largely driven by electric vehicles, cell phones, tablets and other consumer products.

The Corporation has also developed its own proprietary electrolysis technology to produce lithium hydroxide and lithium carbonate from spodumene concentrate and has filed 31 patent applications represented by seven different patent families in connection therewith. The first granted patent of the Corporation (Canadian Patent 2,874,917) was issued on June 21, 2016. The Corporation has also received a notice of allowance for the corresponding patent application (No. 14/404,466) in the United States on May 18, 2016. Within the next 12 months, the Corporation expects the issuance of other patents in various countries including Canada and the United States due to accelerated examination. The Corporation’s objective is to obtain patent protection in the countries where the majority of lithium hydroxide and lithium carbonate is produced, sold and used (e.g. Canada, the United States, Europe, Australia, Japan, Korea, China and India).

The Corporation recently completed the purchase of buildings and lands located in Shawinigan, Québec, on which it is currently installing its Phase 1 Plant, and where, amongst other sources of raw materials, spodumene concentrate from a bulk sample of the Whabouchi Property will be shipped for processing to produce high purity lithium hydroxide with a planned capacity of about 500 tonnes per year. The budget to build and operate the Phase 1 Plant for two years is approximately \$38M and the Phase 1 Plant is fully funded (\$12,870,000 from the SDTC Grant, \$10,000,000 representing the financing proceeds from RQ under the Private Placement, \$12,000,000 from the JMBM Agreements and \$3,000,000 from the Technoclimat program grant). The Corporation's short term objectives with these sources of funds are (i) to complete the detailed engineering work necessary for the Phase 1 Plant and for the bulk sample; (ii) to complete the purchases of the equipment and have them installed at the Phase 1 Plant location; and (iii) to have the equipment necessary to do the bulk sample installed at the Whabouchi Property site. See "Recent Developments" below.

The Corporation received its municipal construction permit for its Phase 1 Plant on May 31, 2016 and can now proceed with the building modifications, the site preparation and installation of the equipment. The only other permit required for the operation of the Phase 1 Plant is an environmental permit to be obtained pursuant to Sections 22 and 48 of the Environmental Quality Act (Québec), which the Corporation plans to submit an application for in July-August 2016. The completion of the construction and start-up of operations at the Phase 1 Plant is expected to occur in the fourth quarter of the 2016 calendar year. The Phase 1 Plant is intended to be used to provide commercial lithium hydroxide samples to end users in the lithium battery market with the objective of securing off-take agreements in advance of commencing commercial operations. Following the successful completion of the Phase 1 Plant, the Corporation intends to build the Commercial Hydromet Plant at the same site, to produce high purity lithium hydroxide and lithium carbonate, with a planned capacity of about 28,000 tonnes per year of lithium carbonate equivalent.

The Corporation recently filed an updated technical report entitled *NI 43-101 Technical Report - Feasibility Study Update on the Whabouchi Lithium Deposit and Hydromet Plant (Revised)*, effective as of April 4, 2016, issued on May 19, 2016 and revised on June 8, 2016 (the "Technical Report") concerning the construction and operation of the mine and concentrator at the Whabouchi Property and the Commercial Hydromet Plant (the "Whabouchi Project"). Based on the positive results of the Technical Report, the Corporation is now focused on securing the full project financing, which is targeted to be completed for the first quarter of the 2017 calendar year.

Recent Developments

On June 30, 2016, the Corporation halted trading of its Common Shares on the TSXV and announced the definitive terms of the Offering.

On June 29, 2016, the Corporation announced the receipt of the second installment of \$2,117,969 pursuant to the SDTC Grant.

On June 15, 2016, the Corporation announced that the TSX has conditionally approved the listing of the Common Shares. Listing of the Common Shares is subject to compliance with all of the requirements of TSX on or before September 8, 2016. The closing of the Offering and listing on the TSX are expected to occur concurrently.

On June 14, 2016, the Corporation announced the receipt by the City of Shawinigan of the zoning approval necessary for permitting the site of the Phase 1 Plant and the future Commercial Hydromet Plant and therefore the release from escrow and the disbursement to the Corporation of the first tranche amount of \$6,000,000 pursuant to the JMBM Agreements (the "JMBM Agreements First Tranche Amount") and the second \$5,000,000 tranche of the RQ financing proceeds in connection with the Private Placement. On release of the RQ financing proceeds, the Corporation issued the remaining 14,705,882 units to RQ, comprised of 14,705,882 Common Shares and 7,352,941 warrants. Each warrant issued in connection with the second escrow release is exercisable to purchase one Common Share at a price of \$0.48 until June 13, 2018. Following this second escrow release and as at the date of the Prospectus, RQ holds approximately 11.7% of the issued and outstanding Common Shares (16.5% assuming the exercise of all warrants held by RQ and without giving effect to the Offering or the exercise of any dilutive options or other warrants). For as long as RQ holds at least 10% of the issued and outstanding Common Shares calculated on a non diluted basis, RQ shall be entitled to nominate a designated person for election to the Corporation's board of directors, and the Corporation will be required to obtain RQ's consent before moving its headquarters, its center of decision making or its principal place of business outside of Québec.

On June 10, 2016, the Corporation announced it had filed a preliminary short form prospectus in connection with an offering of Common Shares.

On June 9, 2016, the Corporation announced it had refiled the Technical Report to reflect clerical data entry errors in certain text and tables. The financial model for the Technical Report was not impacted by the corrections. Also, one of the authors of the Technical Report has been removed as a result of such individual not meeting the necessary independence requirement as set out in NI 43-101.

As disclosed on June 1, 2016, the Corporation announced it had obtained issuance of Canadian Patent 2,874,917 for its lithium hydroxide and lithium carbonate process and has received a Notice of Allowance for the corresponding patent application in the United States. The Canadian Patent 2,874,917 was issued on June 21, 2016.

On May 24, 2016, the Corporation announced that the first \$5,000,000 tranche of the RQ financing proceeds in connection with the Private Placement was released from escrow and disbursed to the Corporation. The Corporation issued in counterpart 14,705,883 units to RQ comprised of 14,705,883 Common Shares and 7,352,942 warrants. Each warrant issued in connection with the first escrow release is exercisable to purchase one Common Share at a price of \$0.48 until May 20, 2018.

On May 11, 2016, the Corporation announced that it had entered into the JMBM Agreements in connection with (i) the completion of the required financing for the Phase 1 Plant through an up-front payment of \$12,000,000 in exchange for services and products of the same value from the Phase 1 Plant, and (ii) a commercial off-take agreement for the supply of lithium salts. The escrowed amount is scheduled to be released in three tranches. The JMBM Agreements First Tranche Amount was released from escrow and disbursed to the Corporation on June 10, 2016 upon completion of certain milestones including approval of the modification to the zoning applicable to the Phase 1 Plant site, which was obtained on June 1, 2016. The second tranche, in the amount of \$3,000,000, will be released upon completion of certain milestones including receipt of written approval by the MSDEFCC with regards to the Corporation's rehabilitation plan, receipt of certain environmental authorizations, receipt of confirmation that all equipment necessary for the completion of the Phase 1 Plant have been ordered, and the finalization of the operating manuals (which, for most of these milestones, are anticipated to occur in the fourth quarter of the 2016 calendar year). Finally, the third tranche, in the amount of \$3,000,000, will be released upon the first receipt and acceptance of in-spec lithium hydroxide monohydrate in accordance with the commercial off-take agreement for the supply of lithium salts (anticipated to occur in the first quarter of the 2017 calendar year).

On May 10, 2016, the Corporation announced the closing of the Shawinigan Purchase Agreement for certain lands and selected existing buildings located in Shawinigan, Québec to house the Phase 1 Plant and the future Commercial Hydromet Plant. The purchase price of \$2,000,000 is to be paid in two instalments, with the first tranche of \$300,000 to be released from escrow upon completion of certain milestones including approval of the modification to the zoning applicable to the Phase 1 Plant site. Since such approval was obtained on June 1, 2016, the release from escrow of the first tranche of \$300,000 is expected to occur once the rehabilitation plan is approved. As for the second tranche of \$1,700,000, that amount will be paid closer to the construction start date on the Commercial Hydromet Plant upon, among other conditions, certain construction permits being obtained.

On April 29, 2016, the Corporation announced the purchase of a new self-contained dense media separation portable mill (the "Portable Mill") to be located at the Whabouchi Property, which will produce concentrate for the Phase 1 Plant and also serve as a training facility. The purchase price for the Portable Mill consisted of cash consideration of \$750,000 and 3,000,000 Common Shares, of which 1,500,000 are subject to a 4-month hold period, 750,000 are subject to an 8-month hold period and 750,000 are subject to a 12-month hold period.

On April 4, 2016, the Corporation announced the results of its updated 2016 feasibility study on the Whabouchi Project, which is the subject of the Technical Report.

On March 24, 2016, the Corporation announced the closing of the Private Placement with RQ and NDC, for 38,235,295 units of the Corporation, at a price of \$0.34 per unit, for aggregate gross proceeds of \$13,000,000. The financing proceeds from RQ (\$10,000,000) closed in escrow pending the conclusion of the JMBM Agreements which was subsequently announced on May 11, 2016 (see above).

On February 2, 2016, the Corporation announced the signing of the SDTC Grant for the construction and operation of its Phase 1 Plant and receipt of the first instalment of \$2,117,969 in connection therewith. The second instalment of \$2,117,969 was received on June 29, 2016 (see above). The remaining instalments are scheduled to be paid as follows: (i) the third instalment, in the amount of \$4,614,864, will be paid upon completion of the milestones of the Phase 1 Plant leading to conception, installation, commissioning and the production of lithium hydroxide from lithium sulfate; (ii) the fourth instalment, in the amount of \$2,732,198, will be paid upon completion of the milestones leading to the achievement of producing lithium hydroxide or lithium carbonate from spodumene; and (iii) the fifth instalment, in the amount of \$1,287,000, will be paid upon completion of the project and the acceptance of the final report by the SDTC.

On November 23, 2015, the Corporation announced the appointment of Mr. François Biron as a member of its board of directors.

On October 19, 2015, the Corporation announced that it had obtained a Notice of Allowance in Canada concerning its patent application that describes its proprietary process of preparing lithium hydroxide and lithium carbonate from spodumene sources using membrane electrolysis.

On September 4, 2015, the Corporation announced that it had received the CA for the Whabouchi Project from the MSDEFCC. The CA is one of the most significant permits for mining projects in Québec and means that the Corporation now has all basic environmental authorizations to proceed with the Whabouchi Project.

On July 30, 2015, the Corporation announced that it had received a positive federal environmental assessment decision for the Whabouchi Project from the MECC, allowing it to pursue project financing discussions to start mine construction.

On March 11, 2015, the Corporation entered into an agreement with the Minister of Energy and Natural Resources of Québec for a \$3,000,000 grant in connection with the Technoclimat program. To date, the Corporation received the first and second instalments of \$300,000 and \$450,000, respectively, in connection therewith. The remaining instalments are scheduled to be paid as follows: the third instalment, in the amount of \$900,000, will be paid upon completion of certain milestones including the milestones leading to conception, installation and commissioning of the Phase 1 Plant, the fourth instalment, in the amount of \$900,000, will be paid upon completion of the milestones leading to the achievement of lithium production trials from lithium sulfate and finally the fifth instalment, in the amount of \$450,000 will be paid upon completion of certain milestones including the achievement of lithium production trials from spodumene.

THE WHABOUCHI PROJECT

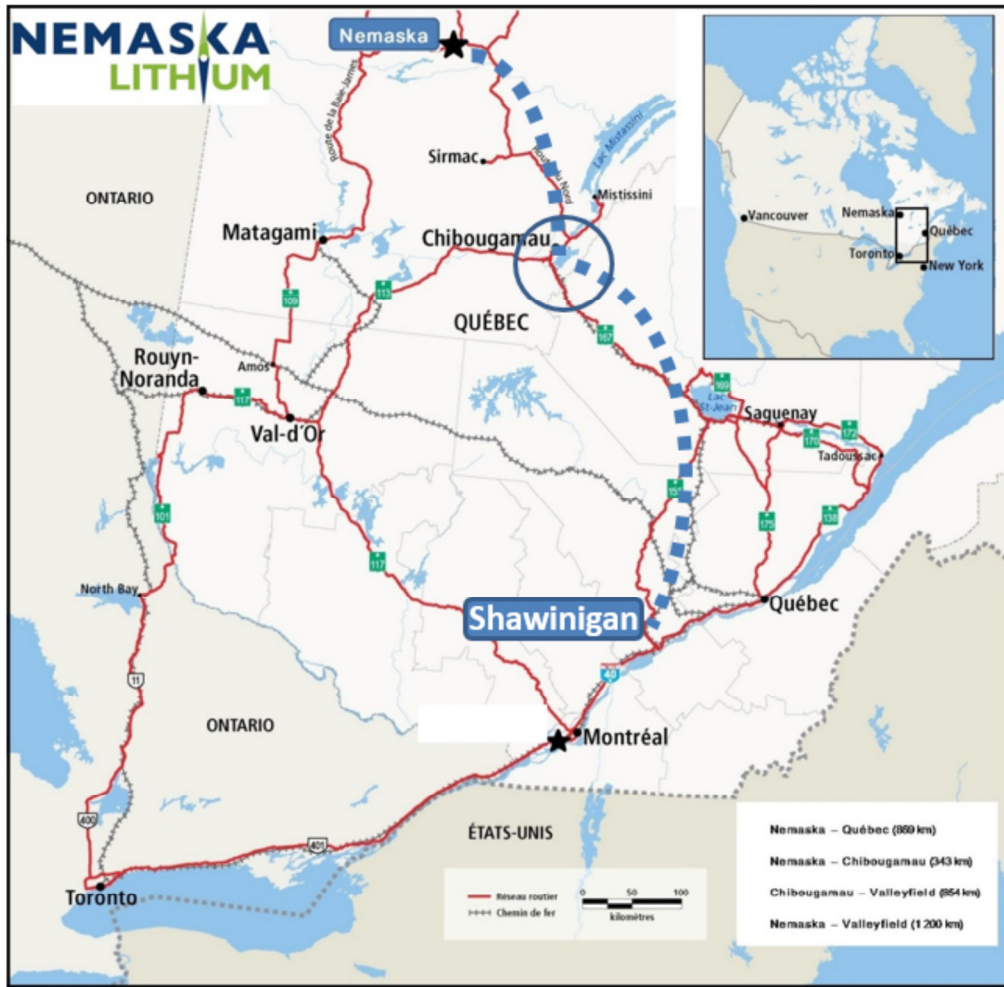
The following description of the Whabouchi Project has been summarized from the Technical Report that was prepared by Jean-Philippe Paiement, M.Sc., P.Geo., Nicolas Skiadas, P.Eng., Noel L. Journeaux, P. Geo., Eng., Raymond Simoneau, P.Eng., Denis Carignan, P.Eng., Anthony (Tony) Boyd, P.Eng., Daniel M. Gagnon, P.Eng., William Shadeed, P.Eng., Ewald Pengel, P.Eng., Alain Michaud, P.Eng., Michel L. Bilodeau, P.Eng., M. Sc. (App.), Ph.D., Mary Jean Buchanan, P.Eng., M.Env. and André Boilard, P.Eng., PMP (the “Authors of the Technical Report”), each of whom is a “qualified person” and “independent” of the Corporation within the meaning of NI 43-101 and is qualified in its entirety with reference to the full text of the Technical Report. The below summary is subject to all the assumptions, conditions and qualifications set forth in the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and for additional technical details, reference should be made to the complete text of the Technical Report which was filed with the applicable regulatory authorities and was posted on SEDAR at www.sedar.com on June 8, 2016. Defined terms and abbreviations used in this section and not otherwise defined in the Prospectus have the meanings attributed to them in the Technical Report.

Project Description, Location, and Access

The Whabouchi Project is composed of two specific operations, the first one at the Whabouchi Property that will house the mining and concentrating operations and the other in Shawinigan, Québec, site of the hydrometallurgical plant. Figure 1 below shows the general location of the Whabouchi Project.

The Whabouchi Property is located in the Eeyou Istchee / James Bay area of the Province of Québec, approximately 30 km east of the Nemaska community and 300 km north-northwest of the town of Chibougamau. The Whabouchi Property is accessible by the *Route du Nord*, the main all-season gravel road linking Chibougamau to Nemaska, and crossing the Whabouchi Property near its center. The Nemiscau airport is located 18 km west of the Whabouchi Property.

Figure 1 – Whabouchi Project General Location



The Shawinigan site is readily accessible through the Québec highway network and is located in the heart of the Grand-Mère sector. This site is easily accessible via highway 40 or highway 20 and highway 55. It is located about 40 km north of Trois-Rivières, 140 km west of Québec City, 170 km east of Montréal, and 530 km south-west of Chibougamau. Being a brown site, previously housing a pulp & paper operation unit formally known as Resolute Forest Products' ("RFP") Laurentide plant, infrastructure to access the site are well developed and in good conditions. It is also closed to the ports of Trois-Rivières and Bécancour and it is deservd by commercial rail network by the Canadian National (CN).

The Corporation owns 100% interest in the Whabouchi Property and in the Shawinigan site. The Whabouchi Property is composed of one block containing 33 map-designated claims covering a total of 1,716 ha. All claims comprising the Whabouchi Property are located on Crown Lands and are in good standing. Ten claims are suspended and 23 claims are active. The suspended claims are in the process of being evaluated for transfer to mining lease status. They were suspended on February 25, 2013 and will hold the suspended status until a decision has been made regarding their transfer to mining lease status.

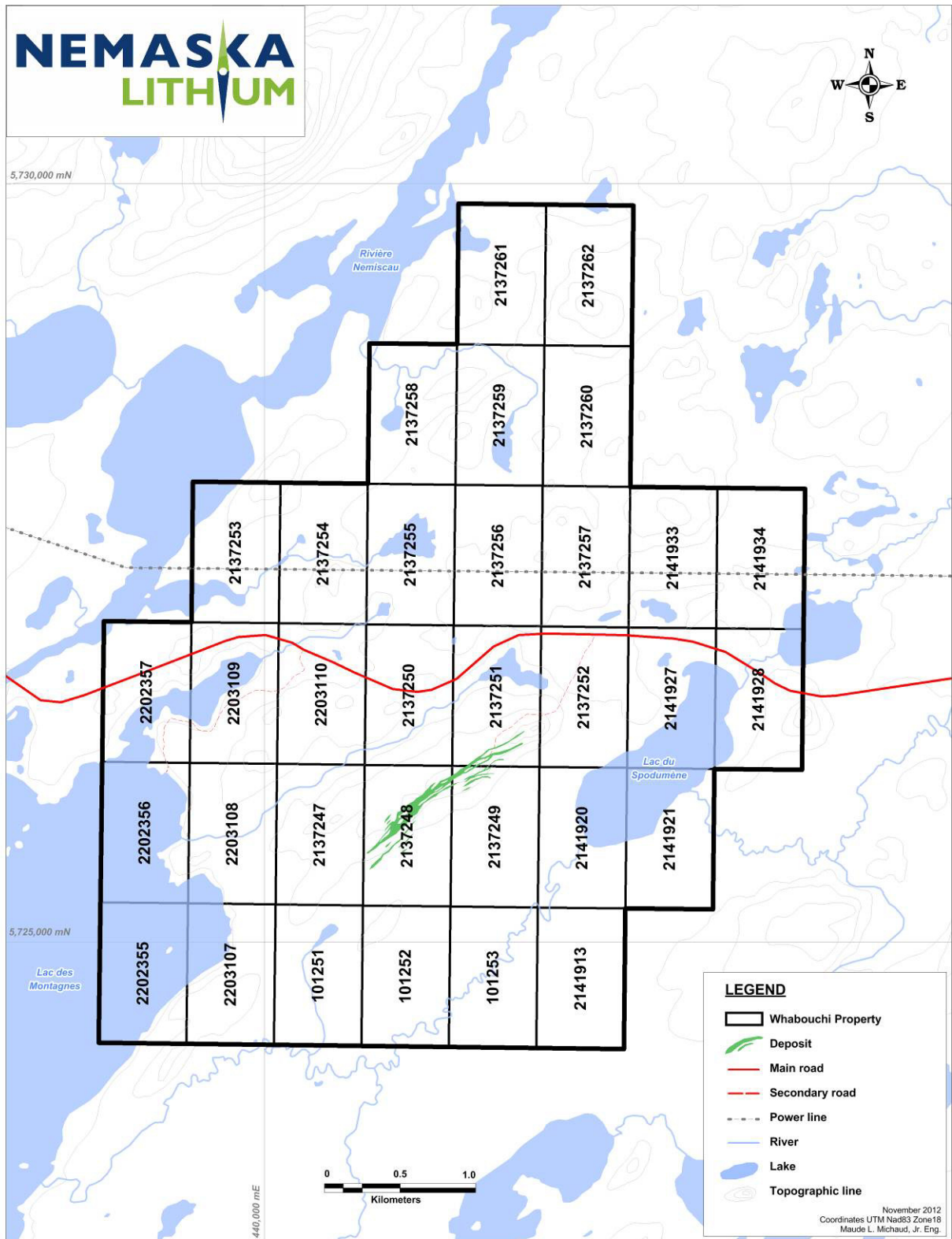
The claims are 100% owned by the Corporation and were acquired via a purchase agreement with Victor Cantore Group (16 claims), a purchase agreement with Golden Goose Resources Inc. (10 claims) and directly by map designation (7 claims). The claims acquired from Golden Goose are subject to a 2% NSR royalty, 50% of this 2% NSR can be purchased by the Corporation for \$1,000,000. The claims acquired from Victor Cantore and four of the seven claims acquired by map designation are subject to a 3% NSR royalty in favour of Victor Cantore Group and 33.3% of this 3% NSR can be purchased by the Corporation for \$1,000,000. The Whabouchi deposit is located on the claims acquired from the Victor Cantore Group. The expiry dates for the claims range from November 2, 2017 to January 24, 2018. The mining titles are listed in Table 1 and shown in Figure 2.

The Corporation must obtain certain surface rights at the Whabouchi Property to construct the infrastructures related to the contemplated mining operation. For further details as to the surface rights to be obtained at the Whabouchi Property, please refer to Table 20-3 of the Technical Report. There is no reason to believe that the Corporation will not be able to secure the surface rights to construct the infrastructures related to the contemplated mining operation. All of the proposed mining infrastructures are located on category III land as defined in the James Bay and Northern Québec Agreement (the "JBNQA").

Table 1 – List of the Property Mineral Titles

| SNRC | Area (ha) | Title | | Status | Registration Date | Expiration Date | Renewals Done | Title Holder |
|------------|-----------|-------|---------|-----------|-------------------|-----------------|---------------|------------------|
| SNRC 32O12 | 53.41 | CDC | 101251 | Suspended | 03-11-05 | 02-11-17 | 5 | Corporation 100% |
| SNRC 32O12 | 53.41 | CDC | 101252 | Suspended | 03-11-05 | 02-11-17 | 5 | Corporation 100% |
| SNRC 32O12 | 53.41 | CDC | 101253 | Active | 03-11-05 | 02-11-17 | 5 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2137247 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2137248 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2137249 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2137250 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2137251 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2137252 | Suspended | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137253 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137254 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137255 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137256 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137257 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2137258 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.37 | CDC | 2137259 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.37 | CDC | 2137260 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.37 | CDC | 2137261 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.37 | CDC | 2137262 | Active | 26-11-07 | 25-11-17 | 4 | Corporation 100% |
| SNRC 32O12 | 53.41 | CDC | 2141913 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2141920 | Suspended | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2141921 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2141927 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2141928 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2141933 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.38 | CDC | 2141934 | Active | 24-01-08 | 23-01-18 | 4 | Corporation 100% |
| SNRC 32O12 | 53.41 | CDC | 2202355 | Active | 21-01-10 | 20-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2202356 | Active | 21-01-10 | 20-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2202357 | Active | 21-01-10 | 20-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.41 | CDC | 2203107 | Active | 25-01-10 | 24-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.4 | CDC | 2203108 | Suspended | 25-01-10 | 24-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2203109 | Active | 25-01-10 | 24-01-18 | 3 | Corporation 100% |
| SNRC 32O12 | 53.39 | CDC | 2203110 | Active | 25-01-10 | 24-01-18 | 3 | Corporation 100% |

Figure 2 – Map of the Property Mineral Titles



Environmental permits are well underway for the Whabouchi Property and on September 4, 2015, following a positive recommendation by the COMEX, the Administrator granted authorization for the Whabouchi Project. The Corporation also announced that it has received the General CA for the Whabouchi Project from the MSDEFCC and has already begun to fulfill its provisions. Local communities have accepted the Whabouchi Project as presented and are eager to see its implementation as it will provide a good source of employment and revenue for the people in the area.

As for the Shawinigan site, the city of Shawinigan, Québec (via its Société de développement de Shawinigan Inc.) had took over the site from its previous owner, RFP, and is guaranteeing the site integrity and suitability to the process being contemplated by the Corporation. As being an industrial site, environmental requirements are not as stringent and are being addressed by all parties. Property titles have been acquired by the Corporation at a cost of \$2,000,000 as per the Shawinigan Purchase Agreement signed on May 10, 2016. The purchase price of \$2,000,000 is to be paid in two instalments, a first tranche of \$300,000 and a second tranche of \$1,700,000. The first tranche was put in escrow at the signature of the purchase agreement and should be released once the Corporation receives the construction permit for the Phase 1 Plant. The second tranche will be paid closer to the construction start date of the Commercial Hydromet Plant, once the construction permits are obtained.

To date, no significant factors have been identified that could affect the ability to performed the work on either of the two properties.

History

Numerous geological surveys and geoscientific studies have been conducted by the Québec Government in the Eeyou Istchee / James Bay area. Geological surveys in the 1960s (Valiquette 1964, 1965 and 1975) cover the entire Whabouchi Property area. In 1998, the MRNF released the results of a regional lake bottom sediment survey completed in 1997.

The first exploration work reported in the area, dates back to 1962 by Canico and included the discovery of a lithium-bearing pegmatite by the geologists of the *Québec Bureau of Mines*. That same year, Canico drilled two packsack drill holes on the pegmatite, followed by three (3) diamond drill holes on the same pegmatite ridge in 1963. A total of 463.11 m were drilled. The best result obtained was 1.44% Li₂O over 83.2 m (Elgring 1962).

No exploration was reported for the next ten years. In 1973, James Bay Nickel Ventures (Canex Placer) performed a large-scale geological reconnaissance that covered the Whabouchi Property (Burns 1973). From 1974 to 1982, the exploration work was exclusively reported by the *Société de développement de la Baie James*, which mainly executed large scale geochemical surveys, followed by geological reconnaissance of the anomalies (Pride 1974, Gleeson 1975 and 1976). Two exploration programs, one in 1978 and the other in 1980 were aimed at lithium exploration, with the evaluation of the Whabouchi spodumene-bearing pegmatite (Goyer et al. 1978, Bertrand 1978, Otis 1980, Fortin 1981, and Charbonneau 1982). No channel sampling or drill holes are reported. No work was conducted from 1982 to 1987.

In 1987, Westmin Resources completed an airborne Dighem III survey. A part of this survey was located immediately east of the Whabouchi Property (McConnell 1987). In 1987-1988, Muscocho Exploration also completed ground magnetic and VLF surveys that covered a major part of the Whabouchi Property. The spodumene-bearing pegmatite gave a weak magnetic and VLF response. The Muscocho Exploration efforts were oriented toward the search for massive sulphides. A program of 14 holes, 11 of them located on the southern part of the Whabouchi Property, was completed. Several arsenic anomalies were obtained, with a maximum of 3,750 ppm, as in Hole ML-88-8 (Brunelle 1987, Gilliatt 1987 and Zuiderveen 1988).

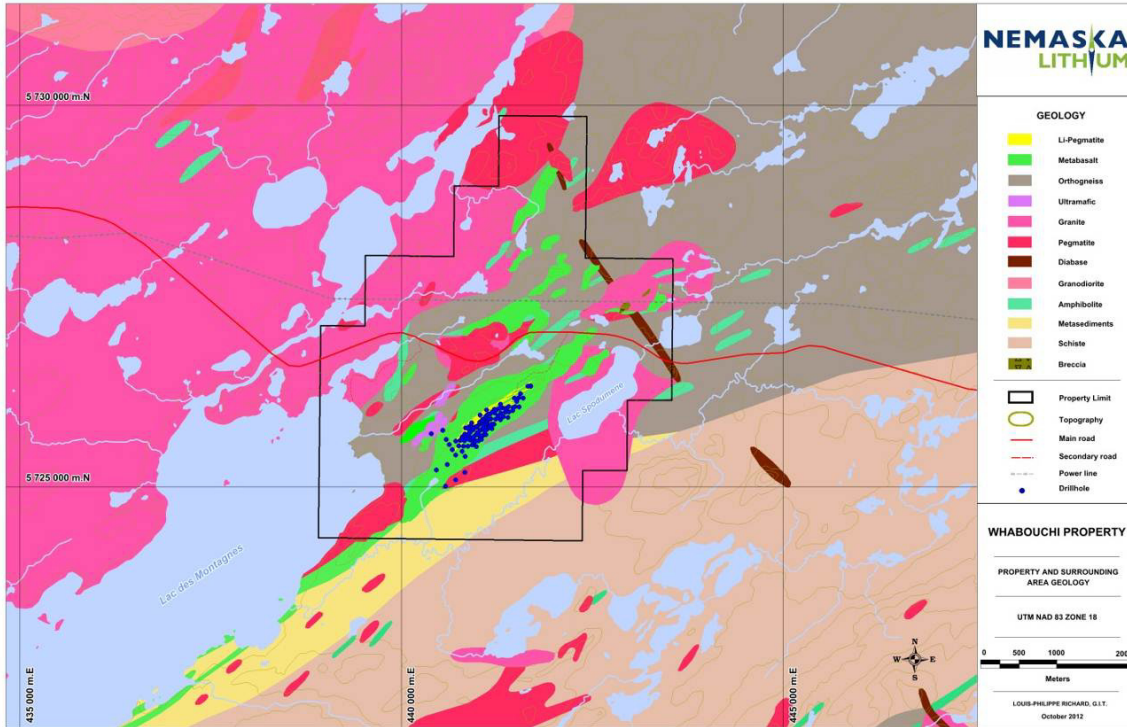
In 2002, while exploring for tantalum, Inco re-sampled the spodumene-bearing pegmatite, taking 11 channel samples and seven grab samples. The best value obtained by Inco was 0.026% Ta, and Li₂O values ranging from 0.3% to 3.72% (Babineau 2002).

In 2008, Golden Goose Resources visited and sampled the Valiquette (Ni) and chromite showings south of the Whabouchi Property (Beaupre 2008).

Geological Setting, Mineralization, and Deposit Types

The Whabouchi Property is located in the northeast part of the Superior Province of the Canadian Shield craton, in the *Lac des Montagnes* volcano-sedimentary formation which is principally composed of metasediments and mafic and ultramafic amphibolites. A spodumene-bearing pegmatite intrusive dyke swarm occurs on the Whabouchi Property and is composed of a series of sub-parallel and general sub-vertical pegmatite bodies up to 90 m total composite width. The mineralized pegmatite swarm has a general NE-SW orientation, extends 1.3 km along strike and reaches a depth of more than 500 m below surface. The lithium mineralization occurs mainly in medium to large spodumene crystals (up to 30 cm in size) but petalite also occurs, averaging less than 2% in the deposit. Figure 3 shows the drill holes location on the Whabouchi Property and the typical geology in the area.

Figure 3 – Map of the Whabouchi Property Geology with Drill Holes Location



The mineralization of economic interest at the Whabouchi Property is found in spodumene-bearing rare metal bearing pegmatite dyke complexes. Spodumene is a lithium-bearing mineral, which contains 8% Li_2O when pure. Spodumene also contains minor amounts of niobium and tantalum. Assays for spodumene normally range between 7.6% and 8.0% Li_2O depending on the degree of replacement by Na_2O . Typically, the Whabouchi pegmatite sampled from drill core averages 1.62% Li_2O with values up to 4.24% Li_2O .

Rare metal bearing pegmatites are normally found in moderately metamorphosed terranes near vast granitic plutons: a possible parental source for the pegmatitic magmas. Pegmatites are associated with granitic intrusions and are generally zoned around these intrusive centers. Pegmatites tend to be more enriched in volatile elements further away from the intrusive centers. Pegmatites are thought to be derived from primary crystallization of highly differentiated volatile enriched granitic magmas. The host rocks of the intrusion also play a significant role in the final composition of the pegmatites due to the incorporation of host rock in the magma during the intrusive process.

Pegmatite complexes can vary from a few metres to a hundred metres in length with the same variation in widths. Typically, pegmatite intrusions are zoned and show the following structures from the exterior to the interior: 1) the rim zone is usually very narrow and fine-grained; 2) the wall zone is normally composed of quartz, feldspar and muscovite and marks the development of larger crystals typical of pegmatites; 3) the intermediate zone, when present, comprises a more complex mineralogy with varying amounts of economic minerals such as micas, beryl (Be), spodumene (Li), amblygonite (Li), lepidolite (Li-Rb), colombite-tantalite (Nb-Ta) and cassiterite (Sn). Crystals in this zone can extend up to metric lengths and 4) the central zone is mainly composed of quartz in pods or automorph crystals.

Two distinct phases are observed in the Whabouchi pegmatites: a spodumene-bearing phase comprising most of the pegmatite material and a lesser, white to pink barren quartz-feldspar pegmatite. The lithium mineralization occurs mainly in medium to large spodumene crystals (up to 30 cm in size) but petalite also occurs, averaging less than 2% in the deposit.

The Whabouchi deposit is a lithium-bearing rare metal pegmatite. Emplacement of rare metal pegmatites is the last phase of the crystallization of a parent granite pluton. High-pressure residual fluids, with abundant water, silica, alumina, alkalis, and rich in rare elements and other volatiles from the crystallization of a pluton at modest depth, concentrate in the cupola or upper domed contact of the granite as it crystallizes. Under increasing pressure, this fluid dilates fractures in overlying rocks in a manner analogous to that of hydraulics in mechanical equipment, thereby providing feeder channels for emplacement of pegmatites at shallower depth. Progressive crystallization of the main rock-forming minerals out of this fluid enriches the final fluids in rare metals and the process culminates in the formation of rare metal pegmatites still under fluid pressure. A variety of types occur depending on the abundance and type of rare metals associated with the pluton and the physico-chemical conditions affecting the sequence of emplacement events.

The Whabouchi pegmatite is a highly fractionated, spodumene-rich pegmatite swarm, individual bodies of which display typical zoning to varying degrees – a comparatively thin albite wall zone at the contacts followed by a K-feldspar rich zone with lesser albite, quartz, mica, and little or no spodumene, followed by a spodumene-quartz-rich core zone (with variable feldspars and mica) making up more than 90% of the cross-section. The Whabouchi deposit lacks a quartz core which is one of the classic zoned pegmatite features.

Exploration

The Corporation completed exploration programs in 2009, 2010, 2011, 2012 and 2013 on the Whabouchi Property. A total of 143 surface channels for 944 samples and 129 drill holes for 23,900 m were completed by the Corporation. In addition to drilling, 14 line-km of ground magnetic surveying covering the main mineralized occurrence and 670 line-km of helicopter-borne magnetic surveying covering the Whabouchi Property were completed.

The Corporation began working on the Whabouchi Property on October 2009 with a first exploration program that lasted 25 days. During the fall 2009 exploration program, mechanical stripping successfully exposed the spodumene-bearing pegmatites in 16 trenches spaced between 50 m and 100 m apart and covering 1,000 m in strike length. From these trenches, 35 channels were cut and a total of 295 samples were collected for analysis. In addition to the trenching work, seven diamond drill holes were completed including one hole abandoned for technical reasons. All successful drill holes have intersected pegmatite zones.

A second exploration program was conducted from January to April, 2010. During that program, 59 drill holes totalling 11,600 m were completed. In addition to drilling, 14 line-km of ground magnetic surveying covering the main mineralized occurrence and 670 line-km of helicopter-borne magnetic surveying covering the Whabouchi Property were completed. Later in May 2010, the Corporation completed 2,780 m of mechanical stripping of the south contact of the main mineralized zone with 16 trenches and seven contact zones and collected 649 channel samples. The stripping also allowed the mapping of the surface geology. A 1.2 km access road from the *Route du Nord* main road was constructed in 2010.

In late 2010, 23 drill holes were completed, with an additional 26 holes in early 2011 for a total of 9,500 m. In May 2011, a 50-tonne bulk sample was collected at surface for metallurgical testing purposes.

In 2013, 14 drill holes were added to better define the mineralization towards the eastern boundary and also to increase the level of confidence of the in-pit mineral resources. A total of 1,815 m of drilling was completed and 351 samples were sent for Li₂O assay.

Drilling

A total of 129 drill holes were completed by the Corporation to define the mineral deposit. In addition to the drilling, extensive mechanical stripping on surface permitted the completion of more than 140 channels. Table 2 and Table 3 summarize the drilling and channel sampling completed by the Corporation to define the mineralized pegmatite intrusion.

Table 2 – Drilling Completed by the Corporation at the Whabouchi Property

| Year | Count | Metres Drilled |
|--------------|--------------|-----------------------|
| 2009 | 7 | 915 |
| 2010 | 82 | 15,670 |
| 2011 | 26 | 5,500 |
| 2013 | 14 | 1,815 |
| Total | 129 | 23,900 |

Table 3 – Channel Sampling Done by the Corporation at the Whabouchi Property

| Year | Channels | Total Samples |
|--------------|-----------------|----------------------|
| 2009 | 35 | 295 |
| 2010 | 108 | 649 |
| Total | 143 | 944 |

All the drilling done by the Corporation used drill core size of 4.8 cm (“NQ”) and drill core size of 6.4 cm (“HQ”). HQ size was used to collect material for metallurgical testing. The samples collected for analysis represent approximately 36% of the drill core material. The drill holes are generally spaced 25 m to 50 m apart with azimuth ranging between N312° and N340° with an average of N330°. The dips range from 43° to 75° and average 50°. The deepest hole reaches 500 m below surface. The mineralized drill intersection ranges from near true thickness to 70% true thickness.

The geometry of spodumene-bearing pegmatites is defined as a series of stacked dyke-shaped intrusions which include a thicker principal intrusion. Some pegmatite contains local rafts or xenoliths of the host rock which can be a few metres thick and hundreds of metres in length. The mineralization is closed at its western end by chemical zoning and at its eastern edge by closure of the dyke system.

Based on the information gathered from the drilling, the pegmatite intrusion is more than 1,300 m in length and can be up to 90 m thick. The intrusions are generally oriented NW30° with dips to the south at an angle ranging between 80° and 85° and are reaching depths of up to the 520 m below surface.

Jean-Philippe Paiement, M.Sc., P.Geo., of SGS completed verification programs of the analytical data and considers that there is no known drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results. The data from the few historical drill holes reported could not be validated and were not considered as part of the current mineral resource estimate.

Sampling, Analysis, and Data Verification

SGS completed independent verification programs conducted at the Whabouchi Project site on November 27, 2013.

The channel and drill core logging and sampling was conducted at the Whabouchi Property or at the nearby Whabouchi Project facilities (Nemiscau Camp). All samples collected by the Corporation during the course of the 2009, 2010, 2011 and 2013 exploration programs were, sent to the *Table Jamésienne de Concertation Minière* (“TJCM”) preparation laboratory located in Chibougamau, Québec. The 2009 and 2010 sample pulps were shipped to SGS laboratory in Don Mills, Ontario, for analysis. The 2011 and 2013 sample pulps were sent to ALS Canada Inc. – Chemex Laboratory (“ALS Chemex”) in North Vancouver, British Columbia and Val d’Or, Québec, for analysis. The remaining drill core is stored at the Whabouchi Property site in covered metal core racks.

Sampling intervals were determined by the geologist, marked and tagged based on observations of the lithology and mineralization. The typical sampling length is one metre but can vary according to lithological contacts between the mineralized pegmatite and the host rock. In general, one host rock sample was collected from each side that contacts the pegmatite.

SGS validated the exploration processes and core sampling procedures (2011) used by the Corporation as part of an independent verification program. Jean-Philippe Paiement, M.Sc., P.Geo., of SGS concluded that the drill core handling, logging and sampling protocols are at conventional industry standard and conform to generally accepted best practices. Mr. Paiement considers that the samples quality is good and that the samples are generally representative. Finally, Mr. Paiement is confident that the system is appropriate for the collection of data suitable for the estimation of a NI 43-101 compliant mineral resource estimate.

Channel and drill core samples collected during the 2009, 2010, 2011 and 2013 exploration programs were transported directly by the Corporation representatives to the TJCM laboratory facilities in Chibougamau, Québec for sample preparation. The submitted samples were pulverized at the TJCM laboratory to respect the specifications of the analytical protocol and then shipped to SGS or ALS Chemex for analysis. All samples received at TJCM were inventoried and weighted prior to being processed. Drying was done to samples having excess humidity. Sample material was crushed to 80-85% passing two mm using jaw crushers. Ground material was split using a split riffle to obtain a 275-300 g sub-sample. Sub-samples were then pulverized using a two-component ring mill (ring and puck mill) or a single component ring mill (flying disk mill) to 85-90% passing 200 mesh (75 µm). The balance of the crushed sample (reject) was placed into the original plastic bag. The pulverized samples were finally sent to SGS or ALS Chemex using Canada Post secured delivery services.

There are two analytical methods used for the pulverized samples from the Whabouchi Property. The first analytical method used by SGS is the 55-element analysis using sodium peroxide fusion followed by both ICP-OES and ICP-MS finish (SGS code ICM90A). This method uses ten g of the pulp material and returns different detection limits for each element and includes 10 ppm lower limit detection for Li. The ICM90A analytical method was conducted at the beginning of the 2009-2010 exploration program to verify the content of other elements in the mineralization. The second method processed 20 g of pulp material and used the mineralization grade sodium peroxide fusion with ICP-OES finish methodology with a lower detection limit of 0.01% Li (SGS code ICP90Q). The ICP90Q analytical method was used at the beginning of the exploration program on samples analysed by ICM90A returning values greater than 0.3% Li. The ICP90Q method for Li was later used on a more systematic basis. Analytical results were sent electronically to the Corporation and results were compiled in an MS Excel spreadsheet by the project manager.

The 2010 pulp reanalysis and the 2011 and 2013 analyses were conducted at ALS Chemex using the mineralization grade lithium four-acid digestion with ICP-AES (ALS code Li-OG63). The Li-OG63 analytical method used four g of pulp material and returned a lower detection limit of 0.01% Li.

Above the laboratory QA/QC routinely implemented by SGS and ALS Chemex using pulp duplicate analysis, the Corporation developed an internal QA/QC protocol consisting in the insertion of analytical standards, blanks and core duplicates on a systematic basis with the samples shipped to the analytical laboratories. In 2010, the Corporation also sent pulps from selected mineralized intersection to ALS Chemex for reanalysis.

Two different standards were used by the Corporation for the internal QA/QC program: one low grade lithium ("Li-LG") and one high grade lithium ("Li-HG") standards. Both standards were custom made reference materials coming from historical drill core from the Whabouchi deposit itself. The preparation for the standards material has been conducted by TJCM using the same sample preparation protocol used for the regular Whabouchi samples. Each standard inserted weight between 90 and 120 g. In order to evaluate their expected values, Li-HG and Li-LG standards have been analysed six times, each at the SGS laboratory, and five times each at the ALS Chemex laboratory. Both facilities are accredited ISO/IEC 17025 laboratories. The analytical protocol used at SGS is the mineralization grade sodium peroxide fusion with ICP-OES finish (SGS code ICP90Q). The analytical protocol used at ALS Chemex is the mineralization grade lithium four-acid digestion with ICP-AES finish (ALS code Li-OG63).

For the Li-LG standard, the analytical results returned from SGS for the six samples averaged 0.46% Li versus an average of 0.45% Li for the five samples submitted to ALS Chemex. For the Li-HG standard, the average of the six samples returned 0.72% Li versus an average of 0.71% Li for the five samples processed at ALS Chemex. Each laboratory showed relatively consistent analytical results from one sample to another for each standard analysed.

A review of the QA/QC analytical results by SGS for the standards, blanks and core duplicates did not highlight any analytical issues. SG measurements were completed in 2010 and 2011 on mineralized core samples to estimate an average bulk density value for the Whabouchi deposit and were considered acceptable for the Technical Report.

Jean-Philippe Paiement, M.Sc., P.Geo., of SGS is of the opinion that the sample preparation, analysis and QA/QC protocol used by the Corporation for the Whabouchi Project follow generally accepted industry standards and that the Whabouchi Project data is of a sufficient quality.

As part of the 2013 data verification programs, SGS completed independent analytical checks of drill core duplicate samples taken from the Corporation 2011 and 2013 diamond drilling programs. SGS also conducted verification of the laboratories analytical certificates and validation of the Whabouchi Project digital database supplied by the Corporation for errors or discrepancies.

During a site visit conducted on November 27, 2013, a total of 39 mineralized core duplicates were collected from holes WHA-11-105, WHA-11-90, WHA-13-144, WHA-13-132, WHA-13-143 and WHA-11-96 and submitted for Li analysis at the SGS laboratory in Lakefield, Ontario. The core duplicates were processed using the same analytical protocol used by the Corporation during the 2009 and 2010 drilling programs (code ICP90Q) except that the sample preparation has been done directly at the SGS and not at the TJCM laboratory.

The average relative grade differences between the original and the control samples range between 1% and 12%, which can be considered acceptable for core duplicates, considering the coarse nature of the spodumene mineralization generally observed at Whabouchi. The weighted average grades between the original and the control samples outline similar results.

The digital drill holes database supplied by the Corporation has been validated for the following data field: collar location, azimuth, dip, hole length, survey data, lithology and analytical values. The validation returned only minor discrepancies located in lithology and assay data, which were communicated to the Corporation and corrected in the final drill holes database.

As part of the data verification of the Whabouchi Project, the analytical data from the database has been validated with the values from the laboratories analytical certificates. No errors were noted during the validation.

The final database includes the channel samples collected in 2009 and 2010 from surface trenches and the drilling data from the 2009, 2010, 2011 and 2013 drilling programs. The final drill hole with reported analytical results included in the database is WHA-13-144. The few historical drill holes and channel analytical data were not considered for the current mineral resource estimate, but were kept for modeling purposes.

Table 4 lists the data contained in the final drill holes database. Jean-Philippe Paiement, M.Sc., P.Geo., of SGS is in the opinion that the final drill holes database is adequate to support a mineral resource estimate.

Table 4 – Final Drill Holes Database

| Type | Count | Metres Drilled | Survey Records | Lithology Records | Assays Records | % Assayed Metres |
|--------------|------------|----------------|----------------|-------------------|----------------|------------------|
| Channels | 144 | 6,806 | 0 | 855 | 944 | 14% |
| Drill holes | 129 | 23,900 | 722 | 2,143 | 8,389 | 36% |
| Total | 273 | 30,706 | 722 | 2,998 | 9,333 | |

Mineral Processing and Metallurgical Testing

Concentrator Process Testing

Mine representative samples from both drill core and a 50-tonne bulk sample were used at different stages to define the mineral processing parameters.

Bench scale testing was carried out on core from four NQ holes drilled by the Corporation through the central portion of the main pegmatite in order to obtain approximately one tonne of mineralized core exclusively for metallurgical test work. The core was sent by truck to the SGS laboratory in Lakefield, Ontario in July of 2010. The head grade of the sample was reported as 1.72% Li₂O. The material collected from the pegmatite was 5.5% higher in Li₂O than the average grade determined by SGS and used in their resource estimation. This was considered to be within acceptable limits and appropriate for the metallurgical work for the Technical Report. The following tests were carried out:

- Mineralogy;
- Crushing and Grinding Tests;
- Dense Medium Test Work;
- Settling, Filtration and Freezing Tests; and
- Bench Scale Flotation Tests.

DMS pilot testing was carried out on two separate samples from the Whabouchi deposit. The first being a 25-tonne blasted outcrop sample and the second was a 5-tonne mine representative sample consisting of a blend of outcrop and drill core materials. Testing was carried out in several stages consisting of crushing, scrubbing, screening, DMS, magnetic separation, and dewatering.

Subsequent DMS work was done in 2013 and 2014 during the preparation of the 2014 feasibility study. This equipment has the advantage of producing three products – concentrate, middling and tailing in one machine.

Crushed feed to less than 9.5 mm entering the plant will be screened at -0.5 mm, with the fines going to flotation. The 9.5 x 0.5 mm DMS feed constitutes 80% of feed distribution based on feed entering plant.

Pilot scale flotation tests were carried out on the as-received blasted outcrop and mine representative samples, as well as the DMS middling product. Using the alternative DMS technology and flotation pilot testing at a head grade of 1.61% Li₂O, the following was concluded:

- 54% of the total lithium was recovered in the DMS concentrate at a grade of 5.83% Li₂O after magnetic separation, while 36% of the lithium reported to the flotation circuit. This latter included 20% of the plant feed mass in screened fines at less than 0.5 mm and 15.2% of plant feed mass as DMS middlings grading 1.92% Li₂O. Middlings were ground to a P80 of 0.174 mm in a ball mill and mixed with earlier screened fines.
- The flotation pilot plant Li recovery was about 80%.
- Combined recovery was 83.8% with 6.0% Li₂O in spodumene concentrate.

Sedimentation and filtration tests were carried out at SGS. Based on the filtration tests, it was concluded that a pressure filter would be required. The flotation tailings will be combined with the DMS tailings and dry stacked.

Pyrometallurgical Testing

Prior to the hydrometallurgical test work at SGS, the Whabouchi spodumene concentrate was roasted at an equipment manufacturer's pilot plant facility in U.S.A. Fine (flotation) and coarse (DMS) concentrates from the original concentration flow sheet were shipped from SGS to the facility laboratory. Two blends of concentrates were prepared using the as-received coarse material and the dried fine material. A first blend was prepared, containing 75% fines and 25% coarse. The second blend contained 50% fines and 50% coarse.

A second round of spodumene conversion and acid roasting test work was performed by SGS in the winter of 2013 to validate and optimize previous results. Testing was performed on DMS and flotation concentrates separately.

Roasting converts the spodumene's crystalline structure from alpha to beta. The conversion temperature will be about 1,050 °C. The beta phase is reactive with sulfuric acid and produces lithium sulfate, which is amenable to leaching. A paddle mixer was used to blend the beta-spodumene with 93% sulfuric acid.

The following observations were made by the Corporation while attending the test work program.

- Sulfuric acid was added in with approximately 30% stoichiometric excess.
- The roasting kiln temperature of 200°C was thought to be sufficient for the acid roasting step as it was expected that the exothermic reaction would raise the material temperature to 250°C.
- Coarse alpha-spodumene concentrate was easily converted to beta-spodumene but required a longer residence time in the kiln.
- Acid roasting was not affected by the material size.
- The presence of iron in the concentrate affected the conversion temperature. A higher temperature could be reached without causing the formation of glass beads when the iron was removed from the concentrate before conversion.
- Using a rotary kiln at an operating temperature of 1,050 °C with a retention time of 30 minutes will be sufficient to achieve complete phase conversion.
- Extractions of 98.6% lithium were achieved on the DMS concentrate and 95.0% on the flotation concentrate.
- A conversion temperature of 950 °C is too low as only 69.4% lithium extraction wash achieved.
- Both fine and coarse particles become very friable during conversion, with coarser particles becoming much finer.

Hydrometallurgical Testing

The hydrometallurgical testing was done in three phases at SGS. Additional test work was completed by the Electrosynthesis Company Inc. ("Electrosynthesis") and the GEA Group ("GEA").

(a) Hydrometallurgical Testing – Phase 1

The hydrometallurgical (Phase 1) test consisted of concentrate leach and all purification steps (primary and secondary impurity removal and ion exchange). The test program was carried out in November 2011 by SGS. The two blends tested during the pyrometallurgy test work were provided to feed the pilot plant (75/25 and 50/50).

The objectives of the concentrate leach and the Primary Impurity Removal ("PIR") were to dissolve lithium sulfate and remove the major impurities (Fe, Al, Si, Mn and Mg).

The objectives of the Secondary Impurity Removal ("SIR") were to precipitate Ca, Mg and Mn impurities from the PIR filtrate.

The objective of the Ion Exchange ("IX") circuit was to further reduce the calcium and magnesium tenors from the SIR discharge. The IX circuit consisted of three columns packed with a cationic resin which is selective towards divalent and trivalent metal ions. The process consisted in a lead/lag/regeneration operation.

(b) Hydrometallurgical Testing – Phase 2 and Phase 3

The hydrometallurgical (Phase 2) test program was carried out in December 2011 by SGS. Phase 2 consisted of Membrane Electrolysis ("ME") test work and subsequent crystallization to produce lithium hydroxide monohydrate. The objective of the electrolysis process was to produce a lithium hydroxide (LiOH) solution from a high purity lithium sulfate (Li_2SO_4) solution. The objective of the crystallization process was to produce high quality solid lithium hydroxide monohydrate ($\text{LiOH}\cdot\text{H}_2\text{O}$) from the lithium hydroxide (LiOH) solution generated through ME.

The hydrometallurgical (Phase 3) test program was carried out in March 2012 by SGS. Phase 3 consisted of the production of lithium carbonate. The objective of the test work was to prove that lithium hydroxide conversion to lithium carbonate can be an effective method of producing high purity lithium carbonate. The lithium carbonate (Li_2CO_3) production process consists of two stages, the first is referred to as Lithium hydroxide (LiOH) Carbonization ("LC") and the second is called lithium bicarbonate decomposition ("DC"). During carbonization (LC), carbon dioxide gas will be reacted with lithium hydroxide at room temperature to form lithium carbonate. Once all lithium hydroxide will be carbonized, an excess of carbon dioxide converts lithium carbonate to lithium bicarbonate. During decomposition (DC), the solution will be heated to near boiling. Lithium bicarbonate formed in the first stage will be decomposed to insoluble lithium carbonate and carbon dioxide.

Membrane Electrolysis Test Work

Various phases of membrane electrolysis test work on different configurations were performed by Electrosynthesis to improve upon the results obtained during the SGS test work.

In fall 2012, a single cationic membrane and two anionic membranes were tested during a total of eight trials. Based on the results, it was concluded that the three compartment membrane electrolysis successfully produced lithium hydroxide at high temperature (60 °C). The tests determined optimal base and acid concentrations, current density, current efficiency, cell voltage, water transport and feed operating pH.

A subsequent series of test work was performed in the summer of 2013. The objectives of the tests were to determine if a two compartment cell could be used to generate lithium hydroxide and if so, determine operating parameters and subsequent impact on three compartment cell operation. A single cationic membrane was tested during multiple trials. Based on the results, it was concluded that two compartment membrane electrolysis successfully converted a significant portion of the lithium in the feed stream with a high current efficiency. The tests determined optimal base concentration, current density, current efficiency, cell voltage, water transport and feed operating pH and extend of conversion.

Additional test work was performed on the salt recovered from the 2-compartment test work to determine if further lithium hydroxide production could be achieved by processing the waste stream in a 3-compartment cell. The experiments were performed in the same Electrocell MP (100 cm^2) used for the initial trials (Autumn 2012) and successfully demonstrated that complete conversion could be achieved.

Then, in the winter of 2014, long term stability testing on the two compartment cells and three compartment cells were undertaken at the Electrosynthesis laboratory to determine membrane and electrode lifespan. Test work was conducted over a period of 1,000 hours and results were used to determine expected replacement frequency for the membranes and electrodes allowing for calculation of the operating costs.

LiOH-H₂O Crystallization

During summer 2014, Lithium Hydroxide Monohydrate (LHM) crystallization test work was performed by the GEA in Duisbrug Germany to produce about 2 kg of battery grade LHM representative samples from lithium hydroxide solution generated through electromembrane process at Electrosynthesis and generate basic data for engineering of crystallization unit operations. 63 kg of solution was sent to GEA, from which 2 kg of LHM was produced. Final product quality respected the more stringent cathode materials manufacturer's requirements, with for Na tenor <20 ppm and a total of chromium, zinc and iron content of less than 150 ppb. Conditioning of LHM is critical to the quality of the final product. LHM conditioning will be properly implemented in order to meet the more stringent requirements. Especially, magnetic separators will be introduced in the process and process environment will be designed to deliver a product with virtually no foreign particles and dusts. The test work done at GEA confirmed the proposed crystallization process flow sheet and equipment selection for this feasibility study.

Impurity Removal Test Work

During 2014, test work was done at Electrosynthesis for the improvement of lithium sulfate purification, especially the removal of multivalent cations and silicate via chemical precipitation and ion exchange. The goal was to ensure robust operation and optimal long term performance of the electromembrane process. Variables such as residence time, pH, ORP, chemical reactants, ion exchange resin types and operating temperatures were tested. Purification conditions were refined with intermediate steps including filtration, leading to improved overall purification process. Overall impurities removal was improved by at least an order of magnitude, before entering ion exchange system and before entering membrane electrolysis unit operation.

To the extent known, there are no processing factors or deleterious elements that could have a significant effect on potential economic extraction.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

SGS completed the mineral resource update using the digital database supplied by the Corporation (as of December 20, 2013) which included channel data from trenches and drill holes data completed by the Corporation since 2009. The database used to produce the mineral resource estimate was derived from a total of 272 channels and diamond drill holes.

The mineral resource was estimated from a resource block model interpolated using ordinary kriging. The 2011 geological model was updated with the new exploration information from 2012 and 2013; the analytical data contained within the wireframe solids was then normalized, to 2 m length composites. The composite data was used to interpolate the Li₂O grade of blocks by ordinary kriging on a regularly spaced defined grid that fills the 3-D wireframe solids. An optimized pit shell model provided by Met-Chem was used to limit the block model to its potential for economic extraction, hence limiting the depth of the reported resources. The interpolated blocks located below the bedrock/overburden interface, within the optimized pit shell and above the 0.43% Li₂O established cut-off grade comprise the mineral resources.

Table 5 shows a summary of the estimated mineral resource for a cut-off grade of 0.43% Li₂O.

**Table 5 – Estimated Mineral Resource
(0.43% Li₂O Cut-Off Grade)**

| Cut-off Grade Li ₂ O (%) | Category | Tonnage* (Mt) | Li ₂ O Grade (%) |
|--|-------------------------------|------------------|--------------------------------|
| 0.43 | Measured | 12.998 | 1.60 |
| | Indicated | 14.993 | 1.54 |
| | Measured and Indicated | 27.991 | 1.57 |
| | Inferred | 4.686 | 1.51 |

Note:

The mineral resource estimate has been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions Standards for Mineral Resources and Mineral Reserves in accordance with NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are exclusive of the measured and indicated resources.

Bulk density of 2.70 t/m³ is used.

Effective date January 22, 2014.

* Rounded to the nearest thousand.

Mineral Reserve Estimate

The mineral reserve, at the effective date of May 13, 2014, for the Whabouchi deposit was estimated using the updated resource model that was prepared by Jean-Philippe Paiement, M.Sc., P.Ge., of SGS on January 22, 2014. The mineral reserves are the portion of the measured and indicated mineral resources that have been identified as being economically extractable and which incorporate mining losses and the addition of waste dilution.

The mine design for the Technical Report is based on the three dimensional geological block model that was prepared by SGS. Each block in the model is five m wide, three m long and five m high and the model is rotated 330°. Only blocks that contain mineralization were included in the three dimensional geological block model.

Each block in the model contains the Li₂O grade and resource classification (measured, indicated and inferred). Using the overburden surface provided by Roche Ltd., Met-Chem was able to differentiate the non-mineralized material as either overburden or waste rock.

(a) Open Pit Mineral Reserve

The first step in the mineral reserve estimate was to carry out a pit optimization analysis. The pit optimization analysis used economic criteria to determine the cut-off grade and to what extent the deposit can be mined profitably. The pit optimization analysis was done using the MS-Economic Planner module of MineSight® Version 8.5. The optimizer uses the 3D Lerchs-Grossmann algorithm to determine the economic pit limits based on input of mining and processing costs and revenue per block. Table 6 presents the parameters that were used for the pit optimization analysis. The cost and operating parameters that were used were preliminary estimates for developing the economic pit and should not be confused with the operating costs subsequently developed for the Technical Report and presented in Section 21.0 therein.

Table 6 – Pit Optimization Parameters

| Item | Value | Units |
|--|-----------|---------------|
| Mining Cost (Overburden) | 2.50 | \$/t (mined) |
| Mining Cost (Ore and Waste) ⁽¹⁾ | 3.00 | \$/t (mined) |
| Processing Cost | 16.00 | \$/t (milled) |
| Transportation Cost | 75.00 | \$/t (conc.) |
| Administration Cost | 5.00 | \$/t (milled) |
| NSR Royalty | 1.665 | \$/t (conc.) |
| Sales Price (FOB Shawinigan) | 425.00 | \$/t (conc.) |
| Mill Recovery | 83.83 | % |
| Concentrate Grade | 6.0 | % |
| Pit Slope ⁽²⁾ | 40 and 56 | degree |

Notes:

- (1) The mining cost was increased by \$ 0.01 /t for each 5 m increment in pit depth. The \$ 3.00 /t represents the average mining cost.
- (2) A pit slope of 40° was used on the south side of the deposit to account for the eventual ramp design. A pit slope of 56° was used on the north side of the deposit where there will be no ramp.

The pit optimization analysis identified the pit shell that should be used as the basis for the open pit design. The additional measured and indicated mineral resource that is outside the limits of this optimized pit shell were then evaluated as an underground mining operation. The cut-off grade for the open pit mine was calculated to be 0.43% Li₂O.

An open pit was designed with an overall pit slope of 56° which was based on a geotechnical study that was completed by Journeaux Associates. The pit has 10 m high benches and the ramp will be 20 m wide with a maximum grade of 10%. The pit will be approximately 1,300 m long and 300 m wide at surface with a maximum pit depth from surface of 190 m. The open pit design includes 11.7 Mt of proven mineral reserve and 8.3 Mt of probable mineral reserve for a total of 20.0 Mt at a grade of 1.53% Li₂O. In order to access these reserves, 2.4 Mt of overburden, 40.7 Mt of waste rock and 0.3 Mt of inferred mineral resource must be mined. This total waste quantity of 43.4 Mt results in a stripping ratio of 2.2 to 1. Table 7 presents the open pit mineral reserve for the Whabouchi deposit. The mineral reserves account for mining dilution. In every mining operation, it is impossible to perfectly separate the ore and waste as a result of the large scale of the mining equipment and the use of drilling and blasting. In order to account for mining dilution, Met-Chem assigned a diluted Li₂O grade value for each block of ore that neighbours a waste block. The mining dilution was estimated at 10%, meaning that for each 5 m wide block of ore, 0.5 m of the neighbouring waste block was included as dilution. A Li₂O grade of 0% was used for the waste. The addition of mining dilution resulted in lowering the Li₂O grade of the mineral reserves from 1.58% to 1.53%.

Table 7 – Whabouchi Open Pit Mineral Reserve

| Category | Tonnage (Mt) | Li ₂ O Grade (%) |
|----------------------------|--------------|-----------------------------|
| Proven | 11.7 | 1.58 |
| Probable | 8.3 | 1.46 |
| Proven and probable | 20.0 | 1.53 |

(b) Underground Mineral Reserve Estimate

The underground mine will be developed at the end of the open pit life and will take over the production once the open pit reserves will be depleted in year 20.

The underground mine will be accessed via a mine portal located at elevation 188 m and a main ramp that will connect to the six underground sub-levels located on the footwall side of the orebody. The sub-levels will be spaced at every 30 m in elevation located at levels 187 m, 157 m, 127 m, 97 m, 67 m and 37 m.

The Whabouchi deposit will be mined using conventional long-hole open stoping method at a rate between 3,500 and 4,000 t/d. Stope and crown pillars will be recovered at the end of the mine life.

All development and production will be made by contractors due to the short underground mine life.

The underground mineral reserve was estimated at 7.3 Mt grading 1.28% Li₂O of proven and probable Mineral Reserve categories. The reserve includes dilution and recovery and was estimated using an underground mining cost of \$ 19.52/t ore and the economic parameters presented in Section 21 of the Technical Report. The underground cut-off grade was calculated at 0.80% Li₂O. The cut-off grade is used to determine at what point material being mined will generate a profit after paying for the mining, processing, transportation and G&A costs. Table 8 presents the underground mineral reserves for the Whabouchi deposit. The mineral reserves account for mining dilution. The inherent nature of the underground operation and the known level of precision of the drilling and blasting is such that the ore will be diluted with some of the host rock along the edges of the mineralization zone. The ore dilution factor estimation was calculated by extending the width dimension of the stope by 0.6 m outside of the mineralized envelope on each side of the stope. This results in an average additional volume of 10% of material having a grade of 0.8% Li₂O diluting the ore.

Table 8 – Whabouchi Underground Mineral Reserves

| Category | Tonnage (Mt) | Li ₂ O Grade (%) |
|----------------------------|--------------|-----------------------------|
| Proven | 1.6 | 1.27 |
| Probable | 5.7 | 1.29 |
| Proven and probable | 7.3 | 1.28 |

(c) Combined Open Pit and Underground Mineral Reserve Estimate

The combined open pit and underground mineral reserve for the Whabouchi deposit was estimated at 27.3 Mt of ore grading 1.46% Li₂O as shown in Table 9 below. Proven mineral reserves account for 49% of the reserves.

Table 9 – Combined Whabouchi Mineral Reserves

| Category | Tonnage (Mt) | Li ₂ O Grade (%) |
|----------------------------|--------------|-----------------------------|
| Proven | 13.3 | 1.54 |
| Probable | 14.0 | 1.39 |
| Proven and probable | 27.3 | 1.46 |

To the extent known, there are no metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that could materially affect the estimate of mineral resources and mineral reserves.

Mining Methods

The Whabouchi deposit characteristics make open pit mining more favourable from an economic and technical standpoint because of its proximity to surface. Open pit mining will therefore be favoured for the upper portions of the deposit. However, open pit mining is commonly associated with more significant environmental and social impacts than underground mining, essentially because of the associated larger surface footprint. In order to mitigate environmental and social effects of the projected mine, where geological characteristics and economic factors made it feasible to switch to underground mining, the latter was favored. Consequently, from year 20, the mine will be operating from underground, thus not only limiting the surface footprint of the ultimate open pit, but also minimizing the amount of waste rock to be managed and stockpiled at the surface. Such an approach also enables a longer mine life without significantly increasing the surface area impacted by mining activities, something which extends the duration and cumulative importance of the Whabouchi Project's economic spin-offs for local, regional and provincial stakeholders.

(a) Open Pit Mining

The mining method selected for the Whabouchi Project will be a conventional open pit, truck and shovel, drill and blast operation. Vegetation, topsoil and overburden will be stripped and stockpiled for future reclamation use. The ore and waste rock will be mined with 10 m high benches, drilled, blasted and loaded into heavy duty off-road haul trucks with hydraulic excavators.

A topsoil and overburden stockpile has been designed 100 m to the east of the pit ramp exit, to the south of the concentrator. Material that will be placed in this stockpile will be used for future reclamation.

The Whabouchi Project has selected to use a co-disposal method for the tailings produced at the concentrator and the waste rock from the mine. Co-disposal is the mixing of fine tailings and coarse mine waste rock to produce a single waste stream. Mixing the fine and coarse waste reduces the empty void space primarily associated with coarse waste streams, while simultaneously increasing the strength of the fines. Tailings produced at the concentrator will have a moisture content of around 14%. The tailings will be transported from the concentrator to the waste rock pile with the same 55-tonne truck fleet that will be used in the open pit.

Two waste rock piles have been designed and located on the north side of the *Route du Nord*. The first waste pile will be built from the start of the operation until year 15, while the second pile which will be located on the north side of the Hydro-Québec 735 kV high voltage power line will be built from year 16 until the end of the operation. During the first six years, the dumping of waste rock and tailings will concentrate on the east side of the waste pile so that the final design can be reached and progressive reclamation can begin.

Mining operations for the Wabouchi Project will be 50 weeks per year, operating around the clock on 12 hour shifts. The two weeks shutdown in the mine will occur during the goose hunting season. During this period, the concentrator will be either fed from the ROM ore stockpile and / or going through scheduled maintenance.

The mine plan is based on an annual production of 216,485 tonnes of concentrate (resulting in 214,579 tonnes of concentrate after 0.88% in handling and transportation losses were accounted for). An initial starter pit was designed which will supply the majority of the ROM ore for the first five years of the operation. The purpose of the starter pit is to maximize the feed grade and minimize the strip ratio during the early years of the operation. The total material mined per year during the 20-year life of the open pit mine ranges from 1.0 Mt in pre-production to a maximum of 5.3 Mt in year 10. The average annual grade of Li_2O varies 1.44% to 1.60% during the 20-year period.

The mine equipment fleet for the open pit includes six 55-tonne haul trucks, two hydraulic excavators with 6 m³ buckets, two diesel powered down the hole track drills that will drill 114 mm (4.5") holes as well as a fleet of support and service equipment. Blasting will be carried out using bulk emulsion with an average powder factor of 0.37 kg/t. The mine workforce has been estimated to be approximately 97 employees.

(b) Underground Mining

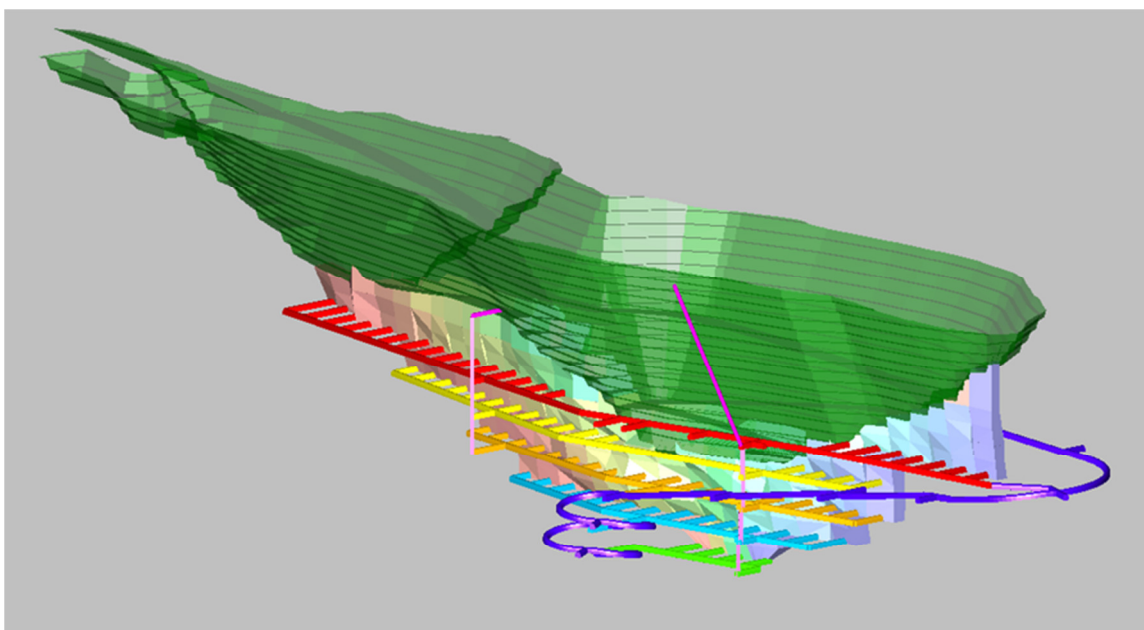
The ore extraction will switch from an open pit operation to an underground mine located underneath the final pit floor in year 21 of the operation. The duration of the underground mining is six years and is scheduled to be in operation from the beginning of year 21 to the end of year 26. An underground mine production ramp-up period of four months is planned during the last months of year 20 to reach the cruising production rate of 1.2 Mt of ROM at the beginning of year 21. The duration period of the development of the underground mine is planned for 20 months starting at the beginning of year 19.

The underground mine development and operation will be given to a mining contractor that will excavate and haul the ore and waste from underground to a stockpile located at the bottom of the open pit. The Corporation will keep management and engineering activities to supervise and provide engineering services to the contractor to ensure work efficiency and safety. Hauling of the ore and waste from the bottom of the pit to the crusher and the waste disposal area along with the mine tailings operation will continue to be managed directly by the Corporation's personnel using the existing mobile equipment fleet from the open pit operation. The underground mine will be operated on two shifts of ten hours, seven days per week.

The mining methodology selected is 30-m high long-hole type stopes. Based on the favorable geotechnical and hydrogeological conditions, backfilling of the excavated stopes will not be required. However, in order to ensure the rock mass stability and work safety within the underground excavation zone, four central stope pillars will be maintained until the last stages of the operation. The very last excavation phase consists of mining the 30-m thick remaining crown pillar from the open pit floor.

The mine design, referred to Figure 4 below, will be purposely kept as simple as possible in order to minimize the development capital expenditure due to the short period of six years of the remaining life of mine of the Whabouchi Project. Halfway down in the western area of the open pit, an underground entry portal to a main ramp driven downward will provide access to the six horizontal haulage drifts which in turn provides access to the draw points of the various stopes.

Figure 4 – Three Dimensional View of the Underground Mine Design



The annual production requirement will be the same as during the open pit period with yearly lithium concentrate production ranging from 188 to 240 kt (1.2 to 1.4 Mt/y of ore). An overlapping underground mine ramp up production period of four months with a target ROM production of 300 kt is planned with the open pit ore extraction finishing at the end of year 20. This will ensure an uninterrupted ROM feed to the concentrator.

The underground mine work schedule will be similar to the open pit operation with two shifts per day, seven days per week and 50 weeks per year. The shifts will be ten hours with two hours between shifts for clearing of the blasting fumes.

The contractor will supply and operate the underground mining fleet consisting of development jumbos (2), production drills (2), LHDs (3) and haulage trucks (4). The underground haulage trucks will haul the ore and waste up to the mine portal where it will be dumped into stockpiles to be reclaimed by the Corporation and hauled out of the pit to the crusher or waste dump.

The underground mine will require 70 employees for the development phase while 44 will be required during the production phase, excluding the Corporation's management and engineering team and waste and tailings personnel.

Spodumene, Lithium Hydroxide and Lithium Carbonate Recovery Methods

Concentrator

The Whabouchi concentrator will be located near the open pit mine. The concentrator will be designed to produce a nominal 216,485 dry tonnes of spodumene concentrate per year. All throughput rates were based on the production of 216,485 dry tonnes of 6.0% Li₂O spodumene concentrate from a feed grade of 1.53% Li₂O. The weight recovery of 21.0% and the spodumene recovery of 82.8% were average figures based on the pilot plant test work results made on representative samples but may vary depending on the ore composition. The ROM mineralized material will be transported to the primary jaw crusher and then conveyed to the secondary and tertiary cone crushers. The crushed mineralized material will be screened and the screen oversize will be upgraded in a dense media circuit to produce a coarse spodumene concentrate and a middlings product that will be further ground and treated by flotation. The DMS coarse spodumene concentrate will then be dried in a rotary dryer before being fed to the dry magnetic separation system. The magnetic particulates will be discarded with the tailings to produce a non-ferrous concentrate. The DMS middlings product will be combined with screen undersize, less than 0.5 mm material (fine), and will be further ground in a ball mill to a P₈₀ of 174 microns. This ground product forms the feed for the flotation circuit. The flotation circuit consists of de-sliming and mica flotation followed by attrition magnetic separation and then followed by more de-sliming and finally spodumene flotation.

Mica concentrate, de-slimed and magnetic materials and spodumene rougher flotation tailings will be combined, thickened and filtered in a filter press to a moisture content of about 6% and subsequently combined with DMS tailings and transported by haul truck to the mine waste dump. The spodumene flotation concentrate will be thickened and filtered by a pressure filter to about 8% moisture and combined with the dry DMS concentrate for transport by road trucks to Chibougamau. The shipped concentrate will have moisture of less than five percent (5%) to prevent freezing during the winter months. Here it will be transferred into railcars (93 net tonnes each) for transport to the Shawinigan hydrometallurgical plant for further processing.

Hydrometallurgical Plant

The plant availability has been estimated at 93%. Based on the metallurgical testing results described in Section 13.0 of the Technical Report, the hydrometallurgical plant process design criteria, process flow sheets, equipment list as well as plant layouts were prepared for a plant feed rate of 214,320 t/y of spodumene concentrate. The hydrometallurgical plant will be designed to produce a nominal 27,645 tonnes of lithium hydroxide monohydrate crystals per year and a nominal 3,267 tonnes of lithium carbonate powder per year. The overall lithium recovery of the hydromet circuit will be 88.4%. The concentrate will be discharged from the railcar into a receiving hopper. A reclaim conveyor will transport the concentrate to the hydrometallurgical plant where it will feed the spodumene conversion kiln. The kiln will heat the spodumene to approximately 1,050 °C. The high temperature converts the spodumene concentrate from the alpha crystalline structure to the beta crystalline structure. A flash cooler will use ambient air to cool the converted spodumene to approximately 100 °C.

The beta-spodumene will be fed to the pug mill. Sulphuric acid will be sprayed and mixed with the beta-spodumene in the pug mill. The mixture will be acid-baked in a rotary dryer at 250 °C. The resulting reaction produces solid lithium sulfate and aluminum silicates. The temperature in the dryer must be maintained above 175 °C.

The acid baked mixture will be fed with water into a concentrate leach tank. Lithium sulfate will dissolve into water. The discharge of the concentrate leach tank will be pumped to a downstream belt filter. The cake, which consists mainly of aluminum silicate, will be conveyed outside the plant building and stockpiled before being dispatched to potential end users.

The lithium sulfate solution will be pumped to the PIR tanks for purification. Precipitated impurities such as iron and aluminum are will be separated from the liquor using a thickener and three filter presses. The residue will be sent to the tailings and the purified liquor will be pumped the second purification stage.

In the SIR tanks, the pH will be further increased to precipitate even more dissolved metals as solid hydroxides and carbonates. The discharge slurry will be pumped to the candle filters to remove the solid impurities from the lithium solution. The solid residue will be directed to the tailings. The solution will be stored in the IX feed tank before being pumped to the next cleaning process.

The final lithium sulfate solution cleaning step will be performed by three ion exchange columns in a round-robin configuration. Solution will be fed to two columns in series (the lead column and the lag column) while the third is being cleaned/stripped/regenerated. Clean lithium sulfate solution discharging from the columns will be stored in the lithium sulfate feed tank. Waste solutions from the acid strip and wash steps will be collected in the IX residue tank and pumped to the tailings tank for disposal.

An electrolysis process will be used to convert Li₂SO₄ to LiOH.

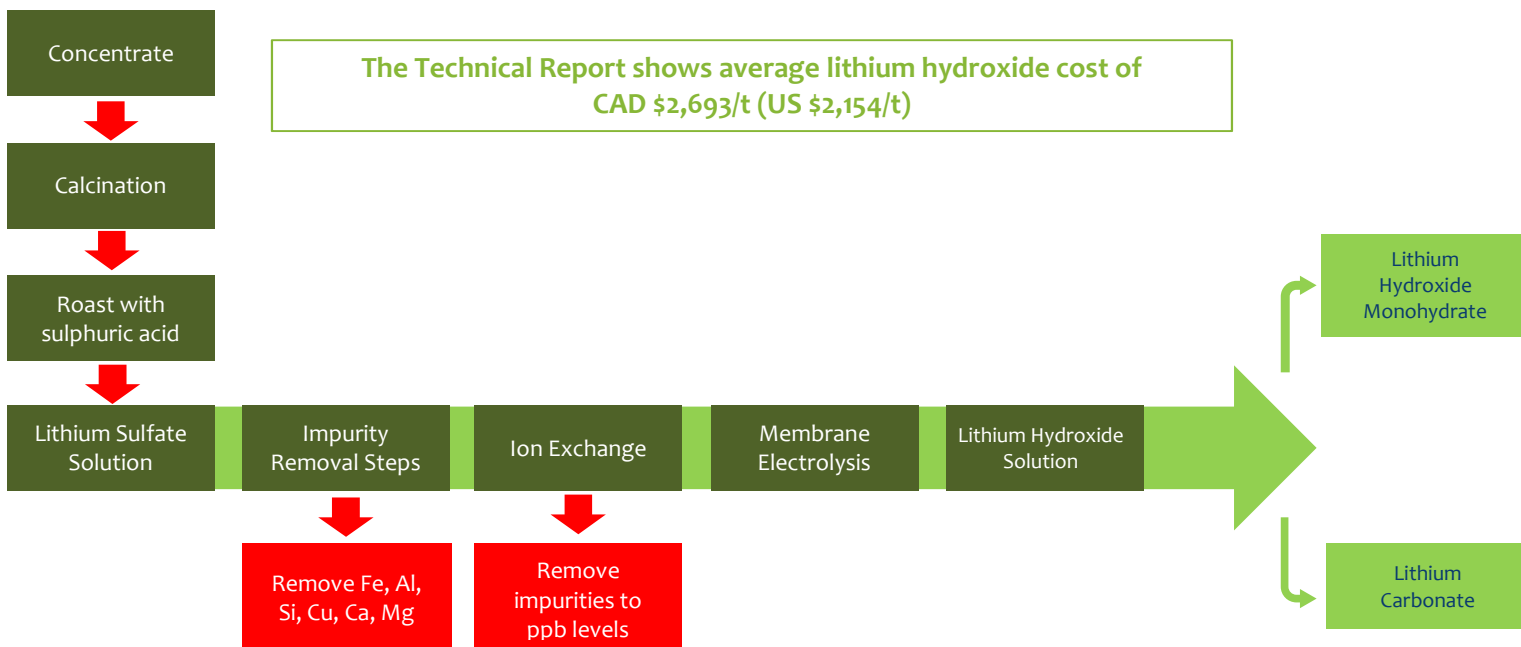
The LiOH-H₂O crystallization circuit consists of a single-stage mechanical vapor recompression falling film evaporator followed by a series of two forced circulation crystallizers, the crude crystallizer and the pure crystallizer. The crystals will be separated from the mother liquor in a centrifuge where they reach a moisture content of about five percent by weight (“% w/w”). The dewatered crystals will discharge to a fluid bed dryer before the final packaging step. The dried crystals will be stored in a bin located above the packaging system where crystals will be packaged in 1-tonne bags.

LiOH remaining in the crystallization purge solution will be recovered in the lithium carbonate precipitation process. The Li₂CO₃ production process will be carried out in two steps. The first step is called the lithium hydroxide carbonization (LC) step. The second step is called the lithium bicarbonate decomposition (DC) step. In the LC step carbon dioxide will be injected at the bottom of the tank to react with LiOH and then with the precipitated Li₂CO₃.

In the DC step, the lithium bicarbonate solution will be heated to 95°C. The tanks will be jacketed and heated with steam. The DC decanter underflow joins the LC decanter underflow in the belt filter feed tank.

A vacuum belt filter will be used to dewater the lithium carbonate slurry to 70% w/w solids. The belt filter cake will fall by gravity to the fluid bed dryer. The dried product will be transferred to the pulverization system. The jet mill will use high pressure air to pulverize the lithium carbonate to a P₈₀ of about five (5) microns. The pulverized product will be transferred to a bin located above the packaging system. A robot operated system will be used to package the Li₂CO₃ into 25-kg bags. Figure 5 shows the proprietary process for the production of lithium hydroxide from high grade spodumene concentrate.

Figure 5 – Steps of the Corporation’s Proprietary Process



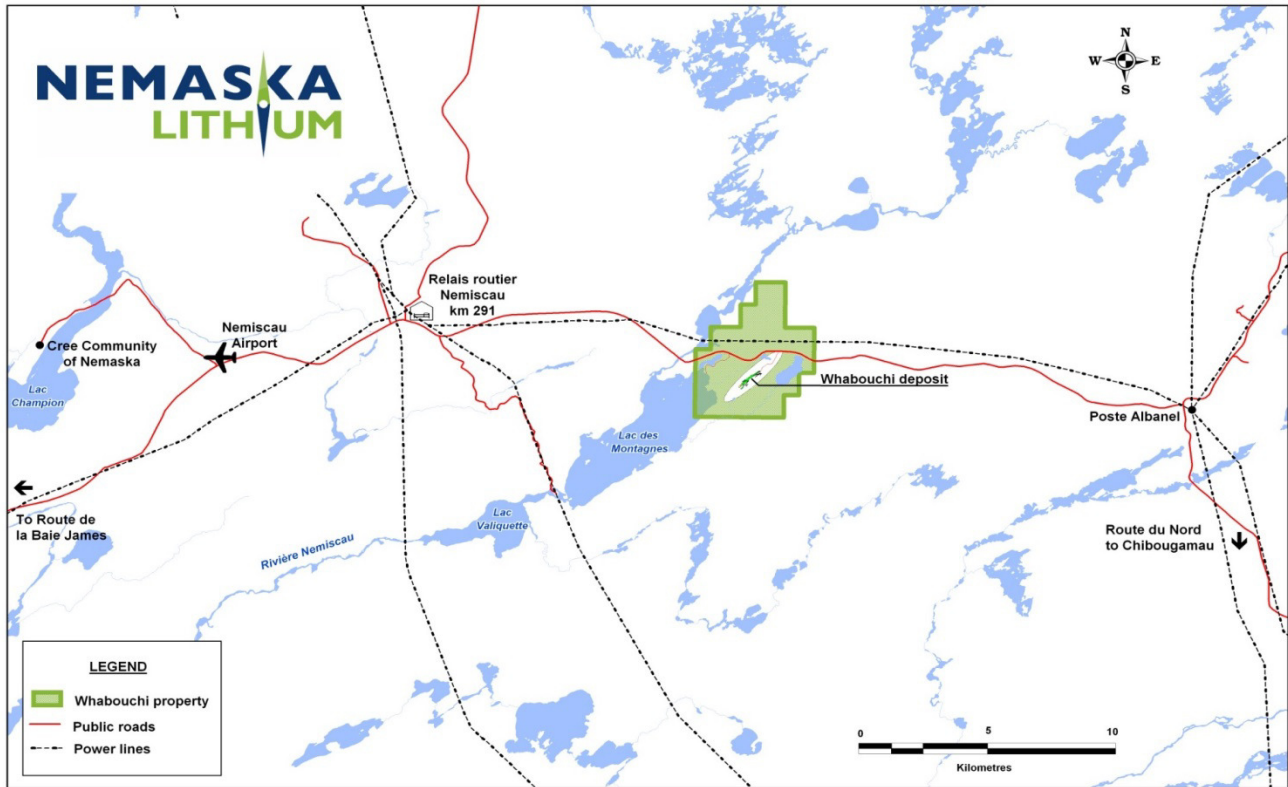
Note: Exchange rate as per the Technical Report (CAD \$1.00 = US \$0.80)

Project Infrastructure

Whabouchi Site

The Whabouchi mine site is located at km 276 on the *Route du Nord* public road which provides access to the existing base camp that will be used for both construction and operations. The camp site is about 12 km north of the mine and concentrator site and the Nemiscau airport is another 7 km further north. Figure 6 below shows the location of the Whabouchi Property with near-by existing infrastructures.

Figure 6 – Whabouchi Property Location – Near-by Infrastructures



The planned infrastructures at the mine site are:

- Mine service and haul roads;
- Maintenance garage that include gate house, mine management and engineering offices and warehouse;
- Concentrator building which also includes engineering offices and the metallurgical laboratory;
- Primary and secondary crusher light building structures;
- Fine ore bin, tailings loadout silo, concentrate loadout silo and truck scale;
- Explosive bulk storage facility, a magazine for caps and detonators and a powder magazine;
- The Chibougamau trans-boarding facility (although located in the Chibougamau area, this facility will be administered through the Whabouchi Management Office).

In addition to the buildings, the following services will be constructed:

- Fresh water supply including fire protection;
- Sewage treatment;
- Diesel fuel and propane gas storage and distribution;
- Electrical sub-station, power supply and distribution.

The Whabouchi mine and concentrator will employ 171 employees.

Concentrate will be shipped by railcar from Chibougamau to the hydrometallurgical processing plant. An existing CN railway runs along the northwestern side of the site. Railcars will enter the site from the railway at the south corner of the site onto the existing railway network. The existing railway run in parallel to the SW limit of the site.

It is expected that deliveries of up to 18-100 tonnes railcars will be made every two to three (2 to 3) days. Railcars will be emptied from the bottom one (1) at a time over the concentrate receiving hopper. The hopper will be equipped with a feeder that directs the concentrate onto an unloading conveyor. The unloaded concentrate will be directed either directly to the kiln feed silo or to the adjacent covered stockpile.

Shawinigan Site

The hydrometallurgical plant will be constructed in the city of Shawinigan, Québec on the site of the RFP's former Laurentide plant. The infrastructures that have been planned in addition to the main refinery to be housed in existing decommissioned buildings will be:

- Re-use existing rail network including railcar sorting spurs;
- Concentrate railcar unloading system complete with covered concentrate storage stock pile;
- Re-use of the electrical sub-station;
- Guard house;
- Aluminium silicate stock pile.

The hydrometallurgical plant including the decrepitation, roasting, leaching, purification, electrolysis, crystallization, precipitation, drying and packaging circuits will be housed inside existing decommissioned paper mill buildings. Building #67 B will house the concentrate feed silo and the decrepitation kiln inlet bag house and induce air fan. It will also house the aluminum silicate belt filter and associate handling equipment. Building #67 will house the decrepitation kiln and cooler, the pug mills for acid mixing with the β -Spodumene, the acid baking dryer and the leach tank. It will also contain the acid storage tanks and the Spent Acid Concentrator (SAC) and associated boiler. The rest of the processes will be housed inside building #80. Buildings will also house: offices, a metallurgical laboratory, control room, electrical rooms and change rooms.

In addition, the site will include the following buildings:

- Concentrate receiving and storage light structures;
- Thaw shed for railcars housed in existing building #62;
- A new prefabricated guardhouse.

In addition to those infrastructures, the hydrometallurgical plant will be fed through an existing Hydro-Québec 69 kV overhead electrical power line from the nearby Grand-Mère power generation plant. Since the Corporation will be reusing an existing sub-station that was previously energized, work at the Shawinigan site will be limited to switching power cable from one incoming portal structure to the other.

The hydrometallurgical plant will be accessible year-round without any interruption by the Shawinigan city's road network. The access road will be located directly to the southwest of the Shawinigan site, off *CNR CPR Avenue*. A single guard house will be used to monitor the access point.

Gypsum will be produced as a result of the purification process. Gypsum solids will be discarded from the hydrometallurgical plant at a rate of 10,513 t/y (dry) with less than 1% moisture. Silo capacity will allow for three days storage (104 tonnes) of residue. Design criteria were based on an assumed final density of 2.08 t/m³. Since gypsum is a marketable product, it has been assumed that most of the gypsum produced by the plant will be disposed of at no cost for the mill. Provisions for a 50 m³ silo has been made inside a building at the northwest corner.

The process excess water will be collected into the water treatment feed tank before being fed to the treatment plant. After treatment, the purified water is returned to the process and the impurity thickened and sent to an approved landfill site.

The hydrometallurgical plant will employ 86 employees.

Provision has been made for the following site services:

- The plant will be connected to the City of Shawinigan's existing potable water distribution network and sanitary waste water treatment facility;
- The plant will be connected to the existing Gaz Metro natural gas distribution network in order to provide fuel to the kiln, dryers and boilers;
- Water treatment for recovered process water;
- The power requirements of the plant will be supplied by a 69 kV power line. The total power demand is estimated at an average of 37.4 MW of which 35.4 MW is required for the process;
- Based on the power requirements, the existing oil type 40.0/53.3/66.6 MVA transformer was selected;

- An emergency power system consisting of one MW diesel generator will provide a standby source of power to feed essential services (emergency and exit lighting, fire protection equipment, etc.) as well as critical process loads (slurry tank agitators preventing settling down of material, thickener lifting devices, etc.) in the event of power loss from the grid;
- Allowances have been included in the estimate for automation, fire alarm, communication system and security system;
- Allowances for plant mobile equipment (light vehicles, loaders, railcar movers and lifts) are included.

Market Studies

Initially, two market study reports were prepared for the Corporation for the *NI 43-101 Technical Report Preliminary Economic Assessment of the Whabouchi Lithium Deposit and Hydromet Plant*, effective date of October 2, 2012, filed on November 16, 2012 and revised on February 27, 2013. One report was prepared by Roskill Consulting Group Ltd. (September 2012) and one by signumBOX Inteligencia de Mercados (March 2012). To complement these, the Corporation commissioned Roskill Consulting Group Ltd. to prepare an updated Lithium Carbonate and Lithium Hydroxide Market Study for its *NI 43-101 Technical Report - Feasibility Study on the Whabouchi Lithium Deposit and Hydromet Plant (Revised)* with an effective date of May 13, 2014, issued on June 26, 2014 and revised on January 22, 2016.

Finally, in the preparation of the Technical Report, the Corporation has commissioned Roskill Consulting Group Ltd. to prepare a market study as of 2015, titled *Lithium Market Overview and Outlook* and dated as of February 2016. The text of this section consist of excerpts from this latest report. The Corporation also took into consideration the Roskill Consulting Group Ltd. Lithium publication: *Market Outlook to 2017*, Twelfth Edition, 2013 in its assessment of the potential markets.

Consumption of lithium has shown strong growth since 2000, increasing from just over 67,600 t LCE to 181,600 t LCE in 2015, a cumulative annual growth rate (CAGR) of 6.8%. In the mid-2000s, consumption grew even more strongly, at a rate of more than 10% per year between 2002 and 2007.

Growth in consumption has been led by the rechargeable battery market, which accounted for 37% of total lithium consumption in 2015, just over 66,000 t LCE, a more than ten-fold increase from the 2,500 t consumed in 2000. Demand for rechargeable lithium batteries has increased significantly because of rapid expansion in the portable consumer electronics (3C) sector. Lithium rechargeable batteries have also been gaining market share in other markets since the mid-2000's, including for use in power tools and electric bicycles, as new battery chemistries allow lithium-ion batteries to be used in these higher power applications in place of NiCd and lead-acid variants. In more recent years, further technological advancement has seen the use of lithium rechargeable batteries extended to the use in electric vehicles (EVs) and grid / off-grid energy storage systems (ESSs).

The surge in consumption of lithium in rechargeable batteries in the 2000's has led to a sharp rise in battery-grade lithium carbonate and battery-grade lithium hydroxide consumption, the latter growing particularly strongly since 2008.

The volume of lithium consumption in rechargeable batteries, representing 37% of total consumption in 2015, is now starting to have much more impact on overall lithium consumption and this sector's influence will continue to increase to 2025 when rechargeable batteries could account for 50% of the total market.

With lithium consumption forecast to increase consistently in the years to 2025, the outlook for lithium production and producers is positive from a volume perspective. Mine production capacity in 2015 totalled 262,500 t/y LCE (split almost equally between brines and minerals) and refined capacity just over 251,000 t/y LCE, meaning output is capable of meeting consumption only until 2018 based on a maximum utilisation rate of 80%. Additional capacity will therefore be required, and is expected to come from both expansion of existing operations and start-up of new lithium projects.

Overall by 2025, lithium mine production is forecast to increase to almost 354,200 t/y LCE while refined output is forecasted to reach 339,600 t/y LCE, but could increase above this level should the market require it. Existing producers are expected to account for 75% of the total output in 2025 and new producers for 25%.

Since 2000, the dominance of lithium capacity from brine operations has gradually fallen, as expanded and new capacity at lithium mineral operations increased more quickly. In 2000, capacity at lithium brine operations accounted for 60% of the global total; in 2015 it is down to 47%.

The short, medium and long-term outlook for lithium consumption appears strong, with overall growth forecast at 6.4% per year to 2025 in the base-case scenario, with the market consumption reaching almost 336,200 t/y LCE as shown in Table 10 and Table 11.

Table 10 – World: Forecast Demand for Lithium by First Use (t LCE)

| | 2015 | 2020 | 2025 | CAGR '15-'25 |
|----------------------------------|----------------|----------------|----------------|--------------|
| Rechargeable battery | 66,260 | 117,799 | 216,888 | 14.6% |
| Ceramics | 23,782 | 26,908 | 30,443 | 2.5% |
| Glass-ceramics | 19,518 | 22,045 | 24,903 | 2.5% |
| Greases | 14,817 | 17,429 | 20,501 | 3.3% |
| Glass | 12,705 | 14,374 | 16,263 | 2.5% |
| Metallurgical powders | 9,156 | 11,005 | 13,229 | 3.7% |
| Polymer | 7,188 | 8,746 | 10,641 | 4.0% |
| Air treatment | 7,918 | 8,934 | 10,084 | 2.4% |
| Primary battery | 2,926 | 3,831 | 5,018 | 5.5% |
| Aluminium | 1,714 | 1,148 | 769 | -7.7% |
| Other | 16,692 | 18,885 | 21,367 | 2.5% |
| Total | 181,662 | 238,390 | 336,193 | 6.4% |
| High | 181,662 | 284,772 | 493,641 | 10.2% |
| Low | 181,662 | 208,173 | 242,410 | 3.3% |
| <i>Source: Roskill estimates</i> | | | | |

Table 11 – World: Forecast Demand for Lithium by Product (t LCE)

| | 2015 | 2020 | 2025 | CAGR '15-'25 |
|---|----------------|----------------|----------------|--------------|
| Battery-grade carbonate | 55,299 | 78,007 | 136,020 | 9.4% |
| Technical-grade carbonate | 34,430 | 38,539 | 43,515 | 2.4% |
| Mineral concentrate | 32,445 | 36,941 | 42,092 | 2.6% |
| Battery-grade hydroxide | 10,765 | 27,043 | 45,415 | 15.5% |
| Technical-grade hydroxide | 14,912 | 17,536 | 20,622 | 3.3% |
| Butyllithium | 7,188 | 8,746 | 10,641 | 4.0% |
| Bromide | 7,627 | 8,629 | 9,763 | 2.5% |
| Battery-grade metal | 2,883 | 4,109 | 6,410 | 8.3% |
| Other ¹ | 17,126 | 19,402 | 21,993 | 2.5% |
| Total | 181,662 | 238,390 | 336,193 | 6.4% |
| High | 181,662 | 284,772 | 493,641 | 10.2% |
| Low | 181,662 | 208,173 | 242,410 | 3.3% |
| <i>Source: Roskill estimates</i> | | | | |
| <i>Note: Also includes products above used in lower volume first uses</i> | | | | |

The division of consumption between battery-grade lithium carbonate or hydroxide going forward depends on a number of factors, including:

- Cathode material type produced
- Cathode manufacturer
- Cost and availability

The first two are dependent on the performance of certain technologies, applications and companies. All high-nickel cathode materials use LiOH, as the reaction between nickel and carbonate is detrimental to cathode quality. In addition, some LFP is produced by the sol-gel process which requires LiOH due to its superior dissolution in solvent.

Roskill estimates that 100% of NCA and 50% LFP produced in 2015 used lithium hydroxide, and lithium manganite 1%.

The proportion of LiOH used in NMC and LMO is expected to grow over time, as high-nickel variants of NMC are used, and together with the greater volume of NCA produced (largely for Tesla EV batteries) causes hydroxide demand growth to outpace carbonate to 2025.

Assuming all lithium operations are capable of achieving 100% of their production capacity, installed capacity for lithium mine production at end-2015 (262,500 t/y LCE) is sufficient to meet forecast base-case demand only through to 2020. However, given that refined capacity is lower than mined, utilisation rates averaged 65% between 2000 and 2015, and only reached a maximum of 78% in 2007, when prices peaked, this capacity could quickly be used up by 2018. Additional new or expanded capacity is therefore required to balance future consumption growth both short and long term, and needs to reach at least 420,250 t/y LCE by 2025 based on an 80% utilisation rate. This capacity requirement, almost 150,000 t/y LCE higher than exists in 2015, will be achieved through new or expanded brine and mine capacity over the next ten years.

Environmental and Stakeholder Matters

For the Whabouchi Project, a first version of the ESIA document was submitted to both federal (Canadian Environmental Assessment Agency) and provincial (COMEX) authorities for review in April 2013. Questions and comments on that first version were sent by those authorities to the Corporation late in 2013. The Corporation completed its responses to all questions in early May 2014. The COMEX held public hearings in March-April 2015; as well, other forms of consultation were organized by the Corporation and/or the Cree Nation of Nemaska, enabling the COMEX to consider the concerns of the people in the territory and ensure they were accounted for in the Whabouchi Project and reflected in the General CA. On September 4, 2015, following a positive recommendation by the COMEX, the Provincial Administrator of the JBNQA granted authorization for the Whabouchi Project and the Corporation announced that it has received the General CA for the Whabouchi Project from the MSDEFCC. On July 29, 2015, following a comprehensive assessment of the Whabouchi Project, the MECC decided that the project is not likely to cause any significant adverse environmental effects, and set out in her positive decision statement the conditions relative to the mitigation measures and monitoring program to be respected by the Corporation. The Canadian Environmental Assessment Agency issued on that same date its final EA report.

The Corporation has already begun to fulfill the provisions included in the General CA for Whabouchi and the authorization application and permitting process for construction is expected to take one full year. Applications may be filed in a timely manner with the construction work and should therefore not impact on the Whabouchi Project schedule. Even though the Whabouchi Project underwent an ESIA and is authorized by the Government pursuant to Québec's *Environment Quality Act* (the "EQA") and the *Canadian Environmental Assessment Act, 2012*, it is still subject to other sections of the EQA (e.g. 22, 31.16, 31.75, 32 and 48), the *Mining Act* and to other provincial laws and regulations (e.g. *Safety Code*, *Sustainable Forest Development Act*, *An Act respecting Explosives* and *Regulation respecting the water property in the domain of the State*) and federal laws and regulations (e.g. *Fisheries Act*, *Metal Mining Effluent Regulations*, *Explosives Act* and *Environmental Emergency Regulations*). Finally, it will be necessary to obtain a global construction permit from the Eeyou Istchee / James Bay Regional Government before the beginning of construction work.

The hydrometallurgical plant will be located in Shawinigan using part of the RFP's former Laurentide pulp and paper mill buildings. The MSDEFCC has indicated that this part of the Whabouchi Project will need only a CA and not a complete ESIA. The legal framework for the construction and operation of the projected hydrometallurgical plant facilities is a combination of provincial, national, and municipal policies, regulations and guidelines. The hydrometallurgical plant project is subject to several sections of the EQA (e.g. sections 22, 31.75, 32 and 48) and to other provincial laws and regulations (e.g. *Safety Code* and *Regulation respecting the water property in the domain of the State*) and federal laws and regulations (e.g. *Fisheries Act*). In connection with the hydrometallurgical plant project's activities, the Corporation will have to request for a certificate of non-infringement to the municipal by-law from the city of Shawinigan, Québec. The permitting process has been fully identified and applications will be filed concurrently with the construction works and should therefore not impact on the Whabouchi Project schedule. Since construction works are to take place within existing buildings, the environmental permits and authorizations are only needed for operations to be initiated.

As part of the development of the Whabouchi Project, the Corporation has established and maintained solid relationships with the following key stakeholders: the Cree Nation of Nemaska, the Cree Nation Government and the Grand Council of the Crees (Eeyou Istchee) with which it signed in November 2014 the Chinuchi Agreement regarding the development and operation of the Whabouchi Project; the cities of Chibougamau, Québec and Chapais, Québec as well as the Administration régionale Baie-James with which it intends to sign a Declaration of Partnership which would cover items such as local and regional employment and procurement as well as socio-economic diversification and development; and the city of Shawinigan, Québec with which the Shawinigan Purchase Agreement has been signed regarding the acquisition of the RFP's former Laurentide plant and the development of the Corporation's hydrometallurgical plant project.

Capital and Operating Costs

Capital Cost Estimate

The capital cost estimate consists of the direct capital costs for the Whabouchi mine and concentrator site, the Chibougamau trans-boarding facility (included in the Whabouchi site estimate) and for the Shawinigan plant site and the indirect costs for the two sites. Each of the estimates will have a contingency added which is larger (12.5%) for the Shawinigan site compared with the Whabouchi site (10%) mainly because the hydrometallurgical plant is considered to be more complex and is using new processes. The estimated Corporation's costs were also included. Table 12 presents a summary of the estimated initial capital costs. A working capital, equal to three months operating costs, has been included as well.

Table 12 – Summary of the Initial Capital Costs Estimate

| Description | Capital Costs CAD M |
|---|------------------------|
| Whabouchi Site – Mine and Concentrator | |
| Direct Costs | 150.2 |
| Mine Development Pre-Stripping | 3.8 |
| Trust Fund Rehabilitation First Payment | 3.7 |
| Indirect Costs (incl. Corporation's Cost) | 59.8 |
| Contingencies | 21.7 |
| Sub Total Whabouchi Site | 239.2 |
| Shawinigan Site – Hydrometallurgical Plant | |
| Total Direct Costs | 230.2 |
| Total Indirect Costs | 45.6 |
| Contingencies | 34.5 |
| Sub Total Shawinigan Site | 310.2 |
| Sub Total Project Initial Capital Cost | 549.4 |
| Working Capital | 20.5 |
| Total Initial Capital Cost | 569.9 |

Note:

The totals may not add up due to rounding.

Initial capital costs are summarized with additional detail in Table 13.

Table 13 – Summary of Initial Capital Cost Estimate

| WBS | Description | Costs (\$) |
|-----|--|---------------|
| | Whabouchi Mine Site | |
| | Direct Cost Whabouchi Mine Site | |
| 110 | Mine Equipment, Services and Facilities | 14,643,000 |
| 110 | Open Pit Development | 3,797,000 |
| 120 | Process Mine Site | 88,907,000 |
| 130 | Tailings And Water Management Facilities Mine Site | 4,584,000 |
| 140 | Concentrate Storage & Handling Chibougamau | 4,029,000 |

| WBS | Description | Costs (\$) |
|------------|---|--------------------|
| 150 | Power And Communication Mine Site | 12,388,000 |
| 160 | Main Road And Access To Mine Site (No Work Required) | 0 |
| 180 | Camp Mine Site (Not Required) | 0 |
| 190 | Infrastructures Mine Site | 25,626,000 |
| | Sub-Total Direct Cost Whabouchi Mine Site | 153,974,000 |
| | Indirect Costs Whabouchi Mine Site | |
| 1100 | Project Development | 635,000 |
| 1200 | Engineering, Procurement and Construction Management ("EPCM") | 14,743,000 |
| 1300 | Corporation's Costs | 44,431,000 |
| 1400 | Financial Expenses | 0 |
| 1500 | Closure / Rehabilitation Costs | 3,669,000 |
| | Sub-Total Indirect Costs Whabouchi Mine Site | 63,478,000 |
| | Contingency | 21,745,000 |
| | Total Cost Whabouchi Mine Site | 239,197,000 |
| | Shawinigan Hydrometallurgical Plant | |
| | Direct Cost Hydrometallurgical Plant | |
| 220 | Hydrometallurgical Plant | 218,523,000 |
| 230 | Tailings And Water Management Facilities (not required) | 0 |
| 240 | General Services | 4,090,000 |
| 250 | Infrastructure | 2,147,000 |
| 260 | Power And Communication | 4,723,000 |
| 270 | Service Vehicles And Equipment | 714,000 |
| | Sub-Total Direct Cost Hydrometallurgical Plant | 230,196,000 |
| | Indirect Costs Hydrometallurgical Plant | |
| 2100 | Project Development | 5,405,000 |
| 2200 | EPCM | 25,171,000 |
| 2300 | Corporation's Costs | 14,983,000 |
| 2400 | Financial Expenses | 0 |
| 2500 | Closure / Rehabilitation Costs (not required) | 0 |
| | Sub-Total Indirect Costs Hydrometallurgical Plant | 45,559,000 |
| | Contingency | 34,469,000 |
| | Total Cost Hydrometallurgical Plant Site | 310,224,000 |
| | TOTAL PROJECT CAPITAL COST | 549,422,000 |

Note:

The totals may not add up due to rounding.

Operating Costs Estimate

The operating costs have been estimated for the Whabouchi operations that include the open pit, the underground mine, the concentrator operations, the tailings and waste disposal. They were estimated based on the average over the life of the Whabouchi Project. The mine operating costs include the costs for ore mining and waste / overburden removal and storage. The truck transport of the concentrate from the site to Chibougamau will be handled by a contractor and the transport by train to Shawinigan will be carried out by the CN.

The life of mine average operating costs estimate is summarized in Table 14.

Table 14 – Summary of Life of Mine Average Operating Costs Estimate

| Area | Average Operating Costs (\$/Tonne of Concentrate) |
|--|---|
| Mining (Open Pit Years 1 to 20) | 59.06 |
| Mining (Underground, Years 21 to 26) | 106.18 |
| Tailings Transport (Open Pit Years 1 to 20) | 2.68 |
| Tailings Transport (Underground, Years 21 to 26) | 2.57 |
| Average Mining Operating Costs | 72.79 |

Note:

The totals may not add up due to rounding.

The estimated concentrator operating costs are summarized in Table 15 and include personnel requirement for G&A and mill operations, electrical power cost, grinding media and reagents, dryer fuel consumption, consumables consumption, material handling, spare parts and miscellaneous. General services costs and general heating and lighting costs were also included. The total operating costs were estimated to be \$23,511,100 per year or \$22.81 /tonne of feed processed.

Table 15 – Process Plant Operating Cost

| Description | Annual Costs \$ | Costs \$/t milled ⁽¹⁾ | Costs \$/conc. tonnes ⁽²⁾ | % of Total Costs |
|--|-------------------|----------------------------------|--------------------------------------|------------------|
| General and Administration | 1,397,000 | 1.36 | 6.45 | 5.9% |
| Mill Operations | 5,589,300 | 5.42 | 25.82 | 23.8% |
| Electrical Power | 1,556,100 | 1.51 | 7.19 | 6.6% |
| Grinding Media and Reagents | 5,363,900 | 5.20 | 24.78 | 22.8% |
| Dryer Fuel Consumption | 697,700 | 0.68 | 3.22 | 3.0% |
| Consumables Consumption | 1,631,200 | 1.58 | 7.53 | 6.9% |
| Material Handling | 486,000 | 0.47 | 2.24 | 2.1% |
| Spare Parts and Miscellaneous ⁽³⁾ | 392,300 | 0.38 | 1.81 | 1.7% |
| General Services Costs | 5,176,600 | 5.02 | 23.91 | 22.0% |
| General Heating and Lighting Costs | 1,221,000 | 1.18 | 5.64 | 5.2% |
| Total Operating Cost | 23,511,100 | 22.81 | 108.60 | 100.0% |

Notes

- (1) Based on mill throughput of 1,030,659 tonnes per year.
- (2) Based on spodumene concentrate production of 216,485 tonnes per year.
- (3) Spare parts, estimated as 1.5% of total equipment capital cost.

Table 16 below shows the cost for concentrate transport including truck transport from the Whabouchi mine site to the Chibougamau rail track, loading of concentrate into railcars, rail transport to the hydrometallurgical plant in Shawinigan. The storage facility at Chibougamau will be built by the Corporation and was therefore included in the capital cost estimate. The cost for the concentrate transport was obtained from different transport and handling service companies.

Table 16 – Concentrate Transport Costs

| Services | Type | Quantity t/y or U/y | Operating costs \$/t | Total Cost \$/y | Unit cost \$/t |
|---|---------------|--------------------------------|-------------------------------------|----------------------------|---------------------------|
| Concentrate Transport and Railcar Loading | 80 t Trucks | 216,485 | 24.00 | 5,195,640 | 5.04 |
| Rail Transport Chibougamau to Shawinigan | 100 t Railcar | 216,485 | 18.65 | 4,038,240 | 3.92 |
| Railcar Leasing | 100 t Railcar | 216,485 | 2.24 | 485,040 | 0.47 |
| Infrastructure maintenance | n/a | 1 lot | 5.11 | 1,105,330 | 1.07 |
| Total | | | 50.00 | 10,824,250 | 10.50 |

A summary of the total operating costs related to the production of spodumene concentrate is presented in Table 17 below.

Table 17 – Concentrate Production Costs

| Area | Average Operating Cost \$/t of Concentrate |
|-------------------------------|---|
| Mining | 69.93 |
| Concentrator | 108.60 |
| Tailings Transport & Handling | 2.65 |
| Transport | 50.00 |
| Total Operating Cost | 231.19 |

Operating costs were estimated for the hydrometallurgical plant and cover the costs related to the transformation of spodumene concentrate into lithium hydroxide monohydrate crystals and lithium carbonate powder. The operating costs were based on a concentrate annual feed rate of 214,579 tonnes, a lithium hydroxide monohydrate production of 27,645 t/y and a lithium carbonate production of 3,267 t/y. The sources of information used to develop the operating costs include in-house databases and outside sources particularly for reagents and consumables.

The hydrometallurgical plant life average annual operating cost estimate is summarized in Table 18.

Table 18 – Hydrometallurgical Plant Average Annual Operating Cost Estimate

| Area | Average Operating Cost \$/year |
|-------------------------------|--------------------------------|
| Manpower | 8,308,616 |
| Electrical Power | 13,729,003 |
| Consumables and Wear Parts | 3,549,027 |
| Reagents and Chemicals | 2,523,220 |
| Fuel | 5,482,889 |
| Site Material Handling | 739,834 |
| General Services and Lighting | 1,127,056 |
| General Heating | 630,000 |
| Total Operating Costs | 36,089,644 |

The total operating costs by product at the hydrometallurgical plant have also been estimated and are shown in Table 19.

Table 19 – Hydrometallurgical Plant Operating Cost Estimate by Final Product

| Operating Cost (\$/t LiOH-H ₂ O) | Operating Cost (\$/t Li ₂ CO ₃) |
|---|--|
| 1,111.74 | 1,639.27 |

Overall Production Costs per Products

As it is important to be able to benchmark operating costs against other developers and producers, the overall production costs for the lithium hydroxide and the lithium carbonate have been calculated. To do so, the right proportion of the concentrate attributable to each product was assigned. This was done by prorating the Li unit contained in each product as per Table 20 below.

Table 20 - Li Content per Final Product

| | Production ratio (% of feed) | Annual production (t/y) | t Li in each product | Proportion of final Li per product | Overall recovery of Li |
|-------------------------------------|------------------------------|-------------------------|----------------------|------------------------------------|------------------------|
| Concentrate | N/A | 214,579 | 5,982 | N/A | N/A |
| Total LiOH (l) | 100.0% | 19,645 | 5,697 | N/A | N/A |
| LiOH-H ₂ O (s) | 100.0% | 27,645 | 4,561 | 88.1% | 86.5% |
| Li ₂ CO ₃ (s) | 0.0% | 3,267 | 614 | 11.9% | 86.5% |

From the above tables, it is then possible to convert the production cost of the concentrate per tonne of Li to 8,309.65 \$/t Li.

Finally, adding the appropriate proportion of the concentrate costs to the hydrometallurgical plant production costs of each product, the final production cost per product as shown in Table 21 can be obtained.

Table 21 - Overall Production Costs per Final Product

| OPERATING COSTS SUMMARY TABLE | \$/t LiOH-H₂O | \$/t Li₂CO₃ |
|---|-------------------------------------|--|
| Total Hydromet Plant Production Cost - Hydromet Plant Only | CAD \$1,111.74 | CAD \$1,639.27 |
| Total Concentrate Production Cost (CAD \$/tonne product) | CAD \$1,581.54 | CAD \$1,802.00 |
| Total Production Cost (CAD \$/tonne product) – Mine, Concentrator and Hydromet Plant | CAD \$2,693.28 | CAD \$3,441.27 |
| Total Production Cost (US \$/tonne product) – Mine, Concentrator and Hydromet Plant (Exchange rate @ 0.80 US\$/CAD \$) | US \$2,154.63 | US \$2,753.02 |

Economic Analysis

An economic analysis based on the production and cost parameters of the Whabouchi Project has been carried out and the results are shown in Table 22. In the analysis, average FOB selling prices of US\$ 9,500/t for LiOH-H₂O and US\$ 7,000/t for Li₂CO₃ have been assumed.

Table 22 – Summary of the Life of Project Production, Revenues and Costs

| Description | Units | Value |
|--|--------------|--------------|
| Production – Mineralization | t | 27,327,561 |
| Production – Concentrate @ 6.0% Li ₂ O | t | 5,589,633 |
| Production – LiOH-H ₂ O product | t | 713,793 |
| Production – Li ₂ CO ₃ product | t | 84,354 |
| Revenue | CAD M | 9,214.4 |
| Initial Capital Costs (excludes Working Capital and Closure Costs) | CAD M | 545.8 |
| Sustaining Capital Costs | CAD M | 230.0 |
| Operating Costs | CAD M | 2,248.3 |
| Closure Costs | CAD M | 7.3 |
| Pre-Tax Total Cash Flow | CAD M | 6,183.0 |
| After-Tax Total Cash Flow | CAD M | 3,916.2 |

The following table presents the cash flow statement for the base case. The cash flow statement shows a capital cost breakdown by area and provides an estimated capital spending schedule over the 2-year pre-production period of the Whabouchi Project.

The analysis of these estimates results in the financial indicators summarized in Table 24.

Figure 7 and Figure 8 show the sensitivity of the NPV and IRR, respectively, for variations in Capital Costs, Operating Costs Selling Prices and the USD/CAD Exchange Rate.

The Technical Report has been compiled according to widely accepted industry standards. However, there is no certainty that the conclusions reached in the Technical Report will be realized.

Table 24 – Summary of Financial Indicators

| Description | Units | |
|-------------------------|-------|---------|
| Pre Tax | | |
| Payback Period (years) | Years | 2.4 |
| NPV @ 6% | CAD M | 2,465.6 |
| NPV @ 8% | CAD M | 1,879.8 |
| NPV @ 10% | CAD M | 1,452.1 |
| Internal Rate of Return | % | 37.7 |
| After Tax | | |
| Payback Period (years) | | 2.7 |
| NPV @ 6% | CAD M | 1,532.3 |
| NPV @ 8% | CAD M | 1,154.6 |
| NPV @ 10% | CAD M | 878.1 |
| Internal Rate of Return | % | 30.3 |

Figure 7 – Sensitivity of Project NPV @ 8% (After Tax)

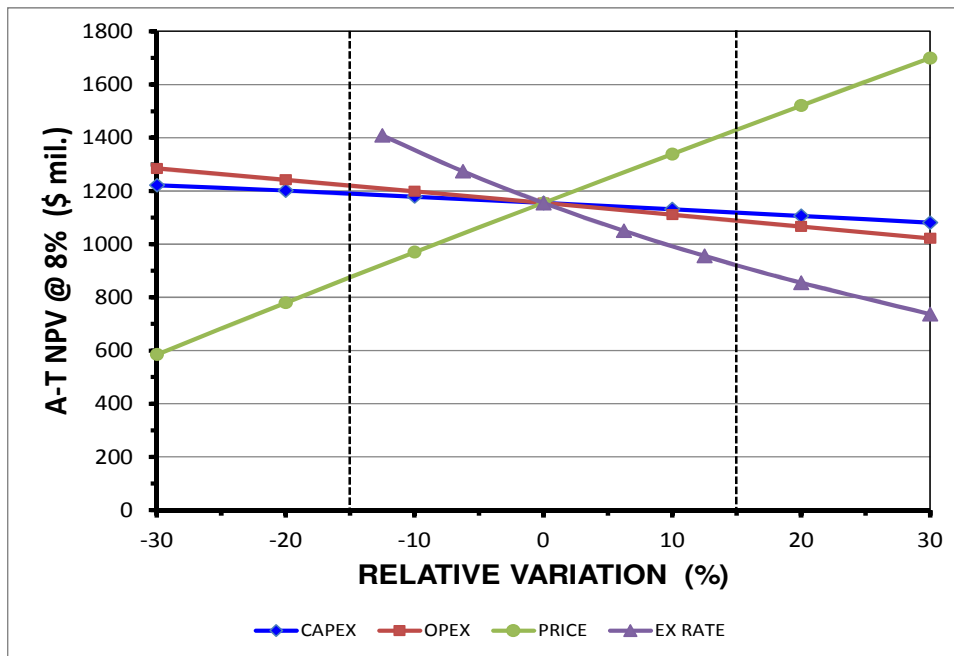
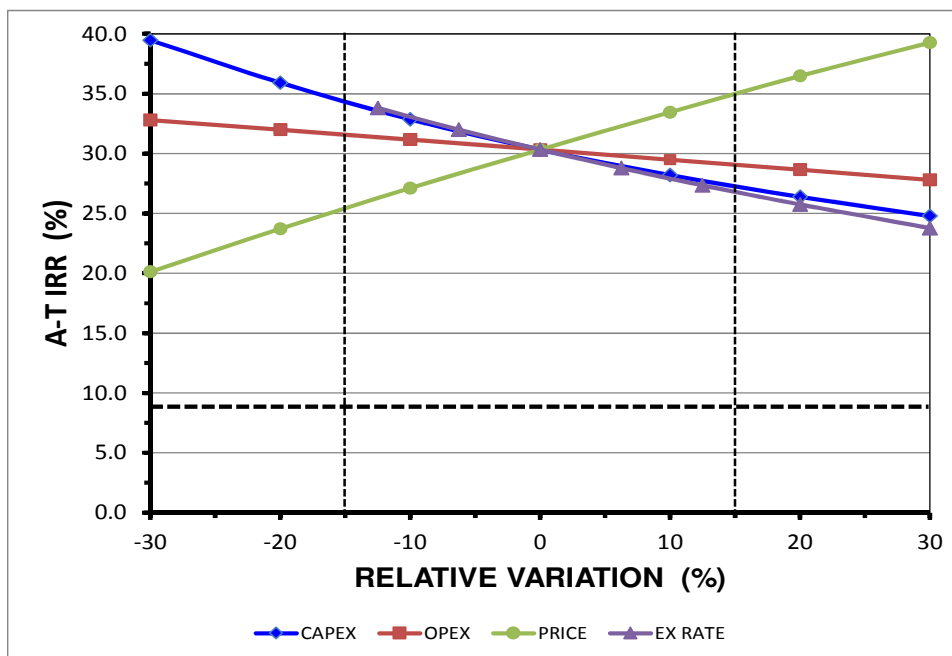


Figure 8 – Sensitivity of Project IRR (After Tax)



Whabouchi Project Schedule

The Whabouchi Project implementation schedule covers all the areas of the Whabouchi Project and includes the engineering, procurement, construction and commissioning of the facilities, including the main sub-station, the processing installations and the site infrastructures. Pre-production mining, initial water management, and related activities are also part of the Whabouchi Project implementation schedule.

The hydrometallurgical plant will be the most important element in terms of scope and magnitude. As a result, the overall schedule is governed by the engineering, equipment delivery, construction, commissioning, and other activities related to the start-up of this processing facility.

As at the date of the Technical Report, the schedule assumes that the Whabouchi Project execution team would start in the second quarter of 2016. The schedule also assumes that the environmental permits, required to start construction work at the site, would be received in due course. The production start-up is planned for the first quarter of the 2018 calendar year.

As at the date of the Prospectus, the Corporation and Met-Chem expect that if the award of the EPCM project is completed earlier in the third quarter of the 2016 calendar year, production of spodumene concentrate could begin in the first quarter of the 2018 calendar year followed by production of lithium hydroxide in the second quarter of the 2018 calendar year. To that effect, Met-Chem has started planning of the EPCM works.

Whabouchi Construction

The construction necessary infrastructures, such as camps, airport and main access road being already in place and in good condition, provide a schedule advantage for the implementation of the concentrator and auxiliary buildings at the Whabouchi mine site. The presence in the immediate area of qualified civil contractors is another benefit for the Whabouchi Project. The schedule is maintainable due to the above benefits.

As in any green field project, the schedule starts with the site preparation required for the installation of the main buildings done in parallel with the development of the detailed engineering. To meet the schedule, it will be important that the main concentrator building be ready for the start of the mechanical installation contract by the end of the first quarter of the 2017 calendar year. To achieve that, a plan has been conceived to have the foundations of that building poured with potentially the erection of the concentrator shell before winter of 2016 or very soon after its beginning. As part of that effort, it is also planned to erect the two light structure buildings destined to house the future crushing equipment and use them as storage space to facilitate the construction.

The installation of the permanent power supply line from the Hydro-Québec Nemiscau Power Generation plant has been initiated with the preliminary implementation study being currently prepared by Hydro-Québec.

Detailed engineering, while concentrating on the construction of the concentrator as describe above, will ensure that long lead items are ordered in due time to suit the mechanical installation schedule.

It is planned that the civil contractors will mobilize on site by August 2016, followed by the mechanical and piping contractor in early 2017 as work buildup on site. The electrical and process control contractor will be mobilizing to site during the summer of 2017. The plant will thereby be expected to be ready for dry commissioning by the end of 2017.

In parallel, it is expected the maintenance garage and office building construction will be started at the end of spring 2017 to be ready by December 2017, in time for the start of the mining operations.

Shawinigan Hydrometallurgical Plant

As this site is a brown field site, infrastructure construction requirements are limited. Being located near Grand-Mère city center, all accommodations required during construction are already existing. To help that, most of the construction workers will be recruited in the area which hold a large pool of qualified construction workers.

Before being able to start work inside the existing buildings selected to house the hydrometallurgical plant, the previous owner needs to remove the unwanted paper machine equipment. To do that, it has up to the first quarter of the 2017 calendar year, at which point the building will become progressively accessible to start construction. This is in line with the proposed schedule.

It is planned to start the detailed engineering early during the third quarter of the 2016 calendar year with the review of the process flowsheet design and the ordering of the long lead equipment. The civil contractor is scheduled to mobilize during the first quarter of the 2017 calendar year to progressively prepare the retained buildings for the installation of the mechanical equipment to begin soon after. The mechanical installation should be substantially complete by the end of 2017 with the dry commissioning schedule to start in December 2017 leading to a start-up at the beginning of the second quarter of the 2018 calendar year.

Figure 9 presents a summary of the project development timeline.

Figure 9 – Project Development Timeline

| Project Development Timeline ¹ | 2016 | | 2017 | | | | 2018 | |
|---|------|----|------|----|----|----|------|-----------|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 and Up |
| Whabouchi Mine and Concentrator | | | | | | | | |
| Engineering and Preparation | █ | | | | | | | |
| Permitting, Purchases and Construction | █ | | █ | | | | | |
| Start-up and Operation | | | | | | █ | █ | |
| Shawinigan Hydromet Plant | | | | | | | | |
| Engineering and Preparation | █ | | | | | | | |
| Permitting, Purchases and Construction | | █ | █ | | | | █ | |
| Start-up and Operation | | | | | | | █ | |

(1) Timeline is based on the Minimum Offering only, with the remainder of financing assumed to be raised during the first quarter of the 2017 calendar year.

Conclusions and Recommendations

The parameters used in the Technical Report include developing a 1,031 Kt/y open-pit mine using a small fleet of mining equipment for the first 20 years followed by six years of contract underground mining at 1,200 Kt/y capacity, the construction of a concentrator at the mine site (crushing, DMS, grinding, flotation circuits and magnetic separation) with a nominal capacity of 3,069 t/d of mineralized material at 92% availability in Whabouchi, Québec and construction of a lithium compounds complex production plant in Shawinigan, Québec.

Met-Chem has examined the technical and economic aspects of the Whabouchi mine project and the Shawinigan hydrometallurgical plant within the level of precision of a feasibility study. The Technical Report is a full fledge feasibility study in conformance with the standards required by NI 43-101 and Form 43-101F1.

A computed cash flow analysis was developed based on the technical aspects and product price projections made for LiOH and Li₂CO₃ derived from a recent market study. As it stands, the Whabouchi deposit contains a mineral reserve.

Consequently, Met-Chem concludes that the Whabouchi Project, as a whole, is technically feasible as well as economically viable. The Authors of the Technical Report consider the Whabouchi Project to be sufficiently robust to warrant moving it to the construction stage.

INVESTMENT HIGHLIGHTS¹

The following section provides additional technical information to the information provided under section “The Whabouchi Project”.

Lithium Market is Currently in a Deficit

- Mine production for 2015 was estimated at 171,050 tonnes of LCE while the mine production capacity in 2015 totalled 262,500 t/y LCE (split almost equally between brines and minerals) and refined capacity just over 251,000 t/y LCE.; deficit expected to grow with the coming of battery “mega-factories”.

Unprecedented Battery Demand

- Mega-factories to increase global battery manufacturing capacity 150% by 2020
- An estimated 89,000t LCE² needed by 2021 for Tesla/Panasonic, LG, Foxconn, BYD, Boston Power and Samsung

Supply Restricted in Short Term

- Limited new production from existing brines - Orocobre’s Olaroz mine in Argentina still in commissioning phase
- Tight supply with limited number of economically extractable lithium resources
- Only four major producers of lithium and three lithium projects currently permitted globally (including the Corporation)
- Very concentrated global production with approximately 85% of supply from Chile (SQM, Albemarle), Argentina (FMC Corp.) and Australia (Talison)

Electric Vehicles (EV) at Tipping Point

- Traditional and non-traditional players (Tesla, Apple, Faraday) all compete in the market
- Battery costs to fall from US\$410/kWh; the mass market would require costs of US\$150kWh and Tesla targets US\$125kWh by 2020

Tesla to Mass Market EVs

- Gigafactory to be largest battery raw materials buyer with production expected in 2018 and capacity reached by 2020
- Tesla will need 22,000 to 26,000 tpa of LiOH - equivalent to one lithium mine
- Model 3 launches in 2018 - there were 276,000 pre-orders in two days, equal to over one third of current annual lithium hydroxide production

Energy Storage Offers Huge Growth

- Electricity can be stored for consumption at later time
- Lower generation capacity for peak demand, which will increase momentum for renewable energy

¹ Source: Roskill Consulting Group, Benchmark Mineral Intelligence, Goldman Sachs Research.

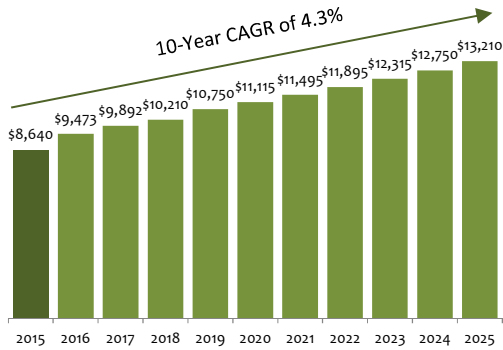
² Benchmark Intelligence’s estimated megafactory capacity and assumes 0.9kg LCE per kWh.

Lithium Price Projected at a CAGR of 4.3% to 2025

- The outlook for lithium consumption remains strong with overall growth estimated at 6.4% per annum, resulting in worldwide consumption of over 336,000t LCE in 2025
- Roskill estimates prices will increase to US\$13,210/t LiOH by 2025; a projected 10-year CAGR of 4.3% from 2015 price of US\$8,640

LiOH Price Forecast (US\$/t)

Lithium prices are expected to rise over the next 10 years due to the limited supply options and strong demand growth



Potential Mega-Factory Impact

Battery mega-factories are forecast to triple manufacturing capacity by 2021; only Tesla is located outside of China

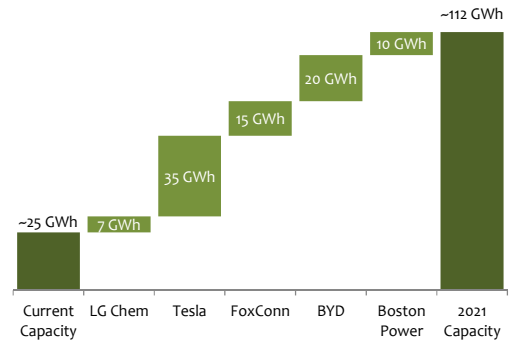


Figure 10 shows the existing buildings located in Shawinigan, Québec that will house the Phase 1 Plant and the future Commercial Hydromet Plant.

Figure 10 - Hydrometallurgical Plant – Existing Buildings



Artist rendition to modify existing site and buildings

Figure 11 shows the Phase 1 Plant layout.

Figure 11 - Phase 1 Plant Layout



Figure 12 presents the surface resources classification in plan view of the Whabouchi deposit.

Figure 12 - Surface Resources Classification in Plan View of the Whabouchi Deposit

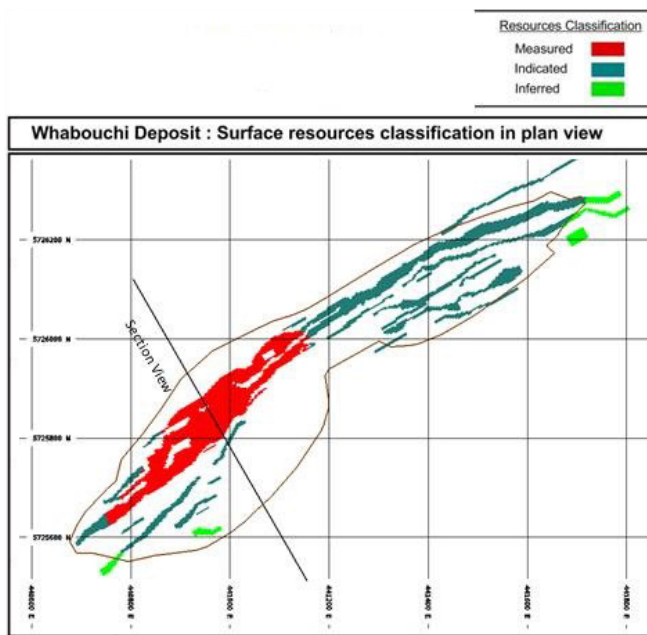
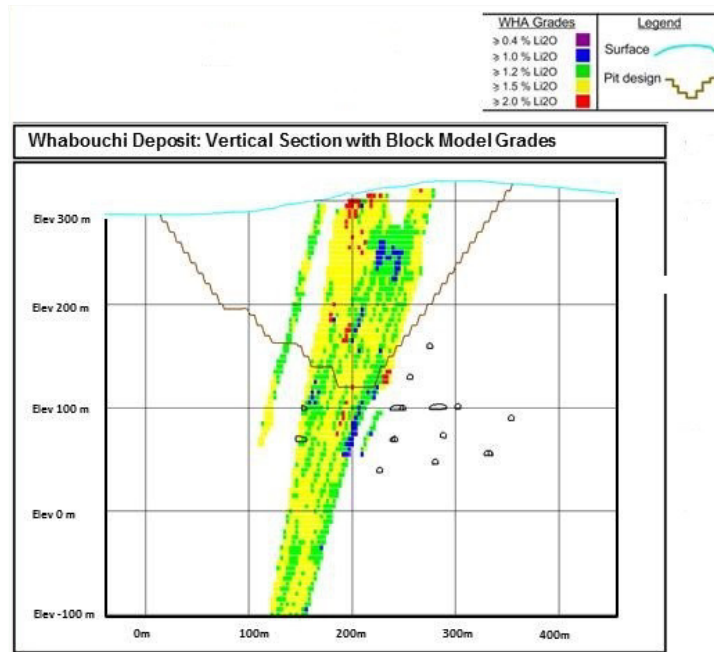


Figure 13 presents the vertical section with block model grades of the Whabouchi deposit.

Figure 13 - Vertical Section with Block Model Grades of the Whabouchi Deposit



MAJOR SHAREHOLDERS

Except as disclosed herein, the following table provides certain information as at the date of the Prospectus obtained from Factset and SEDI concerning certain significant shareholders of the Corporation.

| Shareholders | Common Shares (Millions) | Ownership (%) ⁽¹⁾ |
|--|--------------------------|------------------------------|
| RQ | 29.4 | 11.7 |
| TQC Group (Netherlands) Coöperatief U.A. | 19.1 | 7.6 |
| NDC | 12.4 ⁽²⁾ | 4.9 |
| Hauck Aufhuaser Investment Gesellschaft | 1.3 | 0.5 |
| US Global Investors, Inc. | 1.1 | 0.4 |
| Caisse de dépôt et placement du Québec | 0.5 | 0.2 |
| Marquest Asset Management | 0.5 | 0.2 |
| Galileo Global Equity Advisors | 0.3 | 0.1 |
| Management, key employees and insiders | 11.8 | 4.7 |

Notes:

- (1) Those calculations of the percentages of ownership are based on the number of issued and outstanding Common Shares as at the date of the Prospectus.
 (2) This number represents in the aggregate the 8.8M Common Shares subscribed for by NDC on March 24, 2016 (See "Prior Sales") and the 3.6M Common Shares previously held by NDC as disclosed in the Subscription Agreement for units entered into between NDC and the Corporation on the same date.

SENIOR MANAGEMENT AND TECHNICAL TEAM MEMBERS

The following table provides certain information concerning senior management and technical team members: name, position held with the Corporation and years of related experience.

| Name and position | Related experience |
|--|--|
| Guy Bourassa President, Chief Executive Officer and Secretary | <ul style="list-style-type: none"> • President and Secretary of the Corporation since its inception in 2007 • Over 30 years of mining experience, including senior executive roles with Radisson Mining Resources Inc., Mazarin Mining Corporation Inc. and Dufresnoy Industrial Minerals Inc. |
| Steve Nadeau Chief Financial Officer | <ul style="list-style-type: none"> • Chief Financial Officer of the Corporation since May 2008 • Over 20 years of accounting and finance experience, acted as Chief Financial Officer of Monarques Gold Corporation from March 2011 to December 2015 |
| Jean-François Magnan Technical Manager | <ul style="list-style-type: none"> • Professional engineer with over 20 years of experience in the metallurgical industry and the lithium battery industry. Joined the Corporation in January 2013 and has played an active role in the development and optimization of the Corporation's innovative technologies, of which he is a co-inventor |
| Gary Pearse Senior Consultant | <ul style="list-style-type: none"> • Professional engineer with more than 40 years of experience, largely as a rare metals and industrial minerals consultant |
| Bertin Ouellet Process Chemical Engineer | <ul style="list-style-type: none"> • Professional chemical engineer with more than 30 years of experience in various manufacturing industries, mainly the industrial chemical sector |
| Nicolas Laroche Electrochemical Engineer | <ul style="list-style-type: none"> • Masters degree in Electrochemical Engineering and Technologies and has played an active role in the Corporation's pursuit of patents covering its innovative technologies, of which he is a co-inventor |

CONSOLIDATED CAPITALIZATION

Since March 31, 2016, there has been no material change in the Corporation's share capital or loan capital, other than:

- (i) the issuance of an aggregate of 2,852,500 Common Shares following the exercise of an aggregate of 2,852,500 warrants, for an aggregate cash consideration of \$676,700;
- (ii) the issuance of an aggregate of 745,575 Common Shares following the exercise of an aggregate of 745,575 options, for an aggregate cash consideration of \$193,469;
- (iii) the issuance of 3,000,000 Common Shares as part of the non-cash consideration of \$1,500,000 for the acquisition of the Portable Mill;
- (iv) the grant of an aggregate of 5,591,150 options at an average exercise price of \$0.92; and
- (v) the issuance of an aggregate of 29,411,765 Common Shares and 14,705,883 warrants comprised in the units subscribed for by RQ pursuant to the Private Placement, for an aggregate cash consideration of \$10,000,000. See "The Corporation – Recent Developments";

(collectively, the items in (i) to (v) above referred to as the "Capital Issuances")

The following table represents the Corporation's share capital as at March 31, 2016, and on a pro forma basis after giving effect to the Offering, assuming no exercise of the Over-Allotment Option, and the Capital Issuances. It should be read in conjunction with the Interim Financial Statements and the Interim MD&A, including the notes thereto, which are incorporated by reference herein. The Corporation has no outstanding loans.

| | As of March 31, 2016 | | |
|-----------------|---|---|--|
| | Actual | After Giving Effect to the Minimum Offering and the Capital Issuances | After Giving Effect to the Maximum Offering ⁽¹⁾ and the Capital Issuances |
| Share Capital: | | | |
| Common Shares | \$56,469,005 (216,423,915 Common Shares) | \$68,940,750 (252,433,755 Common Shares) | \$68,940,750 (252,433,755 Common Shares) |
| Warrants | (22,721,915 warrants) | (34,575,298 warrants) ⁽²⁾ | (34,575,298 warrants) ⁽²⁾ |
| Options | (9,660,575 options) | (14,506,150 options) ⁽³⁾ | (14,506,150 options) ⁽³⁾ |
| Units | - | \$50,002,000 | \$60,000,100 |
| Common Shares | - | (43,480,000 Common Shares) | (52,174,000 Common Shares) |
| Warrants | - | (21,740,000 Warrants) ⁽²⁾ | (26,087,000 Warrants) ⁽²⁾ |
| Agents' Options | - | (2,608,800 Agents' Options) ⁽⁴⁾ | (3,130,440 Agents' Options) ⁽⁴⁾ |

Notes:

- (1) If the Over-Allotment Option is exercised in full, 312,433,855 Common Shares, 64,575,348 warrants, 3,600,006 Agents' Options and 14,506,150 options.
- (2) Total dollar value that the Corporation would receive, assuming all the warrants, including outstanding warrants as of the date the Prospectus, Warrants issued pursuant to the Offering and the Agents' Unit Warrants, are exercised before their expiry dates, amounts to \$47,259,376, after giving effect to the Minimum Offering (\$54,171,106 after giving effect to the Maximum Offering).
- (3) Total dollar value that the Corporation would receive, assuming all the options are exercised before their expiry dates, amounts to \$7,604,108.
- (4) Total dollar value that the Corporation would receive, assuming all the Agents' Options are exercised before their expiry date, amounts to \$3,000,120 after giving effect to the Minimum Offering (\$3,600,006 after giving effect to the Maximum Offering).

USE OF PROCEEDS AND OTHER AVAILABLE FUNDS

Assuming no exercise of the Over-Allotment Option, the net proceeds from the Offering are estimated at \$46,501,880 upon completion of the Minimum Offering (after deducting the Agents' Fee of \$3,000,120 and the estimated expenses and costs of \$500,000 in the case of the Minimum Offering) and at \$55,900,094 upon completion of the Maximum Offering (after deducting the Agents' Fee of \$3,600,006 and the estimated expenses and costs of \$500,000 in the case of the Maximum Offering).

As of April 30, 2016, the Corporation also had short term working capital of approximately \$2,500,000 to finance its operations, excluding any balance amounts of grants received going towards the Phase 1 Plant budget.

Together with the estimated short term working capital as of April 30, 2016, the available funds after the Offering are estimated at \$49,001,880 in the case of the Minimum Offering and at \$58,400,094 in the case of the Maximum Offering, in each case after deducting the applicable Agents' Fee and the estimated expenses and costs of the Offering and assuming no exercise of the Over-Allotment Option, as set out below:

| Net Proceeds and other Available Funds | Minimum Offering | Maximum Offering |
|--|-------------------------|-------------------------|
| Gross proceeds from the Offering | \$50,002,000 | \$60,000,100 |
| Estimated short term working capital as of April 30, 2016 ⁽¹⁾ | \$2,500,000 | \$2,500,000 |
| Gross proceeds and other available funds | \$52,502,000 | \$62,500,100 |
| Less: | | |
| Agents' Fee | \$3,000,120 | \$3,600,006 |
| Estimated expenses and costs of the Offering ⁽²⁾ | \$500,000 | \$500,000 |
| Net proceeds and other available funds | \$49,001,880 | \$58,400,094 |

Notes:

(1) The estimated short term working capital as of April 30, 2016 is based on preliminary information available to the Corporation as of the date of the Prospectus.

(2) Includes, among other things, the Corporation's legal fees, auditors' fees and filing fees with the TSXV and the TSX, and other regulatory authorities.

The Corporation has no history of revenues from its operating activities. During the fiscal year ended June 30, 2015 and the nine-month period ended March 31, 2016, the Corporation had negative cash flow from operating activities. The Corporation's cash and cash equivalents amounted to \$1,625,666 and \$6,523,310 as at June 30, 2015 and March 31, 2016, respectively. From June 30, 2015 to March 31, 2016, the Corporation has had an average monthly cash expenditure rate of approximately \$360,000 per month, including all development capitalized costs not covered by grants, and expects such rate to increase in immediate future periods. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at its Whabouchi Project. See "Risk Factors – Risks Related to the Corporation – Negative Operating Cash Flow".

Principal purposes – Generally

The Corporation intends to use the net proceeds of the Offering and other available funds as described in the following tables, which set out details with respect to the estimated initial capital expenditures for the Whabouchi Project as indicated in the Technical Report as well as the Corporation's estimates regarding the percentage of such expenditures which will be completed with the net proceeds of the Offering and other available funds over the next six months, excluding the drilling portion of \$1,500,000 and the working capital portion of \$8,620,000. The working capital portion shown at the end of the following tables will be used within the next 18 months following the Offering.

| Summary of the Investments | | Estimated Completion with Proceeds from the Minimum Offering | | Estimated Completion with Proceeds from the Maximum Offering | |
|--|------------------|--|---------------|--|---------------|
| | | (%) | (\$ '000) | (%) | (\$ '000) |
| Whabouchi Site | (\$ '000) | | | | |
| Direct Costs | | | | | |
| Mine Equipment, Services and Facilities | 14,643 | 0.0% | - | 0.0% | - |
| Open Pit Development | 3,797 | 0.0% | - | 0.0% | - |
| Process Mine Site | 88,907 | 5.6% | 4,950 | 5.6% | 4,950 |
| Tailings and Water Management Facilities | 4,584 | 0.0% | - | 0.0% | - |
| Concentrate Storage and Handling Chibougamau | 4,029 | 0.0% | - | 0.0% | - |
| Power and Communication Mine Site | 12,388 | 8.3% | 1,030 | 8.3% | 1,030 |
| Infrastructures Mine Site | 25,626 | 20.3% | 5,210 | 20.3% | 5,210 |
| Indirect Costs and Contingency | | | | | |
| Project Development | 635 | 100.0% | 635 | 100.0% | 635 |
| EPCM | 14,743 | 29.2% | 4,304 | 56.3% | 8,304 |
| Corporation's Costs | 44,431 | 7.6% | 3,367 | 7.6% | 3,367 |
| Closure / Rehabilitation Costs | 3,669 | 0.0% | - | 0.0% | - |
| Contingency | 21,745 | 2.0% | 435 | 2.0% | 435 |
| Total Costs Whabouchi Mine Site | 239,197 | 8.3% | 19,931 | 10% | 23,931 |

| Summary of the Investments | | Estimated Completion with Proceeds from the Minimum Offering | | Estimated Completion with Proceeds from the Maximum Offering | |
|--|------------------|--|---------------|--|---------------|
| | | (%) | (\$ '000) | (%) | (\$ '000) |
| Shawinigan Site | (\$ '000) | | | | |
| Direct Costs | | | | | |
| Hydrometallurgical Plant | 218,523 | 5.4% | 11,765 | 5.4% | 11,765 |
| General Services | 4,090 | 2.4% | 99 | 2.4% | 99 |
| Infrastructure | 2,147 | 0.0% | - | 0.0% | - |
| Power and Communication | 4,723 | 11.4% | 537 | 11.4% | 537 |
| Service Vehicles and Equipment | 714 | 0.0% | - | 0.0% | - |
| Indirect Costs and Contingency | | | | | |
| Project Development | 5,405 | 40.0% | 2,162 | 40.0% | 2,162 |
| EPCM | 25,171 | 13.7% | 3,453 | 35.2% | 8,853 |
| Corporation's Costs | 14,983 | 6.2% | 933 | 6.2% | 933 |
| Contingency | 34,469 | 0.0% | - | 0.0% | - |
| Total Costs Shawinigan Site | 310,225 | 6.1% | 18,949 | 7.8% | 24,349 |
| Total Costs Whabouchi Mine Site and Shawinigan Site as per Technical Report | 549,422 | 7.1% | 38,880 | 8.8% | 48,280 |
| Diamond Drilling Campaign | 1,500 | 100% | 1,500 | 100% | 1,500 |
| Working Capital | | | 8,622 | | 8,620 |
| Total Use of Net Proceeds and Other Available Funds | | | 49,002 | | 58,400 |

Note:

The totals may not add up due to rounding.

The Corporation plans to raise the balance of the funds required for the Whabouchi Project by way of project financing or other sources of funds. At this time, the Corporation does not have any details regarding any such funding and there is no assurance that any such funding will be available or will be completed on terms which are satisfactory to the Corporation. See "Risk Factors".

The Corporation intends to use the net proceeds of the Offering and other available funds as described above, but such use will depend on its operating needs, the implementation of its strategic plan and changes in the prevalent business environment and operating conditions.

Pending such use, the net proceeds of the Offering will be part of the working capital of the Corporation and will be invested in interest-bearing short-term investments.

The actual amount that the Corporation will spend in connection with each of the intended uses of proceeds may vary significantly and will depend on a number of factors, including those listed under “Risk Factors” in the Prospectus and in the documents incorporated herein by reference. The above-noted allocation represents the Corporation’s intention with respect to its use of proceeds and other available funds based on current knowledge and planning by management of the Corporation. There may be circumstances where, for sound business reasons, the Corporation may reallocate the use of proceeds. See “Risk Factors”.

If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of \$8,460,014 in the case of the Maximum Offering, after deducting the Agents’ Fee only. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be applied towards the overall project costs of the Whabouchi and Shawinigan sites and also towards working capital.

Business Objectives and Milestones

The main business objectives of the Corporation in the coming years are to: (i) complete and operate the already fully financed Phase 1 Plant in Shawinigan; (ii) complete a diamond drilling program at the Whabouchi mine site during the summer of 2016; (iii) install the Portable Mill at the Whabouchi mine site in order to do a bulk sample; (iv) build the Whabouchi mine and concentrator at the Whabouchi mine site and (v) build the Commercial Hydromet Plant in Shawinigan, Québec to produce high purity lithium hydroxide and lithium carbonate from spodumene concentrate produced at the Whabouchi mine.

In order to achieve these objectives, the main milestones that the Corporation intends to start or achieve in the case of the Minimum Offering are described in the table below. For a summary of the investments and the approximate estimated costs related to such milestones, please refer to the previous section “Principal purposes – Generally”.

| Milestones in the Case of the Minimum Offering | Target Calendar Date |
|--|----------------------------------|
| Completion of an approximately 14,000 m diamond drilling program on the Whabouchi mine site in order to (i) qualify the inferred resources into reserves ahead of finalizing the detailed mine plan of the open pit, (ii) increase the resources down to the -200m level, and (iii) confirm the potential additional resources under the -200m level down to -520m level | Q3 2016 |
| Marketing efforts with potential clients in order to secure additional commercial off-take agreements | Ongoing throughout 2016 and 2017 |
| Commencement of the detailed engineering work and other projects development costs for the Whabouchi and Shawinigan sites in order to be able to order and make deposits for some of the long lead items required | Q3 and Q4 2016 |
| Preliminary work at the Whabouchi and Shawinigan sites and deposits for some of the long lead items required | Q2 and Q3 2016 |
| Negotiation of off-take agreements with end-users of lithium hydroxide and lithium carbonate in order to support the project financing required to initiate construction of the Whabouchi mine and concentrator as well as the Shawinigan Commercial Hydromet Plant | Ongoing throughout 2016 and 2017 |
| Negotiation and closing of a project financing with recognized financial institutions and investors | Q2 2016 to Q1 2017 |

In order to advance the main business objectives of the Corporation, the additional milestone that the Corporation intends to start or achieve in addition to those above in the case of the Maximum Offering is described in the table below. For a summary of the investments and the approximate estimated costs related to such milestone, please refer to the previous section “Principal purposes – Generally”.

| Milestones in the Case of the Maximum Offering | Target Calendar Date |
|---|-----------------------------|
| Continuance of the detailed engineering work for the Whabouchi and Shawinigan sites | Q1 2017 |

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The Offering consists of the issuance of a minimum of 43,480,000 Units for aggregate gross proceeds of \$50,002,000 and a maximum of 52,174,000 Units for aggregate gross proceeds of \$60,000,100 (up to a maximum of 7,826,100 Over-Allotment Units for additional aggregate gross proceeds of \$9,000,015, should the Over-Allotment Option be exercised in full).

Common Shares

The Corporation's authorized capital is made up of an unlimited number of Common Shares without par value. As of the date of the Prospectus, there were 252,433,755 Common Shares issued and outstanding as fully paid and non-assessable. The holders of Common Shares are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the board of directors of the Corporation and, upon liquidation or winding-up of the Corporation, to share the residual assets of the Corporation. The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

Warrants

The Warrants will be created and issued pursuant to, and will be governed by, the terms of a warrant indenture (the "Warrant Indenture") between the Corporation and Computershare Trust Company of Canada (the "Warrant Agent") to be entered into on the Closing Date. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Corporation on SEDAR at www.sedar.com and will be available following the Closing Date. The Corporation will appoint the principal transfer offices of the Warrant Agent in Montréal, Québec and Toronto, Ontario as the locations at which Warrants may be surrendered for exercise or transfer.

Each Warrant will entitle the holder to purchase one Warrant Share at an exercise price of \$1.50, subject to adjustment and early termination as described below. The Warrants will expire if not exercised prior to 5:00 p.m. (Montréal time) on the date that is 36 months following the Closing Date. The Warrant Shares, when issued upon exercise of the Warrants, will be fully paid and non-assessable, and the Corporation will pay any transfer tax incurred as a result of the issuance of the underlying Warrant Shares except for any tax payable in respect of any transfer in a name other than the holders'.

The Warrants may be transferred or assigned. The Corporation may require payment of a sum sufficient to cover any taxes or governmental or other charges that may be imposed in connection with any registration of transfer or exchange of a Warrant certificate.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares at no additional cost to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution;
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of Common Shares of securities of the Corporation (including securities exchangeable for or convertible into Common Shares), or other property or assets of the Corporation.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (a) reclassification of the Common Shares (other than as described above);

- (b) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or
- (c) the transfer of the property or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity (other than transfers of the property or assets of the Corporation which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares).

No adjustment to the exercise price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the prevailing exercise price.

The Corporation may accelerate the Warrant Expiry Date if, and at any time following the Closing Date and before the Warrant Expiry Date, an Early Expiry Event occurs. The Corporation may accelerate the Warrant Expiry Date by giving prior notice to the holders of Warrants within 10 business days immediately following an Early Expiry Event and in such event, all outstanding Warrants will expire on the 30th calendar day following the date on which such notice is given by the Corporation.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to each registered holder of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

The Corporation is not required to issue fractional shares upon the exercise of the Warrants (and is not required to pay cash in lieu of the issuance of fractional shares). The holders of the Warrants will not possess any rights as shareholders of the Corporation until such holders exercise the Warrants.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that, in the opinion of the Warrant Agent, does not prejudice the rights of the Warrant Agent or the holders of the Warrants. In accordance with and subject to the terms of the Warrant Indenture, amendments or supplements to the Warrant Indenture that so prejudice the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants, and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the votes cast upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants entitled to acquire not less than 66 2/3% of the aggregate number of Warrant Shares which may be acquired pursuant to all the then outstanding Warrants.

The Warrants will only be exercisable (i) in the United States by the original purchaser of the Units who is either (a) a Qualified Institutional Buyer or (b) an Institutional Accredited Investor, exercising the Warrants for its own account or the account of a Qualified Institutional Buyer or Institutional Accredited Investor, as applicable, over which it exercises sole investment discretion; or (ii) by a holder that is not in the United States, is not a U.S. Person and is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, was not offered and did not acquire the Warrants in the United States, and did not execute or deliver the notice of exercise in the United States.

All of the foregoing statements are subject to the more detailed provisions of the Warrant Indenture.

PLAN OF DISTRIBUTION

The Corporation has engaged the Agents pursuant to the Agency Agreement to offer for sale to the public on a “best efforts” agency basis, without underwriter liability, and the Corporation has agreed to issue and sell, a minimum of 43,480,000 Units for aggregate gross proceeds of \$50,002,000 and a maximum of 52,174,000 Units for aggregate gross proceeds of \$60,000,100 (up to a maximum of 7,826,100 Over-Allotment Units for additional aggregate gross proceeds of \$9,000,015, should the Over-Allotment Option be exercised in full), payable in cash to the Corporation against delivery of the Units, subject to the terms and conditions of the Agency Agreement. The Offering Price was determined based upon arm’s length negotiations between the Corporation and the Lead Agent, on behalf of the Agents, in the context of the market. All sales in Canada will be made by the Canadian Agents. Jett Capital will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada. The obligations of the Agents under the Agency Agreement are conditional and may be terminated at their discretion on the basis of “market out”, “due diligence out”, “material change out”, “disaster out”, “breach out” and may also be terminated upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Units, the Agents are not obligated to purchase any Units which are not sold.

Pursuant to the terms and conditions of the Agency Agreement, the Corporation has also agreed to indemnify and save harmless the Agents, their affiliates, directors, officers, employees and partners against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Agents may be required to make in respect thereof.

In order to cover for over-allotments, if any, and for market stabilization purposes, the Corporation will grant the Agents the Over-Allotment Option, exercisable for a period of 30 days from and including the Closing Date, to offer and sell at the Offering Price an additional number of Over-Allotment Units equal to 15% of the number of Units sold pursuant to the Offering. The grant of the Over-Allotment Option and the Over-Allotment Units issuable upon exercise of the Over-Allotment Option are qualified for distribution under the Prospectus. A purchaser who acquires Over-Allotment Units forming part of the Agents' over-allocation position acquires those securities under the Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total "Price to Public", "Agents' Fee" and "Net Proceeds to the Corporation" (before payment of the estimated expenses and costs relating to the Offering will be \$69,000,115, \$4,140,007 and \$64,860,108 respectively in the case of the Maximum Offering.

Pursuant to the Agency Agreement and in consideration for the services rendered by the Agents in connection with the Offering, the Agents will receive from the Corporation (i) the Agents' Fee equal to 6% of the gross proceeds of the Offering (including for certainty the gross proceeds from any exercise of the Over-Allotment Option) other than with respect of sales to certain purchasers on a "president's list" on which only a fee of 3% will be paid and (ii) the Agents' Options that will entitle the Agents to purchase that number of Agents' Units equal to 6% of the total number of Units sold under the Offering (including for certainty pursuant to the exercise of the Over-Allotment Option), at a price of \$1.15 per Agents' Unit, for a period of 36 months from the Closing Date. The Agents' Options are qualified for distribution under the Prospectus.

The Offering is not underwritten or guaranteed by any person. There will be no closing of the Offering unless a minimum of 43,480,000 Units are sold, representing a minimum aggregate gross proceeds of \$50,002,000. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Provided the Minimum Offering is met, it is expected that the Closing Date will occur on or about July 8, 2016 or such other date as may mutually be agreed to by the Corporation and the Agents. Pending closing of the Offering, all subscription funds will be deposited and held by the Agents in trust pursuant to the terms and conditions of the Agency Agreement. If the Minimum Offering is not met or the Closing Date does not occur within 90 days from the date a receipt is issued for the Prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction.

Pursuant to the Agency Agreement, the Corporation has agreed with the Agents not to, directly or indirectly, authorize, issue, sell or grant, or negotiate or enter into any agreement to issue, sell or grant (or announce any intention to do any of the foregoing) any securities of the Corporation including additional debt, Common Shares or any securities convertible into or exchangeable for Common Shares, for a period of 90 days after the Closing Date without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, except in conjunction with: (i) the Offering; (ii) the exchange, transfer, conversion or exercise rights of existing outstanding securities or commitments to issue securities; or (iii) pursuant to arm's length acquisitions.

In addition, pursuant to the Agency Agreement, the Corporation has agreed to use its best efforts to cause its officers and directors to enter into lock up agreements in favour of the Agents, pursuant to which each of such individuals will agree, for a period of 90 days after the Closing Date, not to offer, sell, contract to sell, transfer or pledge or otherwise dispose of, any securities of the Corporation, without the prior written consent of the Lead Agent, on behalf of the Agents, which consent will not be unreasonably withheld or delayed.

The TSXV has conditionally approved the listing of the Unit Shares, the Warrant Shares, the Agents' Unit Shares and the Agents' Warrant Shares. Listing is subject to the Corporation fulfilling all of the requirements of the TSXV. However, the Corporation has also filed an application to graduate to the TSX to have all of its issued and outstanding Common Shares, the Unit Shares, the Warrants, the Warrant Shares, the Agents' Unit Shares, the Agents' Unit Warrants and the Agents' Warrant Shares listed on the TSX, upon closing of the Offering. As at the date of the Prospectus, the Corporation has obtained conditional approval for final listing on the TSX under the current stock symbol "NMX" for the Common Shares and "NMX.WT" for the Warrants. Listing of the Common Shares, the Unit Shares, the Warrants, the Warrant Shares, the Agents' Unit Shares, the Agents' Unit Warrants and the Agents' Warrant Shares on the TSX is subject to final approval by the TSX of the Corporation's final listing application and fulfillment by the Corporation of all the listing requirements of the TSX on or before September 8, 2016. Should the Common Shares be listed on the TSX upon the closing of the Offering, they would be concurrently delisted from TSXV.

It is anticipated that the Units will be deposited electronically with CDS or its nominees, which shall include those Units purchased by Qualified Institutional Buyers, on the Closing Date. Transfers of ownership of the Unit Shares and the Warrants deposited with CDS will be effected through records maintained by the CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book based system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. Purchasers of Units, including Qualified Institutional Buyers, will receive only a customer confirmation of purchase from the CDS Participant from or through which such Units are purchased in accordance with the practices and procedures of such CDS Participant. Definitive physical certificates will be issued to purchasers of Units that are Institutional Accredited Investors. Other than with respect to the issuance of definitive physical certificates to Institutional Accredited Investors, no certificates representing the Unit Shares and the Warrants will be issued unless it is specifically requested or required.

Pursuant to applicable securities legislation, the Canadian Agents may not, throughout the period of distribution under the Prospectus, bid for or purchase Common Shares or Warrants for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to exceptions, provided the bid or purchase is not engaged in for the purpose of creating actual or apparent trading in, or raising the price of, such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. In connection with the Offering and subject to applicable securities legislation, the Agents may over-allot or effect transactions intended to stabilize or maintain the market price for the Common Shares and the Warrants at levels above those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Unit Shares and the Warrants offered hereby have not been and will not be registered under the 1933 Act or any state securities laws of the United States and, subject to certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, in the United States or to or for the account of, or benefit of, any U.S. Person or a person in the United States. Each Agent has agreed that, except as permitted under the Agency Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Unit Shares and the Warrants at any time within the United States or to, or for the account or benefit of, any U.S. Person or a person in the United States.

The Agency Agreement permits the Agents, acting through their registered United States broker-dealer affiliates to (i) offer and sell the Units in the United States or to a U.S. Person or to or for the account or benefit of a U.S. Person or a person in the United States that is a Qualified Institutional Buyer, provided such offers and sales are made in compliance with Rule 506(b) of Regulation D under the 1933 Act, or (ii) designate certain Institutional Accredited Investors to whom the Corporation may sell the Units in transactions that comply with Rule 506(b) under Regulation D of the 1933 Act, in each case in compliance with similar exemptions under applicable state securities laws. Moreover, the Agency Agreement provides that the Agents will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act. The Units that are sold in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States will be restricted securities within the meaning of Rule 144 of the 1933 Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the 1933 Act. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, U.S. Persons or a person in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by a dealer (whether or not participant in the Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made other than in accordance with an exemption from registration under the 1933 Act and similar exemptions under applicable state securities laws.

PRIOR SALES

During the 12-month period prior to the date of the Prospectus, the Corporation issued the Common Shares or securities convertible into Common Shares as follows:

| Issue Date | Number and Class of Securities | Issue Price or Exercise Price per Security |
|---------------|--|--|
| June 29, 2016 | 350,000 Common Shares ⁽³⁾ | \$0.22 |
| June 14, 2016 | 1,000,000 Common Shares ⁽³⁾ | \$0.28 |
| June 13, 2016 | 14,705,882 units ⁽⁸⁾ | \$0.34 |
| June 2, 2016 | 195,000 Common Shares ⁽³⁾ | \$0.28 |
| May 30, 2016 | 45,000 Common Shares ⁽³⁾ | \$0.28 |
| May 26, 2016 | 245,575 Common Shares ⁽¹⁾ | \$0.459 |

| Issue Date | Number and Class of Securities | Issue Price or Exercise Price per Security |
|-------------------|--|---|
| May 24, 2016 | 50,000 Common Shares ⁽¹⁾ | \$0.125 |
| May 24, 2016 | 100,000 Common Shares ⁽¹⁾ | \$0.20 |
| May 20, 2016 | 14,705,883 units ⁽²⁾ | \$0.34 |
| May 20, 2016 | 200,000 Common Shares ⁽³⁾ | \$0.20 |
| May 16, 2016 | 62,500 Common Shares ⁽³⁾ | \$0.20 |
| April 29, 2016 | 3,000,000 Common Shares ⁽⁴⁾ | \$0.50 ⁽⁵⁾ |
| April 29, 2016 | 200,000 Common Shares ⁽³⁾ | \$0.20 |
| April 26, 2016 | 100,000 options | \$1.11 |
| April 26, 2016 | 50,000 Common Shares ⁽¹⁾ | \$0.10 |
| April 26, 2016 | 50,000 Common Shares ⁽¹⁾ | \$0.365 |
| April 22, 2016 | 200,000 Common Shares ⁽³⁾ | \$0.20 |
| April 20, 2016 | 100,000 Common Shares ⁽³⁾ | \$0.20 |
| April 18, 2016 | 100,000 Common Shares ⁽³⁾ | \$0.20 |
| April 14, 2016 | 5,491,150 options | \$0.92 |
| April 12, 2016 | 50,000 Common Shares ⁽³⁾ | \$0.20 |
| April 11, 2016 | 250,000 Common Shares ⁽¹⁾ | \$0.125 |
| April 4, 2016 | 350,000 Common Shares ⁽³⁾ | \$0.20 |
| March 30, 2016 | 125,000 Common Shares ⁽³⁾ | \$0.28 |
| March 24, 2016 | 8,823,530 units ⁽⁶⁾ | \$0.34 |
| March 21, 2016 | 60,000 Common Shares ⁽¹⁾ | \$0.125 |
| March 17, 2016 | 200,000 Common Shares ⁽³⁾ | \$0.20 |
| March 15, 2016 | 250,000 Common Shares ⁽³⁾ | \$0.20 |
| March 7, 2016 | 250,000 Common Shares ⁽³⁾ | \$0.20 |
| January 25, 2016 | 100,000 Common Shares ⁽³⁾ | \$0.20 |
| December 23, 2015 | 250,000 Common Shares ⁽³⁾ | \$0.20 |
| December 22, 2015 | 2,675,000 options | \$0.40 |
| December 17, 2015 | 136,000 Common Shares ⁽⁷⁾ | \$0.12 |
| December 16, 2015 | 180,000 Common Shares ⁽³⁾ | \$0.20 |
| December 15, 2015 | 207,500 Common Shares ⁽³⁾ | \$0.28 |
| December 10, 2015 | 100,000 Common Shares ⁽³⁾ | \$0.20 |
| December 7, 2015 | 230,000 Common Shares ⁽³⁾ | \$0.28 |
| November 30, 2015 | 165,000 Common Shares ⁽³⁾ | \$0.28 |
| November 25, 2015 | 265,000 Common Shares ⁽³⁾ | \$0.20 |
| November 24, 2015 | 250,000 Common Shares ⁽³⁾ | \$0.20 |
| November 23, 2015 | 250,000 Common Shares ⁽³⁾ | \$0.20 |
| November 20, 2015 | 625,000 Common Shares ⁽³⁾ | \$0.28 |
| November 20, 2015 | 200,000 Common Shares ⁽³⁾ | \$0.20 |

| Issue Date | Number and Class of Securities | Issue Price or Exercise Price per Security |
|--------------------|--|---|
| November 20, 2015 | 50,000 options | \$0.365 |
| November 18, 2015 | 875,000 Common Shares ⁽³⁾ | \$0.28 |
| November 18, 2015 | 50,000 Common Shares ⁽³⁾ | \$0.20 |
| November 13, 2015 | 678,398 Common Shares ⁽³⁾ | \$0.25 |
| November 11, 2015 | 500,000 Common Shares ⁽³⁾ | \$0.25 |
| November 10, 2015 | 25,000 Common Shares ⁽³⁾ | \$0.20 |
| November 5, 2015 | 525,121 Common Shares ⁽³⁾ | \$0.25 |
| November 2, 2015 | 250,000 Common Shares ⁽³⁾ | \$0.25 |
| October 28, 2015 | 100,000 Common Shares ⁽³⁾ | \$0.18 |
| October 27, 2015 | 309,852 Common Shares ⁽³⁾ | \$0.25 |
| October 26, 2015 | 125,000 Common Shares ⁽³⁾ | \$0.25 |
| October 22, 2015 | 330,500 Common Shares ⁽³⁾ | \$0.25 |
| October 20, 2015 | 488,500 Common Shares ⁽³⁾ | \$0.25 |
| October 20, 2015 | 50,000 Common Shares ⁽³⁾ | \$0.18 |
| October 13, 2015 | 105,000 Common Shares ⁽³⁾ | \$0.25 |
| October 6, 2015 | 149,500 Common Shares ⁽³⁾ | \$0.25 |
| October 2, 2015 | 65,000 Common Shares ⁽³⁾ | \$0.25 |
| October 2, 2015 | 179,000 Common Shares ⁽³⁾ | \$0.18 |
| September 30, 2015 | 25,000 Common Shares ⁽³⁾ | \$0.18 |
| September 28, 2015 | 292,000 Common Shares ⁽³⁾ | \$0.25 |
| September 24, 2015 | 3,091,683 Common Shares ⁽³⁾ | \$0.18 |
| September 22, 2015 | 124,000 Common Shares ⁽³⁾ | \$0.25 |
| September 21, 2015 | 142,394 Common Shares ⁽³⁾ | \$0.25 |
| September 21, 2015 | 50,000 Common Shares ⁽³⁾ | \$0.18 |
| September 15, 2015 | 250,000 Common Shares ⁽¹⁾ | \$0.125 |
| September 14, 2015 | 100,000 Common Shares ⁽³⁾ | \$0.18 |
| September 14, 2015 | 299,000 Common Shares ⁽³⁾ | \$0.25 |
| September 11, 2015 | 200,000 Common Shares ⁽³⁾ | \$0.20 |
| September 11, 2015 | 62,500 Common Shares ⁽³⁾ | \$0.18 |
| September 10, 2015 | 1,250,000 Common Shares ⁽³⁾ | \$0.20 |
| September 9, 2015 | 455,000 Common Shares ⁽³⁾ | \$0.20 |
| September 8, 2015 | 570,000 Common Shares ⁽³⁾ | \$0.20 |
| September 8, 2015 | 45,000 Common Shares ⁽³⁾ | \$0.18 |
| September 4, 2015 | 80,000 Common Shares ⁽³⁾ | \$0.20 |
| September 4, 2015 | 83,333 Common Shares ⁽³⁾ | \$0.18 |
| September 3, 2015 | 25,000 Common Shares ⁽³⁾ | \$0.18 |
| August 24, 2015 | 200,000 options | \$0.205 |

| Issue Date | Number and Class of Securities | Issue Price or Exercise Price per Security |
|-----------------|--------------------------------------|--|
| August 21, 2015 | 150,000 Common Shares ⁽³⁾ | \$0.20 |
| August 20, 2015 | 100,000 Common Shares ⁽³⁾ | \$0.18 |
| July 9, 2015 | 100,000 options | \$0.20 |

Notes:

- (1) Issued upon the exercise of options.
- (2) Issued to RQ pursuant to the first 50% escrow release in connection with the Private Placement completed on March 24, 2016. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, with each whole Common Share warrant exercisable for one Common Share at a price of \$0.48 until May 20, 2018. See "The Corporation –Recent Developments".
- (3) Issued upon the exercise of warrants.
- (4) Issued as part of the consideration for the acquisition of the Portable Mill. These Common Shares are subject to varying hold periods. See "The Corporation – Recent Developments".
- (5) Deemed price.
- (6) Issued to NDC pursuant to the Private Placement closed by the Corporation on March 24, 2016. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, with each whole Common Share purchase warrant exercisable for one Common Share at a price of \$0.48 until March 24, 2018.
- (7) Issued upon the exercise of agent compensation options.
- (8) Issued to RQ pursuant to the second 50% escrow release in connection with the Private Placement completed on March 24, 2016. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, with each whole Common Share warrant exercisable for one Common Share at a price of \$0.48 until June 13, 2018. See "The Corporation –Recent Developments".

TRADING PRICE AND VOLUME

The Common Shares of the Corporation are listed and posted for trading on the TSXV under the symbol "NMX".

The following table sets forth trading information for the Common Shares on the TSXV exclusively (as reported by TMX Data) during the 12-month period prior to the date of the Prospectus.

| Month | High (\$) ⁽¹⁾ | Low (\$) ⁽²⁾ | Trading volume ⁽³⁾ |
|----------------|--------------------------|-------------------------|-------------------------------|
| June 2015 | 0.175 | 0.16 | 2,085,841 |
| July 2015 | 0.20 | 0.16 | 3,170,960 |
| August 2015 | 0.285 | 0.19 | 8,181,616 |
| September 2015 | 0.35 | 0.255 | 15,321,130 |
| October 2015 | 0.315 | 0.26 | 6,529,223 |
| November 2015 | 0.45 | 0.285 | 21,765,769 |
| December 2015 | 0.445 | 0.335 | 9,703,721 |
| January 2016 | 0.475 | 0.355 | 13,569,206 |
| February 2016 | 0.43 | 0.365 | 8,808,034 |
| March 2016 | 0.70 | 0.405 | 28,406,090 |
| April 2016 | 1.23 | 0.66 | 55,320,462 |
| May 2016 | 1.97 | 1.06 | 37,898,525 |
| June 2016 | 1.84 | 1.25 | 35,130,822 |

Notes:

- (1) Includes intra-day high prices.
- (2) Includes intra-day low prices.
- (3) Total volume traded in the relevant period.

The following table sets forth trading information for the Common Shares on the TSXV and including other trading platforms such as Alpha, Chi-X, CX2, Pure, Omega, TMX Select, TriAct, Lynx and Aequitas (as reported by Stockwatch Data) during the 12-month period prior to the date of the Prospectus.

| Month | High (\$) ⁽¹⁾ | Low (\$) ⁽²⁾ | Trading volume ⁽³⁾ |
|----------------|--------------------------|-------------------------|-------------------------------|
| June 2015 | 0.175 | 0.16 | 2,085,841 |
| July 2015 | 0.20 | 0.175 | 3,396,620 |
| August 2015 | 0.285 | 0.19 | 9,019,593 |
| September 2015 | 0.35 | 0.255 | 20,076,884 |
| October 2015 | 0.32 | 0.26 | 7,359,617 |
| November 2015 | 0.45 | 0.285 | 26,605,703 |
| December 2015 | 0.445 | 0.335 | 12,141,320 |
| January 2016 | 0.475 | 0.355 | 17,642,567 |
| February 2016 | 0.43 | 0.365 | 10,312,631 |
| March 2016 | 0.71 | 0.405 | 44,284,934 |
| April 2016 | 1.23 | 0.66 | 86,675,057 |
| May 2016 | 1.98 | 1.06 | 57,851,261 |
| June 2016 | 1.85 | 1.25 | 54,675,919 |

Notes:

(1) Includes intra-day high prices.

(2) Includes intra-day low prices.

(3) Total volume traded in the relevant period.

RISK FACTORS

An investment in the Units offered hereby involves certain risks. Before investing, prospective purchasers of Units should carefully consider the risk factors set out below, as well as the other information contained in the Prospectus and in the documents incorporated by reference herein, including the risk factors set out in the Interim MD&A and under the heading “Risk Factors” in the Revised AIF (copies of which are available electronically at www.sedar.com).

The following list of risk factors may not be exhaustive, as the Corporation operates in a rapidly changing business, and new risk factors may emerge from time to time. The Corporation cannot predict such risk factors, nor can it assess the impact, if any, of such risk factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, the Corporation does not, nor should potential purchasers of Units rely on forward-looking statements as a prediction of actual results. See “Forward-Looking Statements”.

Risks Related to the Offering

Uncertainty of Additional Funding

To continue its activities and complete the construction and operation of the Whabouchi Project as set forth in the Technical Report, the Corporation will require additional capital which will depend on the Corporation’s ability to obtain financing through debt, equity, or other means. Following the completion of the Offering, along with cash on hand, the Corporation believes that it has sufficient funds to complete its intended objectives on the Whabouchi Project as set forth under “Use of Proceeds and Other Available Funds”; however the Corporation will need to raise additional funds. The Corporation’s ability to meet its obligations and maintain its construction and operational plans is contingent upon successful completion of additional financing arrangements. Although the Corporation has been successful in raising funds to date, there is no assurance that the Corporation will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Corporation. In addition, any future financing may also be dilutive to existing shareholders of the Corporation.

Use of Proceeds of the Offering

The Corporation currently intends to allocate the net proceeds received from the Offering and other available funds as described under “Use of Proceeds and Other Available Funds”; however, management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under “Use of Proceeds and Other Available Funds” if they believe it would be in the Corporation’s best interests to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a material adverse effect on the Corporation’s business.

Market Price of Securities

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. The market price of the Common Shares could be subject to significant fluctuations due to various factors and events, including any regulatory or economic changes affecting the Corporation’s operations, variations in the Corporation’s operating results, developments in the Corporation’s business or its competitors, or to changes in market sentiment. Investors should be aware that the value of the Common Shares may be volatile and investors may, on disposing of the Common Shares, realize less than their original investment or may lose their entire investment.

The Corporation’s operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Corporation’s operating performance. Any of these events could result in a decline in the market price of the Common Shares. The Common Shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the Common Shares may not reflect the underlying value of the Corporation’s net assets. The price at which the Common Shares will be traded and the price at which investors may realise their shares will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the business sectors in which the Corporation operates. Such factors could also include the performance of the Corporation’s operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Corporation and general economic conditions.

Dilution

Additional financing needed to continue funding the development and operation of the Whabouchi Project may require the issuance of additional securities of the Corporation. The issuance of additional securities and the exercise of common share purchase warrants, options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

No Prior Public Market for the Warrants

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants. Although the Corporation has applied to list the Warrants on the TSX, such listing will be subject to the fulfillment of all listing conditions of the TSX and there can be no assurance that these conditions will be met. There can be no assurance that an active trading market will develop for the Warrants after the Offering, or if developed, that such a market will be sustained at the price level of the Offering. To the extent that an active trading market for the Warrants does not develop, the liquidity and trading prices of the Warrants may be adversely affected.

Risks Related to the Corporation

Need for Additional Funding and Time of Development

There is a risk that the development of the Whabouchi Project into commercial production will not be completed on time or on budget. The project development schedule is subject to the receipt of various permits in the ordinary course, financing and various construction facilities being completed on time. The development and construction schedule of the Whabouchi mine, the concentrator and the Commercial Hydromet Plant is based on management’s current expectations and may be delayed by a number of factors, some of which are beyond the Corporation’s control. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. Most, if not all, projects of this kind suffer delays in start-up and commissioning due to late delivery of components, the inadequate availability of skilled labour and mining equipment, adverse weather or equipment failures, the rate at which expenditures are incurred, delays in construction schedules, or delays in obtaining the required permits or consents. In addition, delays in the early stages of mineral production often occur. During this time, the economic feasibility of production may change.

None of the mineral properties have an operating history upon which the Corporation can base estimates of future operating costs. Capital and operating costs are estimates based on the interpretation of geological data, feasibility studies and other conditions, and there can be no assurance that they will prove to be accurate. The costs, timing and complexities of developing the Whabouchi Project may be significantly higher than anticipated, including because the Corporation's property interests are mainly located in remote areas and therefore the availability of infrastructure such as surface access, skilled labour, and fuel and power at an economic cost, cannot be assured. In addition, cost estimates may increase significantly as more detailed engineering work and studies are completed with respect to the Whabouchi Project.

If there are delays in the commissioning of the Whabouchi Project or unanticipated increases in capital and operating costs, the Corporation may require additional third party financing or seek to complete further offerings of equity and/or debt securities to make required payments, if any, under its various credit facilities, to complete construction and commissioning of the Whabouchi Project and to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such additional capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time and upon the Corporation's ability without a significant project already in production and with the possibility of significant amounts of indebtedness to attract significant amounts of debt and/or equity. There is no assurance that such financing will be obtained on terms satisfactory to the Corporation and, if raised by offering equity securities, any additional financing may involve substantial dilution to existing shareholders. Any lack of financing could result in the delay or indefinite postponement of further exploration and development of the Whabouchi Project, which in turn would materially and adversely affect the financial and operating results of the Corporation and the market price of the Corporation's securities and, ultimately, could result in the loss of its properties.

There is no assurance that the Corporation's mineral properties, including, without limitation, the Whabouchi Property, will ever be brought into a state of commercial production or that its activities will result in profitable mining operations.

Negative Operating Cash Flow

The Corporation has no history of revenues from its operating activities. During the fiscal year ended June 30, 2015 and the nine-month period ended March 31, 2016, the Corporation had negative cash flow from operating activities. The Corporation's cash and cash equivalents amounted to \$1,625,666 and \$6,523,310 as at June 30, 2015 and March 31, 2016, respectively. From June 30, 2015 to March 31, 2016, the Corporation has had an average monthly cash expenditure rate of approximately \$360,000 per month, including all development capitalized costs not covered by grants, and expects such rate to increase in immediate future periods. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at its Whabouchi Project. Even if commercial operations are achieved at the Whabouchi Project, short-term operating factors relating to the lithium deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause any mining operation to be unprofitable in any particular accounting period.

The Corporation's dependence upon the Whabouchi Project

Although the Corporation owns title interest in a number of properties, the Corporation expects future mining operations at the Whabouchi Property to account for most or all of the Corporation's ore production unless additional properties are brought into production or other producing properties are acquired. Any adverse condition affecting the Whabouchi Project could be expected to have a material adverse effect on the Corporation's financial performance, results of operations and prospects. While the Technical Report demonstrates the economic feasibility of the Whabouchi Project, the inability to achieve commercial operations on a basis that is economically viable, will have a material adverse effect on the Corporation. The Corporation's ongoing development of the Whabouchi Project involves the exploration of new areas although there is no assurance that additional mineral resources or mineral reserves will be discovered. Even if discovered, extraction of ore from new areas may present new or different challenges for the Corporation and may not be economic.

Construction and Start-Up of New Mine

The development of the Whabouchi Project requires the construction of significant new facilities. The success of construction projects, plant expansions and the start-up of a new mine by the Corporation is subject to a number of risks and challenges including the availability and performance of engineering and construction contractors, suppliers and consultants, unforeseen geological formations, the implementation of new mining processes, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations, including environmental and operating permits, price escalation on all components of construction and start-up, engineering and mine design adjustments, the underlying characteristics, quality and unpredictability of the exact nature of mineralogy of a deposit and the consequent accurate understanding of ore or concentrate production, the successful completion and operation of haulage ramp and conveyors to move ore and other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Corporation is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with the Whabouchi mine could delay or prevent the construction and start-up of the Whabouchi mine as planned and may result in additional costs being incurred by the Corporation beyond those budgeted. There can be no assurance that current or future construction and start-up plans implemented by the Corporation will be successful.

Infrastructure, Supplies and Inflation

The Whabouchi Property is located in the Eeyou Istchee / James Bay area of the Province of Québec, approximately 30 km east of the Nemaska community and 300 km north-northwest of the town of Chibougamau. The Whabouchi Property is accessible by the *Route du Nord*, the main all season gravel road linking Chibougamau to Nemaska, and crossing the Whabouchi Property near its center. The Nemiscau airport is 18 km west of the Whabouchi Property. Due to the location of the Whabouchi Property, the availability of skilled labour, fuel and other necessary supplies at an economic cost cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site while waiting for the powerline installation to be completed. Due to the location of the Whabouchi Property, the Corporation will most likely be forced to rely on air transport for the supply of skilled labour and also for some goods and services that may not be available at an economic cost via road delivery. Air transport to and from remote regions in Canada is very susceptible to disruptions due to adverse weather conditions, resulting in unavoidable delays in planned programs and/or cost overruns.

When mineral exploration investment and activity in Canada is high, companies typically experience a shortage of experienced technical staff, and heavy demand for drillers, geophysical surveying crews and other goods (including equipment) and services needed by the exploration and development community. Prices for goods and services will fluctuate in relation to the level of investment in the mining sector; it is reasonable to expect that increased demand could impact the Corporation's future economic projections and competitiveness. An increased demand results in a meaningful increase in costs for various goods and services. Improvements in the economic conditions for the mining industry as a whole will typically result in increases to both the costs of planned exploration and development activities, which must also be factored into economic models used in projections for future development and potential operations. Increased demand for, and costs of, goods or services could result in delays if they cannot be obtained in a timely manner due to inadequate availability, and may cause scheduling difficulties and delays due to the need to coordinate their availability, any of which could materially increase project exploration, development and/or construction costs. These factors could have a material impact on the Company's operations and profitability.

Processing Concentrate by Electrolysis Technology

The Corporation's proprietary process of preparing lithium hydroxide and lithium carbonate from spodumene concentrate using membrane electrolysis in solution has only been developed recently. These processes, for which the Corporation has filed several patent applications, which are key to its business strategy, have not been used on a commercial basis and there is no certainty that results achieved during small scale testing will be replicated in commercial quantities, which could have a material adverse impact on the Whabouchi Project. The production and capital costs associated with the processes may also differ from those used in the Technical Report which could have a direct impact on the economics of the Whabouchi Project. Additionally, the production and capital costs identified in the Technical Report are strongly dependent upon the successful implementation of the Corporation's proprietary process.

Lithium Demand

Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. Therefore, it is possible that the sales prices used in the Technical Report will be different than the actual market prices at which the Corporation is able to sell its lithium compounds. In addition, there are a limited number

of producers of lithium compounds and it is possible that these existing producers will try to prevent new-comers from entering the chain of supply by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual Lithium market sale prices could have an adverse impact on operating costs and stock market prices and on the Corporation's ability to fund its activities. In each case, the economics of the Whabouchi Project could be materially adversely affected, including to be rendered uneconomic. The Corporation intends to mainly produce lithium hydroxide monohydrate to address the increasing demand for such compound, which is favoured in the making of cathodes for rechargeable batteries. If cathode manufacturers use less lithium hydroxide than expected, or if the demand for rechargeable batteries, mainly used in electric and hybrid vehicles, is less than forecasted, it could have a material adverse effect on the sales price, profitability and development strategy of the Corporation.

Uncertainty of Mineral Resources and Mineral Reserves

The estimates of mineral resources and mineral reserves for the Whabouchi Property have been prepared in accordance with NI 43-101. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that any categories of mineral resources or reserves will be upgraded to higher categories. The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computation and the assumptions and judgments made in interpreting engineering and geological information. Mineral reserves at the Whabouchi Property have been determined to be economic ore in the context of the Technical Report in accordance with NI 43-101. However, factors such as market price fluctuations, increased production costs, reduced recovery rates, and changes to other assumptions applied to the estimates, may render the mineral reserves uneconomic.

It should be understood that the mineral resources and mineral reserves presented in the Technical Report are estimates of the size and grade of the deposits based on a number of drillings and samplings and on assumptions and parameters available. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in product prices and/or production costs, differences in size and grade and recovery rates from those expected, and changes in project parameters. There is no assurance that the Whabouchi Project implementation will be realized or that the current estimates of volume and grade of minerals mined/processed or of cash flows derived from production will be achieved.

Substantial expenditures and time are required to establish mineral reserves through drilling and to develop the mining and processing facilities and infrastructure at mine site. There is no certainty that future expenditures made in the exploration of the Corporation's other mineral properties or additional areas at the Whabouchi Project will result in the identification of commercially recoverable quantities of ore or that ore reserves will ever be mined or processed profitably.

Governmental and Environmental Regulations, Permits and Licenses

The current operations of the Corporation and anticipated future operations, including further exploration, development activities and commencement of production for the Whabouchi Project are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities, and in the development and operation of mines and related facilities, generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permitting requirements.

The Corporation's operations are also subject to various laws and regulations governing the protection of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. The Corporation believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there is no assurance that future changes to existing laws and regulations will not impact the Corporation. Amendments to current laws, regulations and permits governing the operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs, reduction in levels of production or require abandonment or delays in the development of current or new mining projects.

The Corporation's activities and operations require permits from various domestic authorities. There can be no assurance that various permits which the Corporation may require in the normal course for its current and anticipated exploration and development activities and mining operations, including without limitation, on the Whabouchi Project, will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Corporation might undertake, including, without limitation, the Whabouchi Project. Furthermore, any delays in obtaining the anticipated construction permits in respect of the Phase 1 Plant or the Commercial Hydromet Plant, would have an adverse effect on the Corporation's timing and costs associated with start-up. Such delays could also allow other third party projects to commence production before the Whabouchi Project, thereby potentially reducing the Corporation's target market share, which would have an adverse impact on the level of product sales and economics of the Whabouchi Project.

Mineral Exploration and Development Activities Inherently Risky

The business of exploration for minerals and mining involves a high degree of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Few properties that are explored are ultimately developed into mineral deposits with significant value. Unusual or unexpected ground or water conditions, geological formation pressures, fires, rock bursts, power outages, labour disruptions, flooding, earthquakes, explosions, cave-ins, landslides, mechanical equipment and facility performance problems, the inability to obtain suitable adequate machinery, equipment or labour and other unfavourable operating conditions are some of the risks involved in the operation of mines and the conduct of exploration and development programs. Unknown rock mechanics and hydrogeological conditions that cannot be predicted ahead of mining, such as faulting, zones of weak rock, or zones of unanticipated water inflow, may only be discovered during mining and may require significant changes to the mining plan. While lab testing may reduce uncertainty in some of the rock properties, it is never possible to identify all of these potential risks in advance. There are also physical risks to the exploration and development personnel working in the rugged terrain of remote parts of Canada. The Corporation's exploration or development properties and any future mining operations will be subject to all the hazards and risks normally incidental to exploration, development and production, any of which could result in work stoppages and damage to or destruction of exploration or development facilities, mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Insurance Risk

The mining industry is subject to significant risks that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Corporation's activities are subject will be available at all or at commercially reasonable premiums. The Corporation currently maintains insurance within ranges of coverage that it believes to be consistent with industry practice for companies of a similar stage of development. The Corporation carries liability insurance with respect to its exploration and development operations, including certain limited environmental liability insurance coverage. The payment of any such liabilities would reduce the funds available to the Corporation. If the Corporation is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Dividend Policy

No dividends on the Common Shares have been paid to date. The Corporation anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including the Corporation's operating results, financial condition, and current and anticipated cash needs.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stein Monast L.L.P., legal counsel to the Corporation, and Cassels Brock & Blackwell LLP, legal counsel for the Agents, the following is a general summary, as of the date of the Prospectus, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Units comprised of Unit Shares and Warrants pursuant to the Offering and Warrant Shares on the exercise of Warrants, and who, for the purposes of the Tax Act and at all relevant times, is, or is deemed to be, resident in Canada, beneficially owns Unit Shares, Warrant Shares and Warrants as capital property, deals at arm's length with the Corporation and the Agents, and is not affiliated with the Corporation or the Agents (a "Holder"). In this summary, Unit Shares and Warrant Shares will be referred to collectively as "Shares". Shares and Warrants will generally be considered to be capital property for this purpose unless the Holder holds (or will hold) such Shares and Warrants in the course of carrying on a business of trading or dealing in securities, or the Holder has acquired (or will acquire) such Shares and Warrants in one or more transactions considered to be an adventure or concern in the nature of trade. A Holder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make the irrevocable election pursuant to subsection 39(4) of the Tax Act to have his, her or its Shares, and every other "Canadian security", as defined in the Tax Act, owned by such Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. This election does not apply to Warrants. Such Holders should consult their own tax advisors with respect to whether an election under subsection 39(4) of the Tax Act is available and advisable in their own circumstances.

This summary is not applicable to a Holder: (a) that is a "financial institution", for purposes of the "mark-to-market rules" contained in the Tax Act; (b) having an interest in which is or would be a "tax shelter investment" as defined in the Tax Act; (c) that is a "specified financial institution" as defined in the Tax Act; (d) that has elected to report its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency; or (e) who enters into, or has entered into, a "derivative forward agreement" or a "synthetic disposition agreement", as those terms are defined in the Tax Act, in respect of the Shares or Warrants; or (f) that receives dividends on the Shares under or as part of a "dividend rental arrangement" as defined in the Tax Proposals as defined below. Any such Holder to which this summary does not apply should consult his, her or its own tax advisor.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency ("CRA") published in writing by it and publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form currently proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative and assessing policies and practices of the CRA, whether by way of legislative, regulatory, governmental, judicial or administrative decision or action, nor does it address any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian income tax considerations discussed below.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Shares and Warrants having regard to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and each one-half of one Warrant to determine the cost of each to the Holder for purposes of the Tax Act.

For this purpose, the Corporation intends to allocate \$1.149 of the issue price of each Unit as consideration for the issue of each Unit Share and \$0.001 of the issue price of each Unit for the issue of each half-Warrant. Stein Monast L.L.P., legal counsel to the Corporation, and Cassels Brock & Blackwell LLP, legal counsel for the Agents express no opinion with respect to such allocation. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder. A successful challenge of such allocation will affect the adjusted cost base (the "ACB") of the Unit Share and the half-Warrant comprising each Unit and could therefore affect the Holder's tax treatment.

The Holder's ACB of the Unit Shares and Warrants comprising the Units acquired pursuant to the Prospectus will be determined, respectively, by averaging the Holder's cost of the Unit Shares and the Warrants, respectively, with the ACB to the Holder of all other common shares or the ACB of all other warrants, respectively, of the Corporation owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's ACB of such Warrant and the exercise price paid for the acquisition of such Warrant Share. The Holder's ACB of the Warrant Share so acquired will be determined by averaging such cost with the ACB to the Holder of all other common shares of the Corporation owned by the Holder immediately prior to such acquisition.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's ACB of the Warrant. In the event of the expiry of an unexercised Warrant, the Holder will realize a capital loss equal to the Holder's ACB of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "Taxation of Capital Gains and Capital Losses".

Dividends on Shares

Dividends received or deemed to be received on common shares of the Corporation, including the Shares, by a Holder who is an individual (other than certain trusts) will be included in computing such Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from "taxable Canadian corporations" as defined in the Tax Act, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Corporation as "eligible dividends" pursuant to the Tax Act provisions. There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends".

Dividends received or deemed to be received on common shares of the Corporation, including the Shares, by a Holder that is a corporation will be included in computing such Holder's income for the taxation year and will generally also be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, may be liable under Part IV of the Tax Act to pay a refundable tax at a rate of 33^{1/3} % on dividends received or deemed to be received on a Share to the extent such dividends are deductible in computing the Holder's taxable income. Under the Tax Proposals, the refundable tax rate will be increased to 38^{1/3} % (subject to pro rating for taxation years that end after 2015 and begin before 2016).

Dispositions of Shares

A disposition or deemed disposition, for purposes of the Tax Act, by a Holder of a Share will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's ACB of the Share. The tax treatment of capital gains and capital losses is discussed in greater detail below under "Taxation of Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized in the year by such Holder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Share by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such share or share substituted for such share to the extent and in the circumstances described in the Tax Act. Similar rules may apply where a Holder that is a corporation resident in Canada is a member of a partnership or beneficiary of a trust that owns such shares.

Minimum Tax

Capital gains realized and dividends received by a Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Such Holders should consult their own tax advisors.

Additional Refundable Tax

Under the Tax Proposals, a Holder that is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional 10 2/3% refundable tax on certain investment income (subject to pro-rating for taxation years that end after 2015 and begin before 2016), including taxable capital gains and dividends or deemed dividends not deductible in computing taxable income.

LEGAL MATTERS AND INTERESTS OF EXPERTS

Certain legal matters in connection with the Offering will be passed upon on the Corporation’s behalf by Stein Monast L.L.P., and on behalf of the Agents, by Cassels Brock & Blackwell LLP. As of the date of the Prospectus, the “designated professionals” (as such term is defined in Form 51-102F2 - Annual Information Form) of Stein Monast L.L.P. and Cassels Brock & Blackwell LLP, each as a group, beneficially own, directly or indirectly, less than 1% of the Corporation’s securities or properties.

Certain information of a scientific or technical nature in respect of the Whabouchi Project contained in the Prospectus is based on the Technical Report. Each of the Authors of the Technical Report, being Jean-Philippe Paiement, M.Sc., P.Geo., Nicolas Skiadas, P.Eng., Noel L. Journeaux, P. Geo., P.Eng., Raymond Simoneau, P.Eng., Denis Carignan, P.Eng., Anthony (Tony) Boyd, P.Eng., Daniel M. Gagnon, P.Eng., William Shadeed, P.Eng., Ewald Pengel, P.Eng., Alain Michaud, P.Eng., Michel L. Bilodeau, P.Eng., M. Sc. (App.), Ph.D., Mary Jean Buchanan, P.Eng., M.Env. and André Boilard, P.Eng., PMP is a “qualified person” and “independent” of the Corporation within the meaning of NI 43-101. As of the date of the Prospectus, the aforementioned persons had no beneficial or registered interests, direct or indirect, in the Corporation’s securities or properties.

Information of a scientific or technical nature contained in or incorporated by reference in the Prospectus was reviewed and approved by André Boilard, P.Eng., PMP, a Senior Manager with Met-Chem, who is a “qualified person” and “independent” of the Corporation within the meaning of NI 43-101. As of the date of the Prospectus, Mr. Boilard had no beneficial or registered interests, direct or indirect, in the Corporation’s securities or properties.

The mineral resources estimate included in the Interim MD&A is based on a memorandum dated January 23, 2014 and received by SGS Geostat. Such memorandum was prepared by Jean-Philippe Paiement, M.Sc., P.Geo. who is a “qualified person” and “independent” of the Corporation within the meaning of NI 43-101. As of the date of the Prospectus, Mr. Paiement had no beneficial or registered interests, direct or indirect, in the Corporation’s securities or properties.

EXEMPTION FROM THE REGULATION

The Corporation has applied for an exemption allowing a non registered dealer in Canada not to sign the certificate accompanying a short form prospectus pursuant to Section 8.1 of the *Regulation 44-101 respecting Short Form Prospectus Distributions*. The exemption has been requested in order to exempt Jett Capital to sign the certificate accompanying the Prospectus, since Jett Capital is not registered as a dealer in any Canadian jurisdiction and accordingly, will not, directly or indirectly, solicit offers to purchase or sell the Units in Canada. Thus, all sales to Canadian residents under the Offering are being made through the Canadian Agents and the Prospectus contains a certificate signed by each Canadian Agent of the Offering in compliance with section 21.3 of Form 44-101F1 *Short Form Prospectus* and Section 5.9(1) of Regulation 41-101. The granting of the exemption will be evidenced by issuance of a receipt in respect of the Prospectus.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants is offered to the public under the Offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: July 4, 2016

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

"Guy Bourassa"
President, Chief Executive Officer and Secretary

"Steve Nadeau"
Chief Financial Officer

On behalf of the Board of Directors of the Corporation

"Michel Baril"
Director

"Paul-Henri Couture"
Director

CERTIFICATE OF THE CANADIAN AGENTS

Dated: July 4, 2016

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

DUNDEE SECURITIES LTD.

"David G. Anderson"
Vice Chairman,
Investment Banking

CORMARK SECURITIES INC.

"Darren Wallace"
Managing Director,
Investment Banking

CIBC WORLD MARKETS INC.

"Chris Gratias"
Global Head, Managing Director,
Mining Investment Banking

GMP SECURITIES L.P.

"Kevin Reid"
Managing Director,
Investment Banking

DESJARDINS SECURITIES INC.

"Frédéric Beausoleil"
Director, Investment Banking

ECHELON WEALTH PARTNERS INC.

"David Cusson"
Chief Executive Officer