

NEMASKA LITHIUM INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

October 26, 2015

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ANNUAL INFORMATION FORM

1. GLOSSARY TERM

TERM	DESCRIPTION
"assay"	Analysis to determine the presence, absence or quantity of one or more chemical components.
"base metal"	Metal, such as copper, lead, nickel, zinc or cobalt, of comparatively low value and relatively inferior in certain properties (such as resistance to corrosion) compared to noble metals such as gold, silver or platinum.
"CAD M"	Canadian dollars expressed in million.
"channel sampling"	Chipping of a sample of rock that is one to two inches deep and one inch wide for the full length of the wall being sampled. The sampling is done in one direction.
"cut-off grade"	The lowest grade of mineralized material that qualifies as ore in a given deposit; rock of the lowest assay included in an ore estimate.
"diamond drill hole"	A method of obtaining a cylindrical core of rock by drill with a diamond set or diamond impregnated bit.
"dyke"	An intrusive igneous body with boundaries that cut across surfaces of layering or foliation in rocks into which it has intruded.
"feasibility study"	A comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
"feldspar"	A group of common aluminosilicate minerals.
"grade"	The relative quantity or the percentage of ore-mineral or metal content in an orebody. Expressed in grams per tonne for precious metal.
"greenstone"	A field term applied to any compact dark-green altered or metamorphosed basic igneous rock.

“greenstone belt”	Elongated belts in Archean terrain characterized by major zones of greenstones.
“indicated resources”	An indicated resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
“inferred resources”	An inferred resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
“intrusive”	Said of an igneous rock that invades older rocks.
“lithium”	A soft, flammable and highly reactive silver-white metal with the symbol Li and the atomic number 3. It belongs to the alkali metal group of chemical elements. Under standard conditions it is the lightest metal and the least dense solid element.
“lithium carbonate”	A chemical compound of lithium, carbon, and oxygen with the formula Li_2CO_3. This colorless salt is widely used in the processing of metal oxides.
“lithium hydroxide”	A inorganic compound with the formula LiOH. It is a white hygroscopic crystalline material. It is soluble in water and slightly soluble in ethanol. It is available commercially in anhydrous form and as the monohydrate ($LiOH{\cdot}H_2O$).
“lithium hydroxide monohydrate”	It is the usual commercial form of lithium hydroxide (LiOH). Depending on the use or process of the end-user, it is very often not necessary to completely dry out water from LiOH. Lithium hydroxide is preferred in its monohydrate ($LiOH{\cdot}H_2O$) form than in its anhydrous form.
“mafic”	Descriptive of rocks composed dominantly of magnesium and iron forming silicates.

"measured resource"	A measured resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
"mineralization"	The concentration of metals and their chemical compounds within a body of rock.
"mineral resource"	A mineral resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
"NI 43-101"	*Regulation 43-101 respecting Standards of Disclosure for Mineral Projects*.
"NSR"	Net Smelter Royalty – Royalty based on the actual metal sale price received less the cost of refining at an off-site refinery.
"ore"	Rock containing mineral(s) or metals that can be economically extracted.
"orebody"	A solid and fairly continuous mass of ore.
"outcrop"	An exposure of bedrock at the surface.
"reconnaissance"	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
"spodumene"	A pyroxenemineral consisting of lithiumaluminuminosilicate, $LiAl(SiO_3)_2$. It is a source of lithium. It occurs commonly as yellowish green to emerald green, or grayish-white. Gemstone varieties are rare and may be clear, purplish or lilac as in kunzite, emerald-green as inhiddeniteor clear and colorless.

"tonne"	Metric unit of weight equivalent to volume multiplied by specific gravity, equivalent to 1,102 tons.
"trenching"	The act of blasting or digging through overburden/outcrop to attend fresh outcrop for mapping and sampling.
"ultramafic"	Descriptive of igneous rock containing virtually no quartz or feldspar and composed mainly of olivine and pyroxene.

Unless otherwise indicated, all dollar amounts in this Annual Information Form refer to Canadians dollars. Unless otherwise indicated, all references to "$" or "CAD" in this Annual Information Form refer to Canadian dollars.

The information in this Annual Information Form is dated as at June 30, 2015, unless indicated otherwise.

2. GLOSSARY OF ABBREVIATIONS FOR TECHNICAL TERMS

The following is a glossary of abbreviations for technical terms used throughout this Annual Information Form. This glossary has been derived from the Technical Report (as defined herein).

"**°C**" means degree celsius.

"**µm**" means micrometre.

"**Al**" means aluminium.

"**Au**" means gold.

"**Ca**" means calcium.

"**cm**" means centimetre(s).

"**Cu**" means copper.

"**E**" means east.

"**Fe**" means iron.

"**g**" means gram(s).

"**ha.**" means hectare(s).

"**kg**" means kilogram(s).

"**kg/t**" means kilogram(s) per tonne.

"**km**" means kilometre(s).

"**kV**" means kilovolt(s).

"**LCE**" means lithium carbonate equivalent.

"**Li**" means lithium.

"**Li_2CO_3**" means lithium carbonate.

"**Li_2O**" means lithium oxide.

"**LiOH**" means lithium hydroxide.

"**$LiOH\text{-}H_2O$**" means lithium hydroxide monohydrate.

"**Li_2SO_4**" means lithium sulphate.

"**m**" means metre(s).

"**Mg**" means magnesium.

"**mm**" means millimetre(s).

"**Mn**" means manganese.

"**Mt**" means million of tonnes.

"**N**" means north.

"**Na_2O**" means sodium oxide.

"**NPV**" means net present value.

"**ppm**" means parts per million.

"**QA/QC**" means quality assurance and quality control.

"**Si**" means silicon.

"**t**" means tonne(s).

"**Ta**" means tantalum.

"**tpd**" means tonnes per day.

"**tpy**" means tonnes per year.

"**VLF**" means very low frequency.

"**w/w**" means weight / weight.

"**Zn**" means zinc.

3. FORWARD-LOOKING STATEMENTS

This Annual Information Form may contain or incorporate by reference forward-looking statements about the objectives and strategies of Nemaska Lithium Inc. (the "Corporation") as well as management's expectations regarding its future growth, financial position and results of operations and the Corporation's activities. These statements are forward-looking because they are based on assumptions about future economic conditions and courses of action that will be undertaken by the Corporation. These statements are subject to a number of risks and uncertainties (please refer to section "Risk Factors") which may cause actual results to differ materially from those contemplated by the forward-looking statements. The Corporation believes that the expectations reflected in these forward-looking statements are reasonable. However, there is no guarantee that the Corporation's expectations in this regard will prove to be accurate and the reader must not unduly depend on them. The forward-looking statements are made on the date of this Annual Information Form and, except if the applicable legislation requires it, the Corporation has no intention of updating them nor does it assume the responsibility to do so.

4. CORPORATE STRUCTURE

4.1 Name, Address 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 for "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 for "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 rue de la Gare-du-Palais, 1st Floor, Québec, Québec, Canada, G1K 3X2.

5. GENERAL DEVELOPMENT OF THE BUSINESS

5.1 Three-Year History

During the last three years, the Corporation's activities have evolved from a base metal exploration company to a lithium mineral exploration and development focused company. Since June 2011, the Corporation is focusing solely on developing its Whabouchi lithium deposit, developing technologies to process spodumene ore into lithium compounds, mainly lithium hydroxide and lithium carbonate. Given the fact that the priority is set on the Whabouchi lithium project, no further work is planned in the short term on the Sirmac lithium project. All the projects of the Corporation are located in the Province of Québec, Canada.

The Corporation has identified specific markets of interest for lithium compounds produced from the transformation of spodumene concentrate and has completed, among other things, numerous metallurgical bench scale and pilot plant scale tests in order to develop different processes to produce lithium hydroxide from spodumene concentrate and to produce lithium carbonate from lithium hydroxide. Patent applications and patent cooperation treaty ("PCT") covering such processes have been published and have received PCT numbers. The Corporation also filed additional patents which cover optimization and evolution of the technology as a result of the Corporation's ongoing optimization programs. In order to properly reflect this specific work within the assets of the Corporation, it was decided to record this "Lithium Chemicals Complex" ("LCC") as exploration and evaluation asset.

The Corporation has currently no mine in operation, but a NI 43-101 compliant technical report entitled: *Feasibility Study on the Whabouchi Lithium Deposit and Hydromet Plant* (the "Technical Report") prepared by Jean-Philippe Paiement, M.Sc., P.Geo., Nicolas Skiadas, Eng., Noël Journeaux, P. Geo., Eng., Gary H.K. Pearse, M.Sc., P. Eng., Martin Stapinsky, P. Geo., Ph.D., Clive Brereton, Dr. Peter G. Symons, Paul Bonneville, Eng., Daniel Gagnon, Eng., Jeffrey Cassoff, Eng., Geneviève Clayton, Eng., Ewald Pengel, P. Eng., Alain Michaud, Eng., Michel Bilodeau, Eng., M. Sc. (App.), Ph.D. and André Boilard, PMP, Eng. (the "Authors of the Technical Report"), which is effective as of May 13, 2014, issued on June 26, 2014 and filed on SEDAR on www.sedar.com on June 27, 2014.

For the current year, the Corporation plans to complete the financing of a Phase 1 demonstration plant using the Corporation's proprietary lithium hydroxide and lithium carbonate processes, with an average combined capacity of producing about 500 tpy of lithium hydroxide and lithium carbonate. The Corporation has opted for a Phase 1 demonstration plant in order to qualify its products with customers and sign off-take agreements before construction of the commercial hydromet plant is completed. Other advantages this strategy provides include among other things: i) the opportunity for initial staff training and development of skills for quick start of the commercial plant; ii) the opportunity for process optimization; and iii) shorten the ramp-up timeline of the commercial hydromet plant. In parallel to completing the Phase 1 demonstration plant financing, the management of the Corporation is initiating discussions in order to put in place, in due time, the financing structure in order to build the Whabouchi Property mine project and concentrator near the Cree village of Nemaska, Québec as well as the commercial hydromet plant in Shawinigan, Québec. Please refer to section "Fiscal year 2015 and up to the date of this Annual Information Form" for more details about the decision to build the commercial hydromet plant in Shawinigan instead of Salaberry-de-Valleyfield. The goal is to have the Whabouchi Property mine project and concentrator as well as the commercial hydromet plant in production during the year 2018.

The Corporation has financed its activities and the acquisition of mineral rights forming its properties by the issuance of common shares of its capital. These issuances from fiscal years 2013 to 2015 and up to the date of this Annual Information Form are described below.

5.1.1 Fiscal Year 2013

During the fiscal year ended June 30, 2013, the Corporation continued its work in order to complete a feasibility study. The Corporation also continued its work to complete an Environmental, Economic and Social Impacts Assessment Study ("EESIAS") needed to obtain the certificate of authorization ("CA") required to obtain the different permits required to build and operate a mine and concentrator on the Whabouchi Property. An initial study dated December 21, 2012 was filed to the COMEX of the Québec Ministry of Sustainable Development, Environment and Parks. At that time, the Canadian Environmental Assessment Agency ("CEAA") was not yet involved in the assessment of the Whabouchi project. In January 2013, the CEAA informed the Corporation that its Whabouchi project was subject to its review. On April 2, 2013, the Corporation filed a revised EESIAS with both provincial and federal agencies.

Issuances for Cash Consideration

On September 19, 2012, 182,875 stock options were exercised, at an exercise price of $0.144 per common share, for a total number of 182,875 common shares issued.

During the month of October 2012, 229,900 warrants were exercised by shareholders, at an exercise price of $0.526 per common share, and 729,625 compensation options brokers were exercised, at an average exercise price of $0.43 per common share, for a total number of 959,525 common shares issued.

On April 11, 2013, the Corporation closed a brokered supplemental prospectus offering for gross proceeds of $4,236,950 by the issuance of 14,123,168 units, at a price of $0.30 per unit, in connection with the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by prospectus supplement dated March 14, 2013, as amended by amendment no. 1 dated April 4, 2013. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Subject to acceleration provisions as described in the warrant indenture entered into between the Corporation and Computershare Trust Company of Canada ("Computershare Trust") dated April 11, 2013, each whole common share purchase warrant entitles its holder to purchase one common share of the Corporation, at a price of $0.40 per common share, up to April 13, 2015.

Other

During this fiscal year, commissions were paid to agents for an aggregate amount of $253,542 and 845,140 compensation warrants were issued to brokers allowing the holders thereof to purchase common shares of the Corporation, at an exercise price of $0.30 per common share, for a period of 24 months from their issuance.

5.1.2 Fiscal Year 2014

For the fiscal year ended June 30, 2014, the Corporation filed the Technical Report. The Corporation also continued its negotiation to finalize a Social Economic Partnership Agreement (the "Chinuchi Agreement") with the Cree Nation of Nemaska ("CNN"), the Grand Council of the Crees ("GCC") (Eeyou Istchee) and the Cree Nation Government ("CNG") under the actual mining policy adopted by the CNG and continued the permitting process required to build and operate a mine and a concentrator on the Whabouchi Property. Both the CEAA and the Québec Ministry of Sustainable Development, Environment and the Fight against Climate Change ("MSDEFCC") have commented the EESIAS filed in April 2013. The Corporation has provided answers to these comments. The CEAA has conducted its public hearings in the Cree Community of Nemaska from November 19 to 21, 2013. As for the public hearings to be held by the COMEX, the dates will be determined once the MSDEFCC has reviewed and accepted the answers provided by the Corporation. As of the date of this Annual Information Form, the COMEX held its public hearings in the Cree community of Nemaska on March 30 and 31, 2015 and in Chibougamau on April 1, 2015.

Issuances for Cash Consideration

From October 28 to November 14, 2013, the Corporation closed a brokered supplemental prospectus offering of an aggregate of 20,833,332 units, at a price of $0.12 per unit, for gross proceeds of $2,500,000 in connection with the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the prospectus supplement no. 2 dated October 16, 2013. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Subject to acceleration provisions as described in the warrant indenture entered into between the Corporation and Computershare Trust dated October 28, 2013 (the "October Warrant Indenture"), each whole common share purchase warrant is exercisable up to October 28, 2015 to purchase one common share of the Corporation at a price of $0.18 per common share.

On April 2 and April 15, 2014, the Corporation closed a brokered supplemental prospectus offering for a total of $3,737,500 by the issuance of 29,900,000 units, at a price of $0.125 per unit, in connection with the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the amended and restated prospectus supplement no. 3 dated March 28, 2014 amending and restating the prospectus supplement no. 3 dated March 13, 2014. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles its holder to purchase one common share of the Corporation, at a price of $0.20 per common share, up to October 2, 2015. Out of the gross proceeds of this offering, an amount of $500,000 was used to make the last payment in accordance with the terms and conditions of the purchase agreement relating to the acquisition of claims comprised in the Whabouchi Property dated September 17, 2009, as addended on June 11, 2010 (the "Whabouchi Purchase Agreement"), upon the release of an independent feasibility study confirming the bringing of the Whabouchi Property into commercial production.

Issuances for Mineral Rights Acquisitions

Pursuant to the Whabouchi Purchase Agreement, a cash instalment of $500,000 was paid on April 2, 2014. For additional details with respect to this payment, see previous paragraph.

Other

During the fiscal year ended June 30, 2014, commissions were paid to agents for an aggregate amount of $453,560 and 136,000 compensation options were issued to a member of the syndicate on offshore subscriptions allowing it to purchase that number of common shares for a period of five years starting on October 28, 2013, at a price of $0.12 per common share.

5.1.3 Fiscal Year 2015 and up to the date of this Annual Information Form

For the fiscal year ended June 30, 2015 and up to the date of this Annual Information Form, the Corporation's main accomplishments are described hereinafter.

On November 7, 2014, the Corporation signed, together with the GCC (Eeyou Istchee), the CNG and the CNN, the Chinuchi Agreement concerning the development and operation of the Whabouchi Lithium Project in Eeyou Istchee / James Bay territory. The Chinuchi Agreement is a binding agreement that will govern the long-term working relationship between the Corporation and the Cree parties during all phases of the Whabouchi Lithium Project. It provides for training, employment and business opportunities for the Crees during project construction, operation and closure, and sets out the principles of social, cultural and environmental respect under which the project will be managed. The Chinuchi Agreement includes a mechanism by which the Cree parties will benefit financially from the success of the project on a long term basis, consistent with the mining industry's best practices for engagement with First Nations communities as well as with the Cree Nation Mining Policy.

On February 16, 2015, the Corporation has secured a $12.87M technology commercialization grant for the construction and operation of its Phase 1 demonstration plant from the federally-funded Sustainable Development Technology Canada (SDTC). This grant represents approximately 32% of the overall Phase 1 demonstration plant project budget of about $38M. The Corporation is in active discussion with other investors and potential strategic partners to complete the project financing. The construction and installation of the Phase 1 demonstration plant will start once the total budget has been financed.

On July 29, 2015, the Corporation received a positive federal environmental assessment decision for the Whabouchi Lithium Project from the Minister of Environment of Canada. The decision allows the Corporation to pursue project financing discussions to start mine construction.

On September 4, 2015, the Corporation received the CA for the Whabouchi Lithium Project from the MSDEFCC. The CA allows the Corporation to pursue project financing discussions to start mine construction. Combined with the positive federal environmental assessment decision made on July 29, 2015, the Corporation has now obtained all basic environmental authorizations enabling it to move forward with its Whabouchi Property mine project.

On September 8, 2015, the Corporation announced the signing of an agreement in principle with the City of Shawinigan for the acquisition of part of the land and part of existing manufacturing facilities (Produits forestiers Résolu's former Laurentide plant) in Shawinigan, Québec, now referred to in this Annual Information Form as the "Shawinigan Facilities". The agreement in principle provides that the Corporation would become owner as of January 1, 2016. However, the Corporation could occupy and use the buildings required for the Phase 1 demonstration plant before then. The facility will house the Corporation's Phase 1 demonstration plant and the future commercial hydromet plant that will convert into high purity lithium hydroxide and lithium carbonate the spodumene concentrate produced at the Whabouchi mine. The Corporation had originally planned to build its Phase 1 demonstration plant and commercial hydromet plant in Salaberry-de-Valleyfield, Québec. However, the decision to build these plants in Shawinigan was made based on several key factors including:

- reduced construction time for both the Phase 1 demonstration plant and commercial hydromet plant because of the high quality and state of the existing buildings, significantly reducing capital costs;

- existing and ready to use infrastructure required for the operation, including natural gas, electric power station and railway; and

- the fact that Shawinigan is closer to the Whabouchi mine site, thereby reducing concentrate transportation costs.

On October 19, 2015, the Corporation announced that it had obtained a Notice of Allowance in Canada concerning Canadian Patent Application 2,874,917 that describes its proprietary process of preparing lithium hydroxide and lithium carbonate from spodumene sources using membrane electrolysis. The Corporation is also pursuing patent protection on this process in multiple global jurisdictions. The Corporation has developed proprietary environmentally friendly processes to produce a very high purity, low cost lithium hydroxide and lithium carbonate using membrane electrolysis technologies. The main benefits of these processes include:

- low and predictable operating costs;

- virtually eliminates costly reagents such as soda ash thus eliminating sodium sulfate by-product which has no market value and is environmentally harmful;

- significant reduction of green–house gas emissions.

Finally the Corporation recently filed a new patent application in the United States (US 62/210,977) which is related to a new electrochemical process for making lithium hydroxide. In total, the Corporation now owns rights to 13 pending patent applications that are represented by seven different patent families.

Issuances for Cash Consideration

During the month of August 2014, 745,000 warrants were exercised by shareholders, at an exercise price of $0.18 per common share, and 1,290,000 warrants were exercised by shareholders, at an exercise price of $0.20 per common share. Following these exercises, the Corporation received an aggregate amount of $392,100 and issued a total of 2,035,000 common shares of the Corporation.

During the month of September 2014, 1,254,000 stock options were exercised by members of the management and members of the Board of Directors (the "Board") at an average exercise price of $0.144. Following these exercises, the Corporation received an aggregate amount of $180,576 and issued a total of 1,254,000 common shares of the Corporation.

On November 14 and November 17, 2014, the Corporation closed a brokered supplemental prospectus offering for gross proceeds of $1,500,000 by the issuance of 8,823,530 units, at a price of $0.17 per unit, in connection with the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the amended and restated prospectus supplement no. 4 dated November 5, 2014 amending and restating the prospectus supplement no. 4 dated October 20, 2014. The Corporation also closed on November 17, 2014 a brokered private placement subscription by a European investor for an amount of $42,500 by the issuance of 250,000 units, at a price of $0.17 per unit. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles its holder to purchase one common share of the Corporation, at a price of $0.25 per common share, up to November 16, 2015.

On February 4, 2015 and February 20, 2015, the Corporation closed a non-brokered supplemental prospectus offering for gross proceeds of $2,000,000 by the issuance of 10,000,000 units, at a price of $0.20 per unit, in connection with the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the prospectus supplement no. 5 dated January 30, 2015. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles its holder to purchase one common share of the Corporation, at a price of $0.28 per common share, up to February 4, 2017.

On March 11, 2015, the Corporation closed a non-brokered private placement for gross proceeds of $400,000 by the issuance of 2,000,000 units, at a price of $0.20 per unit. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles its holder to purchase one common share of the Corporation, at a price of $0.28 per common share, up to March 13, 2017.

Between July 1, 2015 and up to the date of this Annual Information Form, 3,811,516 warrants were exercised by shareholders, at an exercise price of $0.18 per common share, 2,705,000 warrants were exercised by shareholders, at an exercise price of $0.20 per common share and 1,955,894 warrants were exercised by shareholders, at an exercise price of $0.25 per common share. Following these exercises, the Corporation received an aggregate amount of $1,716,046 and issued a total of 8,472,410 common shares of the Corporation.

On September 15, 2015, a consultant exercised 250,000 stock options at an exercise price of $0.125 per common share. Following this exercise, the Corporation received an aggregate amount of $31,250 and issued a total of 250,000 common shares of the Corporation.

Issuances for Mineral Rights Acquisitions

Pursuant to the Whabouchi Purchase Agreement, the Corporation issued on July 15, 2014, following the filing on SEDAR of an independent feasibility study confirming the bringing of the Whabouchi Property into commercial production, 500,000 common shares, at a deemed price of $0.16 per common share, for a total value of $80,000. This represents the last obligation in relation to the acquisition of the Whabouchi Property.

Other

During this fiscal year and up to the date of this Annual Information Form, commissions were paid to agents for an aggregate amount of $173,400.

6. DESCRIPTION OF THE BUSINESS

6.1 General

6.1.1 The Corporation

The Corporation, domiciled in Canada, was incorporated under the CBCA. The Corporation is currently engaged in the exploration and development of hard rock lithium mining properties and related processing of spodumene into lithium compounds. Its activities are in the Province of Québec, Canada. The Corporation has determined that one of its mining properties, namely the Whabouchi Property, has economically recoverable ore reserves, pursuant to the Technical Report. The Corporation has not yet determined whether its other lithium project, the Sirmac Property, has economically recoverable ore reserves.

The Corporation owns 100% interest in the mining titles forming the Whabouchi Property and the Sirmac Property. The Corporation also owns the rights to patent applications and PCT concerning the processing of lithium sulfate into lithium hydroxide and lithium hydroxide into lithium carbonate, herein referred to as LCC. In relation to this, the Corporation was awarded its first Notice of Allowance in Canada concerning Canadian Patent Application 2,874,917 that describes its proprietary process of preparing lithium hydroxide and lithium carbonate from spodumene sources using membrane electrolysis. Also, on September 8, 2015, the Corporation announced the signing of an agreement in principle with the City of Shawinigan for the acquisition of the Shawinigan Facilities. Please refer to section "Fiscal Year 2015 and up to the date of this Annual Information Form" for more information about the Shawinigan Facilities. Finally, the Corporation signed in July 2013 an offer to purchase from the City of Salaberry-de-Valleyfield 150,000 square meters of land located in the Perron Industrial and Harbour Front Park in Salaberry-de-Valleyfield, where it was intending to build a lithium hydroxide and carbonate processing plant and for which the Corporation has paid the deposit of $57,000 to the City of Salaberry-de-Valleyfield. Once the Corporation becomes the official owner of the Shawinigan Facilities in order to build the Phase 1 demonstration plant and future commercial hydromet plant, it intends to return the land to the City of Salaberry-de-Valleyfield and recover its deposit.

The Corporation has no income other than interest income on funds on deposit and other interest as the case may be. As of the date of this Annual Information Form, the Corporation had 11 employees.

6.2 Description of the Mineral Properties

The disclosure relating to the Whabouchi Property in this subsection has been substantially excerpted from the Technical Report. However, since the issuance of the Technical Report in June 2014, the location of the Phase 1 demonstration plant and the commercial hydromet plant would be changed from Salaberry-de-Valleyfield to Shawinigan, Québec. Please refer to section "Fiscal Year 2015 and up to the date of this Annual Information Form" for more information about the change of location of the plant.

6.2.1 Whabouchi Property

At the request of the Corporation, Met-Chem Canada Inc. ("Met-Chem") completed the Technical Report. Except for Clive Brereton and Dr. Peter G. Symons, the Authors of the Technical Report are "qualified persons" within the meaning of NI 43-101. They are all independent from the Corporation. The Authors of the Technical Report have verified the disclosure in this section of the Annual Information Form that has been derived from the Technical Report and have consented to the use thereof.

Project Description and Location

The Corporation's Whabouchi Property lithium deposit and hydromet plant 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 at Salaberry-de-Valleyfield, Québec that will house the site of the hydrometallurgical plant.

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.

The Whabouchi Property is composed of one block containing 33 map-designated claims covering a total of 1,716 ha. The claims are 100% owned by the Corporation. The 10 claims acquired from Golden Goose are subject to a 2% NSR royalty, 50% of this 2% NSR royalty can be purchased by the Corporation for $1,000,000. The 16 claims acquired from Victor Cantore group ("Victore Cantore") and four of the seven claims acquired by map designation are subject to a 3% NSR royalty in favour of Victor Cantore and 33.3% of this 3% NSR royalty can be purchased by the Corporation for $1,000,000. All the claims are registered in the name of the Corporation. The expiry dates for the claims range from November 1, 2017 to January 19, 2018.

Figure 1. Property General Location below shows the general location of the Whabouchi Property.

FIGURE 1. PROPERTY GENERAL LOCATION

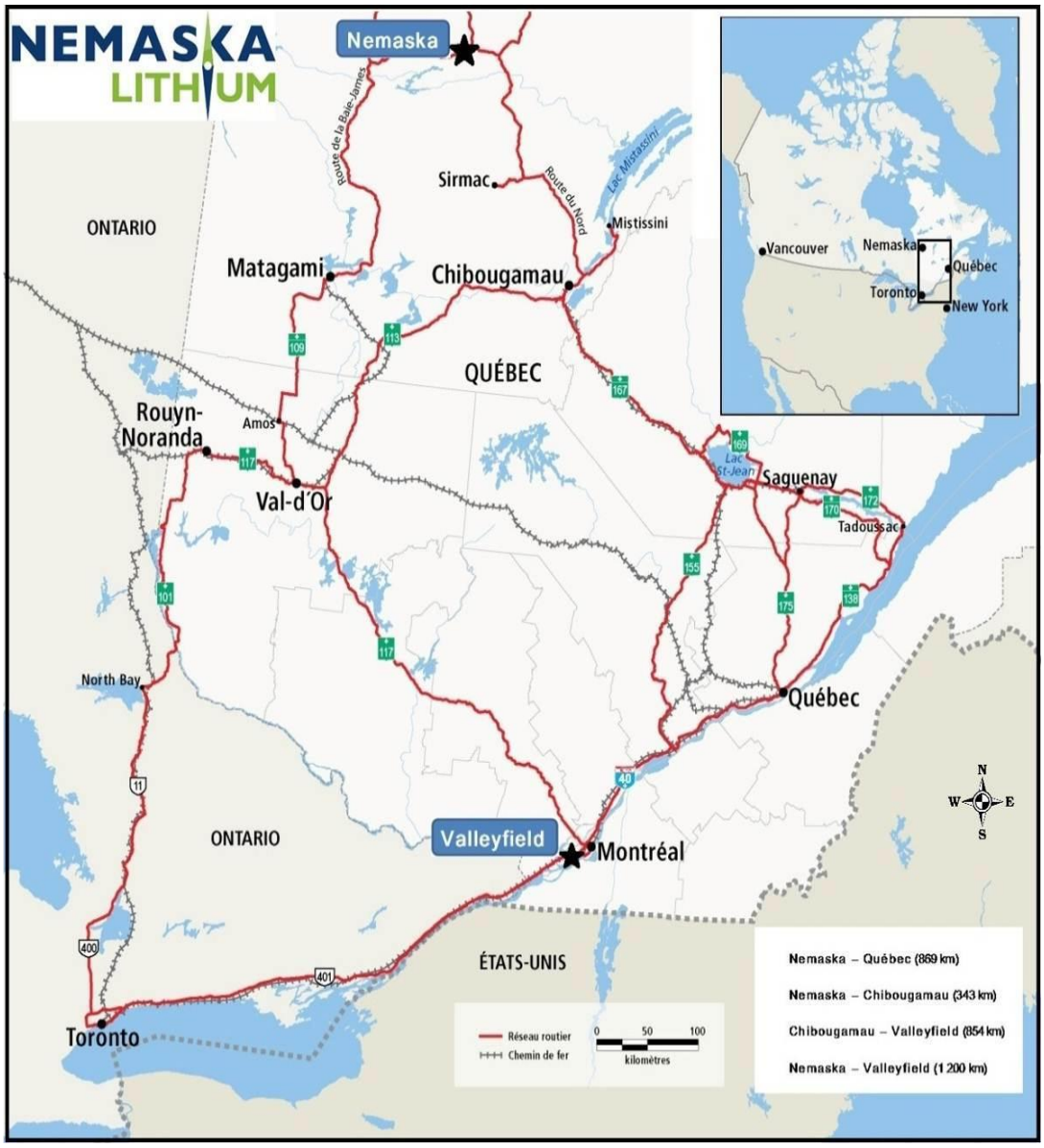
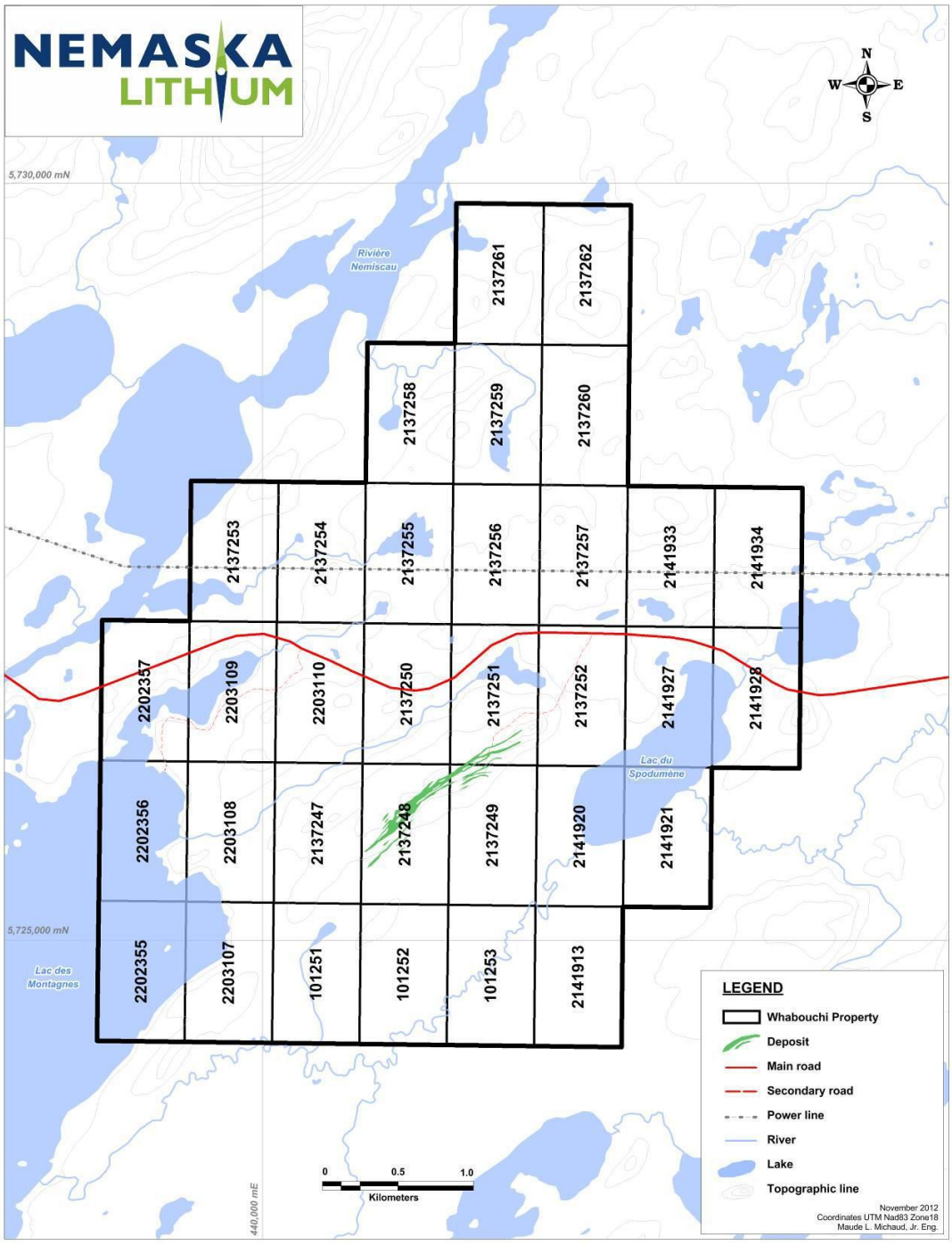


FIGURE 2. MAP OF THE PROPERTY MINERAL TITLES



For the Whabouchi Property mine project, a first version of the EESIAS was submitted to both CEAA (federal) and COMEX (provincial) 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. These are the final steps before the MSDEFCC can grant a CA for the mine project. As well, these are the final steps before the Canadian Minister of Environment can approve the mine project. To the knowledge of Met-Chem, there are no environmental liabilities pertaining to the Whabouchi Property.

For the Salaberry-de-Valleyfield plant, the MSDEFCC has indicated that this part will need only a CA and not a complete EESIAS.

Detailed disclosure pertaining to the Project Description and Location can be found under section 4 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Whabouchi Property Site

The Whabouchi Property is easily accessible via the *Route du Nord* road that crosses the Whabouchi Property near its center. This road links the town of Chibougamau, located approximately 300 km to the south-southeast, and leads to the community of Nemaska and the *Route de la Baie-James* road. From the road turn off, the Whabouchi deposit ("Whabouchi Deposit") is accessible via a forestry road that is well maintained during the summer months.

The Whabouchi Property is characterized by a relatively flat topography with the exception of the local ridge where the more competent pegmatites occur, forming the surface expression of the Whabouchi Deposit. The elevation above sea level ranges from 275 m, at the lowest point on the Whabouchi Property, to 325 m at the top of the pegmatite ridge, with an average elevation of 300 m. Lakes and rivers cover approximately 15% of the Whabouchi Property area. The flora in the area is typical of the taiga environment observed in the region with a mix of black spruce forest and peat moss-covered swamps. A portion of the Whabouchi Property was devastated by forest fires several years ago. There is no permafrost at this latitude and the overburden cover ranges in depth from 0 m near the ridge to 25 m in the south part of the Whabouchi Property.

The climate in the region is sub-arctic. This climate zone is characterized by long, cold winters and short, cool summers. Daily average temperature ranges from -20°C in January to +17°C in July. Break-up usually occurs in early June, and freeze-up in early November. The annual precipitation averages 640 mm of rain from March to November and 350 cm of snow from September to May.

The nearest infrastructure with general services is the Relais Routier Nemiscau Camp, located 12 km west of the Whabouchi Property. The community of Nemaska, where the Corporation has an office, is located 30 km west and has also accommodation and general services. The area is serviced by the Nemiscau airport, serviced by regular Air Creebec flights and charter flights, and by mobile phone network from the principal Canadian service providers. There is no mining infrastructure on the Whabouchi Property.

Hydro-Québec owns several infrastructures and facilities in the area including the *Poste Albanel* and *Poste de la Nemiscau* electrical stations located approximately 20 km east and 12 km west from the Whabouchi Property, respectively. Electrical transmission lines connecting both stations run alongside the *Route du Nord* road and cross the Whabouchi Property near its center.

All claims comprising the Whabouchi Property are located on Crown Lands. There is no reason to believe that the Corporation will not be able to secure the surface rights to construct the infrastructures related to a potential mining operation. All of the proposed mining infrastructures are located on category III land as defined in the James Bay and Northern Québec Agreement.

Taking into consideration the large youth population in Nemaska, the Economic Development branch of the local government is currently rolling out various training and skills development programs (heavy machinery operation, for example) which will play a key role in building local capacity to meet future needs.

FIGURE 3. PROPERTY LOCATION WITH NEAR-BY INFRASTRUCTURES

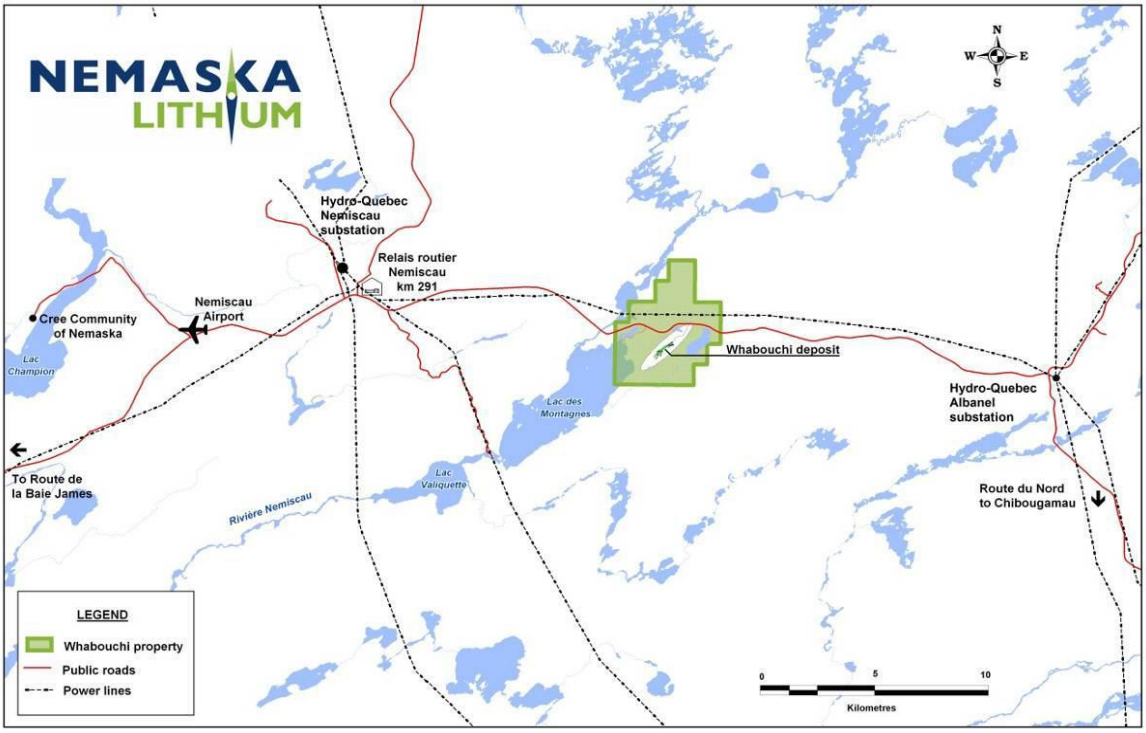
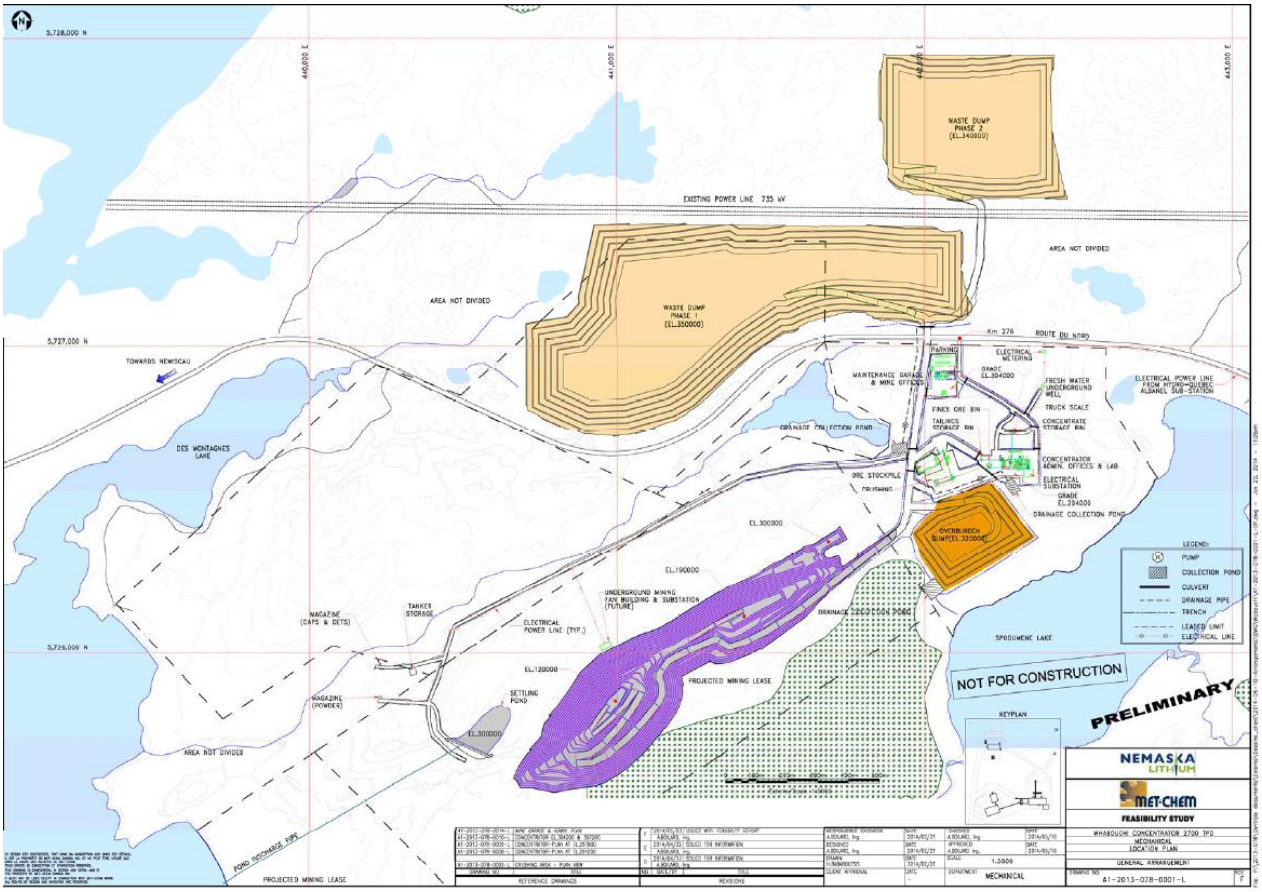


FIGURE 4. GENERAL SITE PLAN



Salaberry-de-Valleyfield Site

The Salaberry-de-Valleyfield site is located in the city industrial park. As a transformation plant will be built, the permitting requirements will be different from those for the Whabouchi Property.

The site is easily accessible via the newly commissioned Autoroute 30 and located some 30 minutes west of Montréal, Québec which is a major hub for eastern Canada.

The site is characterized by a relatively rugged topography with elevation varying from 47 m to 53 m above sea level with an average elevation of 51 m. The climate in Salaberry-de-Valleyfield is cold and temperate. There is significant rainfall throughout the year in Salaberry-de-Valleyfield. Even the driest month still has a lot of rainfall. The average annual temperature in Salaberry-de-Valleyfield is 6.4°C. About 920 mm of precipitation falls annually. Daily average temperature ranges from –9.8°C in January to +21°C in July.

The port of Salaberry-de-Valleyfield, located literally only minutes away from the plant site, is the only Canadian port to have direct access to the CSX rail network. This network has 34,000 km of rails and covers southern Ontario and the eastern United States to Florida.

For international oversea shipments, the port of Montréal, open year round, is only 50 minutes from the plant and is connected to the Montréal highway network.

The site is deserved by a high pressure natural gas line, city water and effluent system. An Hydro-Québec power line at 120 kV runs along the north site boundary following the main CN railway line leading to the port of Salaberry-de-Valleyfield.

Detailed disclosure pertaining to the Accessibility, Climate, Local Resources, Infrastructure and Physiography can be found under section 5 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

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 cover the entire Whabouchi Property area. In 1998, the *ministère de l'Environnement et de la Faune* 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 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% Li_2O over 83.2 m.

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. 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. Two exploration programs, one in 1978 and the other in 1980 were aimed at lithium exploration, with the evaluation of the spodumene-bearing pegmatite. 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. 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.

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 Li_2O values ranging from 0.3% to 3.72%.

In 2008, Golden Goose visited and sampled the Valiquette nickel and chromite showings south of the Whabouchi Property.

The Corporation initiated its exploration work on the Whabouchi Property during the fall of 2009. During the site visit, several outcrops of spodumene-bearing pegmatite were observed and nine samples were collected and analysed for Li_2O. The highest and lowest results obtained during the site visit are the grab sample # 946511, with a value of 6.3% Li_2O, and grab sample # 946508 at 1.18% Li_2O. During the fall of 2009, a mechanical stripping and trenching program was conducted to expose and sample the main spodumene-bearing pegmatite along with a small drilling program designed to validate the historical results.

During 2010 and 2011, exploration work completed by the Corporation on the Whabouchi Property included three drilling campaigns, mechanical stripping, ground and airborne geophysics, a 50-tonne bulk sample and metallurgical testing. An initial mineral resource was estimated in May 2010 by SGS Canada Inc. ("SGS") and was followed by an initial preliminary economic assessment of the project completed in March 2011 by Equapolar Ltd. in collaboration with BBA Inc.

The initial mineral resource estimate of the Whabouchi Property, effective May 28, 2010, totalled 9,780,000 tonnes grading 1.63% Li_2O in the measured and indicated resources categories, with an additional 15,400,000 tonnes grading 1.57% Li_2O in the inferred resources category.

Following further drilling in 2011, SGS provided the Corporation with an updated mineral resource (effective June 6, 2011) to be included in the preliminary economic assessment (prepared by Met-Chem and dated October 2, 2012). This updated mineral resources comprised 11,294,000 tonnes of measured resources with an average grade of 1.58% Li_2O, 13,785,000 tonnes of indicated resources with an average grade of 1.50% Li_2O and 4,401,000 tonnes of inferred resources with an average grade of 1.54% Li_2O. The mineral resources were reported within an optimized pit shell and a cut-off grade of 0.43% Li_2O.

From 2012 to 2013, the Corporation conducted further drilling in order to measure the geotechnical properties of the rocks, condemn certain sector of the Whabouchi Property for construction and increase the level of confidence on the in-pit resources. The Corporation drilled 14 holes for a total of 1,815 m in 2013.

Detailed disclosure pertaining to the History can be found under section 6 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Geological Setting

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 amphibolites (mafic and ultramafic metavolcanics).

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 north-east-south-west 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.

Detailed disclosure pertaining to the Geological Setting can be found under section 7 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

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 pegmatites 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 Li_2O assay.

Please refer to section “Mineral Resource and Mineral Estimates” below for the result of all survey and investigations as well as the interpretation of the exploration information.

Detailed disclosure pertaining to the Exploration can be found under section 9 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Mineralization

The regional prospecting done in the region over the years highlighted a potential for precious and base metal deposits. Cu, Zn, and Au lithogeochemical anomalies are found in the region, which is consistent with the volcano-sedimentary setting of this particular region.

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 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 pegmatites found on the Whabouchi Property: 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 pegmatite found on the Whabouchi Property 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. Insufficient stratigraphic work has been done on the host rocks to establish that the bodies are dominantly sills as in the classic case. The concordance of the bodies with the greenstone belt and the persistence of even thin pegmatite bodies over a 100 m or more on strike and at depth support this structural control. The drilled sections at 700E and 800E on the grid do appear to show this, in that the hanging wall of the main pegmatite zone is basalt and the footwall gabbro.

Detailed disclosure pertaining to the Mineralization can be found under section 7 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

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 1 and Table 2 summarize the drilling and channel sampling completed by the Corporation to define the mineralized pegmatite intrusion.

TABLE 1. DRILLING COMPLETED BY THE CORPORATION AT THE WHABOUCHI PROPERTY

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

TABLE 2. CHANNEL SAMPLING DONE AT THE WHABOUCHI PROPERTY

Year	Channels	Total
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 N030° with dips to the south at an angle ranging between 80° and 85° and are reaching depths of up the 520 m below surface.

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.

Detailed disclosure pertaining to the Drilling can be found under section 10 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Sampling and Analysis

The evaluation of the geological setting and mineralization on the Whabouchi Property is based on observations and sampling from surface (through geological mapping, grab and channel samples) and diamond drilling. The channel and drill core logging and sampling was conducted at the Whabouchi Property or at the nearby facilities (Nemiscau Camp).

Channel and drill core samples collected during the 2009, 2010, 2011 and 2013 exploration programs were transported directly by the Corporation representatives to the *Table Jamésienne de concertation minière* ("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 Canada Inc. – Chemex Laboratory ("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.

The majority of the 2009 and 2010 analyses were conducted at the SGS laboratory located in Don Mills, Ontario, which is an ISO/IEC 17025 laboratory accredited by the Standards Council of Canada. There are two analytical methods used for the pulverized samples. The first analytical method used by SGS is the 55-element analysis using sodium peroxide fusion followed by both inductively coupled plasma optical emission spectrometry ("ICP-OES") and inductively coupled plasma mass spectrometry finish (SGS code ICM90A). This method uses 10 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 inductively coupled plasma – atomic emission spectrometry ("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. No pulp reanalysis was performed by the Corporation in 2011 and 2013.

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 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 Chemex 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.

The insertion of the analytical standards Li-LG and Li-HG did not begin until drill hole WHA 10-15. After that, one standard was inserted in the sample series at a rate of one every 25 regular samples, alternating between the Li-LG and Li-HG standards. A total of 185 Li-HG and 169 Li-LG standards were analysed during the 2010, 2011 and 2013 exploration campaigns, representing 3.8% of the samples analysed. From the 185 Li-HG standards analysed, 15 standards fall outside the QC warning interval and five standards fall outside the QC failure interval. After reviewing the five failures, they were considered acceptable as the value falls within 12-15% of the expected value for Li-HG. From the 169 Li-LG standards analysed, six falls outside the QC warning interval and one is considered a failure as it falls outside the QC failure interval. After reviewing the only failure, it is considered acceptable as it returned 13% of the expected value for Li-LG.

The Corporation implemented the insertion of analytical blanks in the sample series as part of their internal QA/QC protocol. The blank samples, which were made of coarse silica lumps, were inserted at every 20 samples in the sample series, at the beginning of the sample preparation procedure by TJCM before shipping to ALS Chemex. The QA/QC procedure was updated by the Corporation from 2011 and is now considered adequate.

A total of 495 analytical blanks were analysed during the 2009, 2010, 2011 and 2013 exploration programs. From the 495 blanks analysed, 100% of them returned less than 0.05% Li, which is five times the methods detection limit.

Sample duplicates were inserted at every 20 samples in the sample series as part of the Corporation's internal QA/QC protocol. The sample duplicates correspond to a quarter NQ or HQ core from the sample left behind for reference, or a representative channel sample from the secondary channel cut parallel to the main channel.

From 2010, a total of 478 duplicates results analysed by SGS and ALS Chemex were available. From the 478 core duplicates analysed only 17 or 3.6% of the samples fall outside the ±20% range. The sign test for the duplicates does not show any bias (35% original < duplicate, 40% original > duplicate, and 25% original = duplicate).

As part of the Corporation's 2010 and 2011 QA/QC protocol, pulps from 610 mineralized core samples were sent for re-analysis to ALS Chemex. The pulp reanalysis returned higher Li values for duplicates for 183 samples (or 30% of the samples reanalysed) compared to 166 samples (or 27%) returning lower Li values. All other pulp duplicates (261 or 43%) returned value equal for the original and duplicate samples.

As part of the 2010 and 2011 independent data verification programs, SGS conducted specific gravity ("SG") measurements on the 74 mineralized core samples collected from drill holes WHA-09-07, WHA-10-25, WHA-10-79, and WHA-11-96. The measurements were performed by the water displacement method using a graduated cylinder on representative half NQ core and quarter HQ core pieces weighting between 0.42 kg and 2.28 kg with an average of 0.53 kg. The resulting measurements reported an average SG value of 2.70 tonnes/m3.

In 2011, the Corporation also conducted SG measurements of mineralized core samples. The measurements were conducted at TJCM laboratory in Chibougamau, by the water displacement method (using weight in air and weight in water). The SG measurements were done on samples from 24 different drill holes from 2009, 2010 and 2011. The resulting measurements reported an average SG value of 2.72 tonnes/m3. Based on the available SG measurement datasets, an SG value of 2.70 t/m3 was selected as the average SG for the mineralization for the Whabouchi Deposit.

A review of the QA/QC analytical results 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.

Jean-Philippe Paiement, from SGS, a qualified person for the purposes of NI 43-101, visited the Whabouchi Property on November 27, 2013 to review the Corporation's sample preparation procedures, local infrastructure and in order to conduct an independent sampling program.

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 digital database supplied by the Corporation for errors or discrepancies.

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, 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.

SGS is of the opinion that the sample preparation, analysis and QA/QC protocol used by the Corporation follow generally accepted industry standards and that the data is of a sufficient quality.

Detailed disclosure pertaining to the Sampling and Analysis can be found under section 11 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Security of Samples

All samples collected by the Corporation during the course of the 2009, 2010, 2011 and 2013 exploration programs were sent to the TJCM preparation laboratory located in Chibougamau, Québec. The 2009 and 2010 sample pulps were shipped to SGS laboratory located in Don Mills, Ontario, for analysis. The 2011 and 2013 sample pulps were sent to 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.

All channel samples and drill core handling was done on site with logging and sampling processes conducted by employees and contractors of the Corporation. The observations on lithology, structure, mineralization, sample number, and location were noted by the geologists and technicians on hardcopy and then recorded in a Microsoft Access digital database. Copies of the database are stored on external hard drive for security.

Channel samples were collected from two diamond saw cuts (typically four cm in width and four cm in depth). Each sample is generally one m long and broken directly from the outcrop, identified and numbered then placed in a new plastic bag. Drill core of NQ and HQ size was placed in wooden core boxes and delivered twice daily by the drill contractor to the core logging facilities at the Nemiscau Camp. The drill core was first aligned and measured by a technician for core recovery. The core recovery measurements were followed by the rock quality designation measurements. After a summary review of the core, it was logged and sampling intervals were defined by a geologist. Before sampling, the core was photographed using a digital camera and the core boxes were identified with box number, hole ID, and by using "From" and "To" aluminum tags. Due to the hardness of the pegmatite units, the recovery of the channel material and the drill core was generally very good, averaging more than 95%.

Sampling intervals were determined by the geologist, marked and tagged based on observations of the lithology and mineralization. The typical sampling length is one m 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. The NQ drill core samples were split into two halves with one half placed in a new plastic bag along with the sample tag; the other half was replaced in the core box with the second sample tag for reference. The third sample tag was archived on site. The HQ size drill core was collected for a portion of the 2011 program for metallurgical purposes. The first half of the HQ drill core was selected for metallurgical testing. The second half was split in two quarters, one quarter placed in a new plastic bag along with the sample tag and the remaining quarter was replaced in the core box with the second sample tag for reference. The samples were then catalogued and placed in rice bags or pails, for shipping. The sample shipment forms were prepared on site with one copy inserted with the shipment, one copy sent by email to TJCM, and one copy kept for reference. The samples were transported on a regular basis by the Corporation's employees or contractors by pick-up truck directly to the TJCM facilities in Chibougamau. At the TJCM laboratory, the sample shipment was verified and a confirmation of shipment reception and content was emailed to the Corporation's project manager.

SGS validated the exploration processes and core sampling procedures used by the Corporation as part of an independent verification program. SGS concluded that the drill core handling, logging and sampling protocols are at conventional industry standard and conform to generally accepted best practices. SGS considers that the samples quality is good and that the samples are generally representative. Finally, Jean-Philippe Paiement, the author, 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.

Detailed disclosure pertaining to the Security of Samples can be found under section 11 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

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 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 Li_2O 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% Li_2O established cut-off grade comprise the mineral resources.

Table 3 shows a summary of the estimated mineral resource for a cut-off grade of 0.43% Li_2O.

TABLE 3. ESTIMATED MINERAL RESOURCES (0.43 % LI_2O CUT-OFF GRADE)

Cut-off Grade Li_2O (%)	Category	Tonnage* (Mt)	Li_2O 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 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/m is used. Effective date January 22, 2014. * Rounded to the nearest thousand.*

The final mineral resource estimate at a base case cut-off of 0.43% Li_2O totals 12,998,000 tonnes, with an average grade of 1.60% Li_2O in the measured category, 14,993,000 tonnes, with an average grade of 1.54% Li_2O in the indicated category, with an additional 4,686,000 tonnes, with an average grade of 1.51% Li_2O in the inferred category. The updated mineral resource estimation for Whabouchi Deposit is tabulated in the table above for the base case cut-off of 0.43% Li_2O.

Mineral Reserve Estimate

The effective date of the mineral reserve estimate is May 13, 2014.

Open-Pit Mineral Reserve Estimate

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 Whabouchi 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.

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 resources that are 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% Li_2O.

An open pit was designed with an overall pit slope of 56°. 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 11,700,000 tonnes of proven mineral reserves and 8,300,000 tonnes of probable mineral reserves for a total of 20,000,000 tonnes at a grade of 1.53% Li_2O. In order to access these reserves, 2,400,000 tonnes of overburden, 40,700,000 tonnes of waste rock and 300,000 tonnes of inferred mineral resources must be mined. This total waste quantity of 43,400,000 tonnes results in a stripping ratio of 2.2 to 1. The mineral reserves account for mining dilution.

TABLE 4. WHABOUCHI PROPERTY OPEN PIT MINERAL RESERVES

Category	Tonnage (Mt)	Li_2O Grade (%)
Proven	11.7	1.58
Probable	8.3	1.46
Proven and Probable	**20.0**	**1.53**

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 tpd. 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 mine reserves were estimated at 7,300,000 tonnes grading 1.28% Li_2O of proven and probable resources category. The reserves include dilution and recovery and were estimated using a 0.8% cut-off. Table 5 presents the underground mineral reserves for the Whabouchi Deposit. The mineral reserves account for mining dilution.

TABLE 5. WHABOUCHI PROPERTY UNDERGROUND MINERAL RESERVES

Category	Tonnage (Mt)	Li_2O Grade (%)
Proven	1.6	1.27
Probable	5.7	1.29
Proven and Probable	**7.3**	**1.28**

Combined Open Pit and Underground Reserves

The combined open pit and underground mineral reserves were estimated at 27,300,000 tonnes of ore grading 1.46% Li_2O as shown in Table 6 below. Proven reserves account for 49% of the reserves.

TABLE 6. COMBINED WHABOUHI PROPERTY MINERAL RESERVES

Category	Tonnage (Mt)	Li_2O Grade (%)
Proven	13.3	1.54
Probable	14.0	1.39
Proven and Probable	**27.3**	**1.46**

As with any mining project, mineral reserves could be negatively affected in time by a reduction in processing recovery or factors related to legal, political, environmental, socio-economic or product marketing and sales. Met-Chem completed its verifications of these issues and considers that none of these currently known factors could materially impact the development of the mineral reserves.

Detailed disclosure pertaining to the Mineral Resource and Mineral Reserve Estimates can be found under sections 14 and 15 of the Technical Report, which are incorporated herein by reference and available on SEDAR at www.sedar.com.

Mineral Processing and Metallurgical Testing

Concentrator Process Testing

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 in Lakefield in July 2010. The head grade of the sample was reported as 1.72% Li_2O. The material collected from the pegmatite was 5.5% higher in Li_2O 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 preliminary economic assessment study. The following tests were carried out:

- Mineralogy;
- Crushing and grinding tests;
- Dense medium test work, and
- Bench scale flotation tests.

Dense media separation ("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 Technical Report. 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% Li_2O, the following was concluded:

- 54% of the total lithium was recovered in the DMS concentrate at a grade of 5.83% Li_2O 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% Li_2O. 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% Li_2O 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 spodumene concentrate was roasted at an equipment manufacturer's pilot plant facility in the United States. 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 1,025ºC. The beta phase is reactive with sulphuric acid and produces lithium sulfate, which is amenable to leaching. A paddle mixer was used to blend the beta-spodumene with 93% sulfuric acid.

Hydrometallurgical Testing

The hydrometallurgical testing was done in three phases at SGS. Additional test work was completed by the Electrosynthesis Company.

Hydrometallurgical Testing – Phase 1

The Phase 1 consisted of concentrate leach and all purification steps (primary impurity removal ("PIR") and secondary impurity removal ("SIR") and ion exchange ("IX")). 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 PIR were to dissolve lithium sulfate and remove the major impurities (Fe, Al, Si, Mn and Mg).

The objectives of the SIR were to precipitate Ca, Mg and Mn impurities from the PIR filtrate.

The objective of the 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.

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 will be to produce a LiOH solution from a high purity Li_2SO_4 solution. The objective of the crystallization process will be to produce high quality solid LiOH-H_2O from the 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 Li_2CO_3 production process consists of two stages, the first is referred to as LiOH carbonization ("LC") and the second is called lithium bicarbonate decomposition ("DC"). During 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 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 were performed by the Electrosynthesis Company between the autumn of 2012 and the winter of 2014. The objectives were to determine optimal operating parameters (concentration, current efficiency, current density, configuration etc.) and to estimate membrane and anode life cycle. Long term stability of the process was demonstrated by a series of tests on a continuous basis totalling about 1,000 hours.

Detailed disclosure pertaining to the Mineral Processing and Metallurgical Testing can be found under section 13 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Mining Methods

Open Pit Mining

The mining method selected 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 rigid frame 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.

A co-disposal method has been selected 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 46-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 will be 50 weeks per year, operating around the clock on two, 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 run of mine 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 214,320 tonnes of concentrate after one percent in handling and transportation losses were accounted for). An initial starter pit was designed which will supply the majority of the run of mine 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 1,000,000 tonnes in pre-production to a maximum of 5,300,000 tonnes 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 seven 46-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 101 employees.

Underground Mining

The ore extraction will switch form 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 4 months is planned during the last months of Year 20 to reach the cruising production rate of 1,200,000 tonnes of run-of-mine ("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 owner 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 owner'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 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 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.

The annual production requirement will be the same as during the open pit period with yearly lithium concentrate production ranging from 188,000 to 240,000 tonnes (1,200,000 to 1,400,000 tpy of ore). An overlapping underground mine ramp up production period of four months with a target ROM production of 300,000 tonnes 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), load-haul-dump loaders (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 owner and hauled.

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

Detailed disclosure pertaining to the Mining Methods can be found under section 16 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Recovery Methods

Concentrator

The concentrator will be located near the open pit mine. The concentrator will be designed to produce a nominal 216,485 tonnes of spodumene concentrate per year. 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 finaly 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 to prevent freexing during the winter months. Here it will be transferred into railcars (93 net tonnes each) for transport to the Salaberry-de-Valleyfield hydrometallurgical plant for further processing.

Hydrometallurgical Plant

The plant availability has been estimated at 93%. The hydromet plant will be designed to produce a nominal 28,206 tonnes of lithium hydroxide monohydrate crystals per year and a nominal 3,277 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 200°C.

The beta-spodumene will be fed to the acid roaster. Sulphuric acid will be sprayed onto the beta-spodumene in the roaster and the resulting reaction produces solid lithium sulfate and aluminum silicates. The temperature in the roaster must be maintained above 175 °C.

Lithium sulfate, being soluble in water at these conditions, will dissolve. 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 stock piled 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 electromembrane process will be used to convert lithium sulfate (Li_2SO_4) to lithium hydroxide (LiOH).

The LiOH-H_2O 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. The dewatered crystals will discharge to a rotary tray 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.

Lithium hydroxide remaining in the crystallization purge solution will be recovered in the lithium carbonate precipitation process. The Li_2CO_3 production process will be carried out in two steps. In the LC step carbon dioxide will be injected at the bottom of the tank to react with lithium hydroxide and then with the precipitated lithium carbonate. In the DC step, the lithium bicarbonate solution will be heated to 95ºC. 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 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 Li_2CO_3 into 25-kg bags.

Detailed disclosure pertaining to the Recovery Methods can be found under section 17 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Project Infrastructure, Market and Environmental Studies, Permitting and Social or Community Impact

Project Infrastructure

Whabouchi Site

The Whabouchi Property 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. 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;
- Concentator 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 transloading facility (although located in the Chibougamau area, this facility will be administered through the Whabouchi Property Engineering 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.

Salaberry-de-Valleyfield Site

The hydrometallurgical plant will be constructed in the Salaberry-de-Valleyfield's Perron Industrial and Harbour Front Park, Québec. The infrastructures that have been planned in addition to the main refinery will be:

- Concentrate railcar unloading system complete with covered concentrate storage stock pile;
- Electrical sub-station;
- Guard house;

- Shipping warehouse;
- Tailings ponds;
- Aluminium silicate stock pile;
- Gypsum covered stock pile.

Market Studies

Two market study reports were previously prepared for the Corporation, one by Roskill Consulting Group Limited (September 2012) and one by signumBOX Inteligencia de Mercados (March 2012). To complement these, an updated lithium carbonate and lithium hydroxide market study was prepared by signumBOX Inteligencia de Mercados in April 2014. The Corporation also took into consideration the Roskill Consulting Group Limited Lithium publication: market outlook to 2017, twelfth edition, 2013 in its assessment of the potential markets.

Batteries are the main application for lithium with 38% of the total consumption. Ceramics and glasses is the second largest application with 25% of the total. Greases and lubricants account for about 12% of total consumption.

Given the estimates presented regarding the use of lithium in its different applications, it is estimated that this year total lithium consumption would reach 156,700 tonnes, 6.0% more than in 2013. This growth will be driven by the battery industry, which globally is expected to grow 11.2% this year. Considering inventory variations, total demand would range between 165,000 – 170,000 tonnes as LCE.

Lithium carbonate is the most widely used chemical compound with 48% of the total lithium consumption. Due to the increased use of lithium hydroxide in batteries, its demand has increased from 19% in 2011 to 21% in 2014 of the total demand.

It is forecasted that lithium demand in the next five years will grow on a base scenario at a rate of about 5.8% annually, and then will start to grow faster as the development of hybrid and electric vehicles would allow them to be more affordable.

In the short run the main driver of the lithium demand will be batteries for electronic devices such that by the end of the decade lithium in batteries for electric cars will almost reach the use of lithium in batteries for electronic devices. This would mean that by 2025 the main application of lithium would be, by far, batteries with 63% of participation (nowadays represents 38%). The rest of the applications will vary according to the global economy, especially those related to construction and housing activities. Consequently, in the base scenario it is estimated that by 2025 total demand of lithium chemicals, including inventories, will reach about 380,000 tonnes as LCE.

In terms of lithium chemical compounds, as the battery industry for hybrid electrical vehicles and electrical vehicles grows faster than the rest of the industries, the relative use of lithium hydroxide will also increase. It is then forecasted that the use of lithium hydroxide in rechargeable batteries would grow from the current 15.4% to 36.3% in 2025.

Sensitivity analysis of three pricing scenarios has been done over the same projection periods. Lithium hydroxide is the most sensitive compound to market conditions, because of its use as cathode material in batteries for hybrid and electric cars. The current price of lithium carbonate is in the range of US$5,500 - US$5,700 per tonne and for lithium hydroxide, in the range of US$7,100 - US$7,400 per tonne. Prices forecasted at the time the mill will enter into commercial production in 2017 are in the range of US$4,800 to US$5,300 for the carbonate and US$7,900 to US$8,200 for the hydroxide depending on the growth scenario selected.

Lithium is considered as an industrial mineral and the sales prices for the different lithium compounds are not public. Sales agreements are negotiated on an individual and private basis with each different end-user.

In its process of producing lithium hydroxide, the Corporation will obtain two by-products of commercial value, gypsum and aluminum silicate. The Corporation has had initial discussions with potential buyers for both products but did not want to sign any binding agreement at this stage as it would have implied granting exclusivity on the sale of these products. The Corporation concluded that it is in its best interest to continue discussions while advancing to construction and production decision.

This study provides good indications that there is a large market for this type of product. On that basis, a neutral approach was taken for this Technical Report. No disposition costs have been added and no additional revenues have been accounted for. Furthermore, discussions with cement industry representatives have lead Met-Chem to conclude that since the by-product is of high quality, very stable in composition and available reliably, it would be at an advantage over existing supply chain providers.

Permitting

For the Whabouchi Property mine project, a first version of the EESIAS was submitted to both CEAA (federal) and COMEX (provincial) 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. These are the final steps before the MSDEFCC can grant a CA for the mine project. As well, these are the final steps before the Canadian Minister of Environment can approve the mine project.

For the Salaberry-de-Valleyfield plant, the MSDEFCC has indicated that this part of the Project will need only a CA and not a complete EESIAS.

During the construction and the operation of the mine, many permits and leases pursuant to, without limitation, the *Mining Act*, the *Environment Quality Act*, the *Fisheries Act* and the applicable regulations will be required. The Corporation will present the requests when required.

Social or Community Impact

Baseline environmental studies at the Whabouchi site began in August 2010 with field surveys for water quality, sediment quality, benthic invertebrates, and fish. During 2011 and through 2012, additional data were collected, focusing on fish, surface water quality, bathymetry, hydrology, ground water quality, soil quality, air quality, noise, large mammals, small mammals, bats, birds, amphibians, and reptiles.

Two study areas have been identified for the EESIAS and the associated environmental and baseline studies. The "local study area" includes all of the areas likely to be directly physically impacted by the mine development (pit, buildings, and roads) or that is located in its immediate vicinity. Such area encompasses zones that are likely to be disturbed by the activities on-site (site preparation, noise, dust emissions, etc.). The "regional study area" is a larger area extending out of the Whabouchi Property and to which is potentially associated cumulative effects with other projects or infrastructures; such effects are typically associated with water quality, wildlife and socio-economic aspects.

Information pertaining to local demographics, economic development, land use, cultural heritage, health and social services, and infrastructure has been collected in order to provide a snapshot of the community's needs and priorities and to determine how current conditions may be affected by the proposed Whabouchi project.

Early in the preliminary phases of the development of its Whabouchi project, the Corporation devoted time and resources to ensure a concrete and constructive involvement of the various stakeholders, notably the First Nations of Nemaska. Even before launching the EESIAS process, the local authorities of the Nemaska Cree community took part in information and consultation activities.

Since 2009, different activities were undertaken to present the Whabouchi project to the stakeholders and collect their concerns about it and its potential environmental and social impacts. Various subjects were discussed during these information and consultation activities, for example the open-pit mining processes, the main project infrastructures planned and the lifecycle of the ore.

Detailed disclosure pertaining to the Project Infrastructure, Market and Environmental Studies, Permitting and Social or Community Impact can be found under sections 18, 19 and 20 of the Technical Report, which are incorporated herein by reference and available on SEDAR at www.sedar.com.

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 transloading facility (included in the Whabouchi site estimate) and for the Salaberry-de-Valleyfield 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 Salaberry-de-Valleyfield site compared with the Whabouchi site (10%) mainly because the hydromet plant is considered to be more complex and is using new technologies and processes. The estimated owner's costs were also included. A working capital, equal to three months operating costs, has been included as well.

TABLE 7. SUMMARY OF THE CAPITAL COSTS

Description	Capital Costs CAD M
Whabouchi Site – Mine and Concentrator	
Direct Costs	116.9
Mine Development Pre-Stripping	3.3
Trust Fund Rehabilitation First Payment	2.8
Indirect Costs (incl. Owner's Cost)	50.2
Contingencies	17.3
Sub Total Whabouchi Site	**190.6**
Salaberry-de-Valleyfield Site – Hydromet Plant	
Total Direct Costs	235.5
Total Indirect Costs	39.3
Contingencies	34.3
Sub Total Salaberry-de-Valleyfield Site	**309.1**
Working Capital	**20.8**
Total Capital Cost	**520.5**

The totals may not add up due to rounding errors.

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 project. The mine operating costs include the costs for leasing the major mine equipment. The truck transport of the concentrate from the site to Chibougamau will be handled by a contractor and the transport by train to Salaberry-de-Valleyfield will be carried out by the Canadian National.

TABLE 8. TOTAL OPERATING COSTS ESTIMATE BY PRODUCT

Operating Cost ($/t $LiOH\text{-}H_2O$)	Operating Cost ($/t Li_2CO_3)
3,450	4,190

The parameters include developing a 1,015,000 tpy open-pit mine using a small fleet of mining equipment for the first 20 years followed by 6 years of contract underground mining at 1,200,000 tpy capacity, the construction of a concentrator at the mine site (crushing, DMS, grinding, flotation circuits and magnetic separation) with a nominal capacity of 3,016 tpd of mineralized material at 92% availability on the Whabouchi Property, and construction of a lithium compounds complex production plant in Salaberry-de-Valleyfield, Québec.

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

Detailed disclosure pertaining to the Capital and Operating Costs can be found under section 21 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Economic Analysis

An economic analysis based on the production and cost parameters of the project has been carried out and the results are shown in Table 9 below. In the analysis, average selling prices of US$ 8,000 for $LiOH\text{-}H_2O$ and US$5,000 for Li_2CO_3 have been assumed.

The current Canadian tax system applicable to mineral resource income was used to assess the annual tax liabilities. This consists of federal (15.0%) and provincial (11.9%) corporate taxes as well as provincial mining taxes (marginal tax rates applicable under the recently proposed mining tax regulations in Québec (*Bill 55*, December 2013) are 16%, 22% and 28% of taxable income and depend on the profit margin).

TABLE 9. SUMMARY OF THE LIFE OF PROJECT PRODUCTION, REVENUES AND COSTS

Description	Units	
Production – Mineralization	t	27,327,561
Production – Concentrate @ 6.0 % Li_2O	t	5,589,633
Production – $LiOH\text{-}H_2O$ product	t	728,278
Production – Li_2CO_3 product	t	84,612
Revenue	CAD M	6,943.7
Capital Costs	CAD M	520.5
Operating Costs	CAD M	2,890.4
Pre Tax Cash Flow	CAD M	3,410.5
After Tax Cash Flow	CAD M	2,280.0

TABLE 10. SUMMARY OF FINANCIAL INDICATORS

Description	Units	
Pre Tax		
Payback Period (years)	Years	3.7
NPV @ 6%	CAD M	1,260.4
NPV @ 8%	CAD M	924.2
NPV @ 10%	CAD M	680.1
Internal Rate of Return	%	25.2
After Tax		
Payback Period (years)		4.0
NPV @ 6%	CAD M	811.9
NPV @ 8%	CAD M	580.8
NPV @ 10%	CAD M	412.4
Internal Rate of Return	%	21.0

Mineral resources that are not mineral reserves have not demonstrated economic viability.

Detailed disclosure pertaining to the Economic Analysis can be found under section 22 of the Technical Report, which is incorporated herein by reference and available on SEDAR at www.sedar.com.

Exploration, Development and Production

There is no exploration, development or production work planned on the Whabouchi Property during the actual fiscal year. The next step for the Whabouchi project is the construction of the mine and concentrator as described in the Technical Report. This will occur once the proper financing is completed, since the Corporation has received the required certificates of authorization from the federal and provincial environmental authorities.

6.2.2 Sirmac

Property Description

The Sirmac Property consists of 24 claims covering 1,101 ha. (one block of 22 contiguous claims covering 1,027 ha. and one block of two claims covering 74 ha.) and is 100% owned by the Corporation. The Sirmac Property is located approximately 115 km northwest of the town of Chibougamau and 170 km southeast of the town of Nemaska.

Work Planned

Given the fact that the priority is the Whabouchi project, no further work is planned in the short term on the Sirmac Property.

6.3 Risk Factors

The Corporation operates in an industry that contains various risks and uncertainties. The risks and uncertainties listed below are not the only ones to which the Corporation is subject. Additional risks and uncertainties not presently known by the Corporation, or which the Corporation deems to be currently insignificant, may impede the Corporation's performance. The materialization of one of the following risks could harm the Corporation's activities and have significant negative impacts on its financial situation and its operating results. In that case, the Corporation's stock price could be affected.

Additional Funding Requirements

To continue its activities, the Corporation will require additional financings, either by equity or debt, or even the sale of interests in its properties. The ability of the Corporation to arrange such financing or sale will depend in part upon prevailing capital market conditions, as well as the business success of the Corporation. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing or sale on terms satisfactory to the Corporation. Events in the equity market may impact the Corporation's ability to raise additional capital in the future. Failure to obtain additional financing could result in delay or indefinite postponement of building and operating its Whabouchi Property mine project or forfeiture of some rights in the Corporation's mineral properties. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of other opportunities, or otherwise remain in business.

Even if the conclusions of its feasibility study for the Whabouchi project are positive, the Corporation may not be able to obtain sufficient funds to follow-up with its recommendations as well as with the construction of the Phase 1 demonstration plant. The Corporation is still evaluating financing options for the Phase 1 demonstration plant. While the Corporation may generate additional working capital through further equity or debt financing, or through the sale or possible syndication of interests in its properties, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to shareholders.

Volatility of Share Price and Market Price of the Common Shares

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of lithium and many other elements beyond the control of the Corporation could materially affect the price of the common shares of the Corporation.

There can be no assurance that an active market for the common shares of the Corporation will be sustained after an offering. Securities of companies with smaller capitalizations have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. If an active market for the common shares of the Corporation does not continue, the liquidity of a purchaser's investment may be limited. If such a market does not develop, purchasers may lose their entire investment in the common shares of the Corporation.

As a result of any of these factors, the market price of the common shares of the Corporation at any given point in time may not accurately reflect the long term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Protection and Maintenance of Intellectual Property

The Corporation's success will depend in part on its ability to protect and maintain its intellectual property rights. No assurance can be given that the rights used by the Corporation will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to the Corporation. Patent applications have been filed by the Corporation regarding methods of transforming spodumene and producing lithium hydroxide from lithium sulfate and lithium carbonate from lithium hydroxide. Therefore, it is not clear whether the pending patent applications will result in the issuance of patents. Moreover, it is not clear whether the patents to be issued regarding these methods will be challenged by third parties, whether the patents of others will interfere with the Corporation's ability to use those patents and know-how to produce lithium compounds. There is no assurance that the Corporation will be able to develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Corporation could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Corporation's commercial success also depends on the Corporation not infringing patents or proprietary rights of others.

Competition

The mining industry is intensely and increasingly competitive, and the Corporation competes with many companies with greater financial resources and technical facilities than itself. Competition in the mining industry could adversely affect the Corporation's ability to put its Whabouchi Property mine project in production, to build its Phase 1 plant and to secure sale agreements for its products.

Future Operational and Marketing Risks may Affect the Corporation

The Corporation does not have a history of mining operations. There is a risk that the Whabouchi Property mine, when put in production, may not be or continue to be profitable or successful. There can be no assurance that the Whabouchi Property mine will commence commercial operation on schedule or at all, or that it will operate at planned production capacity.

There are also many risks associated with the operating facilities, including the ability to secure materials and components, utility prices, the failure or substandard performance of equipment, hiring and maintain a productive and reliable workforce, labor disputes, natural disasters, suspension of operations and compliance with existing and new governmental statues, regulations, and policies. The occurrence of material operational problems, including but not limited to any of the events described above, could have a material adverse effect on the Corporation's business, prospects, financial position, financial condition and/or results of operations.

Achieving market success will require substantial marketing efforts and the expenditure of significant funds to inform potential customers of the distinctive characteristics and benefits of the Corporation's products. The Corporation's long-term success may also depend, to a significant extent, on its ability to expand its present internal marketing organization. The Corporation will, among other things, have to attract and retain experienced marketing and sales personnel. No assurance can be given that the Corporation will be able to attract and retain qualified or experienced marketing and sales personnel or that any efforts undertaken by such personnel will be successful.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the Corporation's properties can be mined at a profit. The price of the common shares and the financial results of the Corporation, like its mining activities, could undergo in the future, important negative effects because of the fall of the prices of minerals, resulting in an impact on the capacity of the Corporation to finance its activities. The prices of minerals fluctuate in an important way and are tributary to various factors which are independent of the will of the Corporation, such as the sale or the purchase of minerals by various brokers, central banks and financial institutions, the interest rates, the foreign exchange rates, the rates of inflation, of deflation, the fluctuations in the value of the Canadian dollar and the currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large mineral producers. The prices of mineral largely fluctuated these last years and any serious fall could prevent the continuation of the development activities of the properties of the Corporation.

Dependence on, and Protection of, Key Personnel

The success of the Corporation is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Corporation's business and prospects. There is no assurance the Corporation can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Conditions of the Industry in General

The construction and operation of a mine and processing facilities involve significant risks that even an allied neat evaluation with experiment and know-how cannot avoid. Important capital expenditures are necessary to build the mine and processing facilities on a particular site.

Economic viability of a mineral deposit depends on many factors, of which some are due to the particular characteristics of the deposit, in particular its size, its content and its proximity with the infrastructures as well as the cyclic character of the prices of minerals and the governmental regulations, the royalties, the limits of production, the import and export of minerals and the protection of the environment. The impact of these factors cannot be evaluated in a precise way, but their effect can make so that the Corporation does not provide an adequate return of the funds invested.

The mining activities comprise a high level of risks. The activities of the Corporation are subject to all dangers and risks usually dependent on the operation of a mine, including the unusual and unforeseen geological formations, explosions, collapses, floods and other situations which can occur during operation and the removal of material and of which any could cause physical or material or environmental injuries and, possibly, legal responsibility.

Environmental and Other Regulatory Requirements

The current or future operations of the Corporation, including production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. These laws and regulations impose high standards on the mining industry, in order to control the rejects of waste water, the air quality, the restoration of mining properties, the risk of industrial accidents and to force the mining companies to account for such controls to the lawful authorities.

Companies engaged 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 the applicable laws, regulations and permits. There can be no assurance that all permits which the Corporation may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Corporation wants to undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions 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 the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Cree Nation Mining Policy and Related Agreements

Under the actual mining policy adopted by the Cree Regional Authority, any mineral production on the *Eeyou Istchee* /James Bay territory shall be subject to specific agreement between the Corporation, the First Nations on which traditional territory the mine will be located, the GCC and the CNG.

On November 7, 2014, the Corporation signed the Chinuchi Agreement concerning the development and operation of the Whabouchi Lithium Project in Eeyou Istchee / James Bay territory. The Chinuchi Agreement is a binding agreement that will govern the long-term working relationship between the Corporation and the Cree parties during all phases of the Whabouchi Lithium Project. It provides for training, employment and business opportunities for the Crees during project construction, operation and closure, and sets out the principles of social, cultural and environmental respect under which the project will be managed. The Chinuchi Agreement includes a mechanism by which the Cree parties will benefit financially from the success of the project on a long term basis, consistent with the mining industry's best practices for engagement with First Nations communities as well as with the Cree Nation Mining Policy.

Titles Matters and Territorial Claims

While the Corporation has reviewed and is satisfied with the titles to the claims comprising its properties, and, to the best of its knowledge, such titles are in good standing, there is no guarantee that titles to such claims will not be challenged or impugned. The properties may be subject to prior unregistered agreements of transfer or aboriginal land claims, and titles may be affected by undetected defects. In addition, according to the applicable mining legislation in the Province of Québec, the Corporation will need to incur expenditures on its properties and pay a rent in order to renew claims upon arrival of their expiration dates. There can be no assurance that the Corporation will be successful in renewing all such claims. The properties in which the Corporation holds an interest are not currently subject to territorial claims on behalf of First Nations. No insurance can however be provided to the effect that such will not be the case in the future.

Tax Risks

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses, even if the Corporation has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such an event, the Corporation will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Corporation's failure to renounce the qualifying expenditures as agreed.

Risks of Lawsuits and No Insurable Risks

The Corporation could be held responsible for pollution or for other risks against which it could not be insured or against which it could choose not to be insured, being given the high cost of the premiums or for other reasons. The payment of sums in this respect could involve the loss of the assets of the Corporation.

The Corporation could also be subject to a variety of other claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect the Corporation's ability to conduct its business. The litigation and other claims are subject to inherent uncertainties and the Corporation's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

Conflicts of Interest

Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the CBCA. Some of the directors and officers of the Corporation are or may become directors or officers of other companies engaged in same or other business ventures.

Lack of Revenue

As the Corporation does not have revenues, it is dependent upon future financings to continue its plan of operation. The Corporation has not generated any revenues since incorporation. The Corporation's business objectives include the construction and operation of the Whabouchi Property mine project and the commercial hydromet plant. There is no assurance that it will be commercially viable.

History of Losses

The Corporation does not have a history of profitable operations. It sustained net losses in the fiscal years ended June 30, 2013, 2014 and 2015. Management of the Corporation does not expect any income for the fiscal years to come and assesses that the Corporation may incur ongoing losses in the near future, and there is no guarantee it will become profitable in the short term.

Historically, the Corporation has not generated sufficient cash flows from its business to meet its capital requirements and depends on the financings from equity and debt to meet its funding requirements.

The Corporation's future success will depend to a large extent on its ability to ensure the respect of its contractual commitments which are important from an operational and financial point of view.

In general, the Corporation's revenues will also be affected by economic conditions and the capacity of the Corporation to start production and manage its growth.

7. DIVIDENDS AND DIVIDENDS POLICY

During the three most recently completed fiscal years and as of the date of this Annual Information Form, the Corporation has not paid any dividends or made any distributions on its issued and outstanding common shares.

The Corporation's current policy is to reinvest future earnings in order to finance the growth and development of its business. The Corporation does not intend to pay dividends in the foreseeable future. Any future determination to pay cash dividends is at the discretion of the Board and will depend on the Corporation's financial condition, results of operation, capital requirements and such other factors as the Board deems relevant.

8. GENERAL DESCRIPTION OF THE CAPITAL STRUCTURE

8.1 Common Shares

The Corporation's authorized capital is made up of an unlimited number of common shares without par value. As of June 30, 2015, 191,596,104 common shares were issued and outstanding as fully paid and non-assessable. As of the date of this Annual Information Form, 200,318,514 common shares were issued and outstanding as fully paid and non-assessable. The holders of common shares of the Corporation are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the Board 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.

8.2 Warrants

As of June 30, 2015, an aggregate number of 33,868,431 warrants issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 33,868,431 common shares as follows:

	Number of Warrants	Exercise Price	Expiry Date
	9,671,666[(1)]	$0.18	October 28, 2015
	13,660,000[(2)]	$0.20	October 2, 2015
	4,536,765[(3)]	$0.25	November 16, 2015
	5,000,000	$0.28	February 4, 2017
	1,000,000	$0.28	March 13, 2017
Total	**33,868,431**		

Notes:

(1) On July 24, 2015, the TSX Venture Exchange ("TSXV") approved the extension of the expiry date and the re-pricing of these warrants. These warrants were issued pursuant to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the prospectus supplement no. 2 dated October 16, 2013. The new expiry date of these warrants is now April 28, 2017. If not exercised before their original expiry dates, the exercise price of each warrant will be modified from $0.18 to $0.20.

(2) On July 24, 2015, the TSXV approved the extension of the expiry date and the re-pricing of these warrants. These warrants were issued pursuant to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the amended and restated prospectus supplement no. 3 dated March 28, 2014 amending and restating the prospectus supplement no. 3 dated March 13, 2014. The new expiry date of these warrants is now April 28, 2017. If not exercised before their original expiry dates, the exercise price of each warrant will be modified from $0.20 to $0.22.

(3) On July 24, 2015, the TSXV approved the extension of the expiry date and the re-pricing of these warrants. These warrants were issued pursuant to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the amended and restated prospectus supplement no. 4 dated November 5, 2014 amending and restating the prospectus supplement no. 4 dated October 20, 2014. The new expiry date of these warrants is now April 28, 2017. If not exercised before their original expiry dates, the exercise price of each warrant will be modified from $0.25 to $0.27.

For further details about the warrants issued by the Corporation as of June 30, 2015, reference is made to note 8 to the Corporation's audited financial statements for the last fiscal year ended June 30, 2015 which are available on SEDAR at www.sedar.com. The warrants are not listed on the TSXV.

Between July 1, 2014 and the date of this Annual Information Form, an aggregate number of 3,811,516 warrants were exercised at an exercise price of $0.18 per common share, 2,705,000 warrants were exercised at an exercise price of $0.20 per common share and 1,955,894 warrants were exercised at an exercise price of $0.25 per common share. As a result and as of the date of this Annual Information Form, an aggregate number of 25,396,021 warrants issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 25,396,021 common shares as follows:

	Number of Warrants	Exercise Price	Expiry Date
	5,860,150[(1)]	$0.18	October 28, 2015
	2,580,871[(2)]	$0.25	November 16, 2015
	5,000,000	$0.28	February 4, 2017
	1,000,000	$0.28	March 13, 2017
	10,955,000	$0.22	April 28, 2017
Total	25,396,021		

Notes:

(1) On July 24, 2015, the TSXV approved the extension of the expiry date and the re-pricing of these warrants. These warrants were issued pursuant to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the prospectus supplement no. 2 dated October 16, 2013. The new expiry date of these warrants is now April 28, 2017. If not exercised before their original expiry dates, the exercise price of each warrant will be modified from $0.18 to $0.20.

(2) On July 24, 2015, the TSXV approved the extension of the expiry date and the re-pricing of these warrants. These warrants were issued pursuant to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013, as supplemented by the amended and restated prospectus supplement no. 4 dated November 5, 2014 amending and restating the prospectus supplement no. 4 dated October 20, 2014. The new expiry date of these warrants is now April 28, 2017. If not exercised before their original expiry dates, the exercise price of each warrant will be modified from $0.25 to $0.27.

8.3 Compensation Options

As of June 30, 2015, an aggregate number of 136,000 compensation options, broker warrants and finder's options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 136,000 common shares as follows:

	Number of Options	Exercise Price	Expiry Date
	136,000	$0.12	October 28, 2018
Total	**136,000**		

For further details about the compensation options, broker warrants and finder's options issued by the Corporation as of June 30, 2015, reference is made to note 8 to the Corporation's audited financial statements for the last fiscal year ended June 30, 2015 which are available on SEDAR at www.sedar.com.

Between July 1, 2015 and the date of this Annual Information Form, no additional broker warrants, compensation options and finder's options expired or were issued.

8.4 Stock Options Issued Under the Stock Option Plan

As of June 30, 2015, an aggregate number of 8,722,075 stock options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 8,722,075 common shares as follows:

	Number of Stock Options	Number of Vested Stock Options	Exercise Price	Expiry Date
	1,776,500	1,776,500	$0.507	December 24, 2015
	245,575	245,575	$0.459	May 31, 2016
	300,000	300,000	$0.400	May 18, 2017
	500,000	500,000	$0.425	September 24, 2017
	375,000	312,500	$0.500	January 7, 2018
	500,000	500,000	$0.125	October 1, 2018
	400,000	400,000	$0.120	October 21, 2018
	125,000	125,000	$0.120	November 4, 2018
	500,000	500,000	$0.125	November 26, 2018
	400,000	400,000	$0.100	May 27, 2019
	500,000	500,000	$0.125	May 27, 2019
	3,100,000	3,100,000	$0.200	March 2, 2020
Total	**8,722,075**	**8,659,575**		

For further details about the stock options issued by the Corporation as of June 30, 2015, reference is made to note 8 to the Corporation's audited financial statements for the last fiscal year ended June 30, 2014 which are available on SEDAR at www.sedar.com.

Between July 1, 2015 and the date of this Annual Information Form, an aggregate number of 250,000 stock options were exercised at $0.125 and 300,000 stock options were issued with an exercise price of $0.20. As a result and as of the date of this Annual Information Form, an aggregate number of 8,772,075 stock options issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 8,772,075 common shares as follows:

	Number of Stock Options	Number of Vested Stock Options	Exercise Price	Expiry Date
	1,776,500	1,776,500	$0.507	December 24, 2015
	245,575	245,575	$0.459	May 31, 2016
	200,000[(1)]	200,000	$0.205	March 10, 2017
	300,000	300,000	$0.400	May 18, 2017
	500,000	500,000	$0.425	September 24, 2017
	375,000	343,750	$0.500	January 7, 2018
	500,000	500,000	$0.125	October 1, 2018
	400,000	400,000	$0.120	October 21, 2018
	125,000	125,000	$0.120	November 4, 2018
	500,000	500,000	$0.125	November 26, 2018
	400,000	400,000	$0.100	May 27, 2019
	250,000	250,000	$0.125	May 27, 2019
	3,100,000	3,100,000	$0.200	March 2, 2020
	100,000	0	$0.200	July 6, 2020
Total	**8,772,075**	**8,640,825**		

Note:

(1) These stock options were granted as of August 24, 2015.

The Board may grant stock options in accordance with the Nemaska Lithium Inc. 2011 Stock Option Plan as adopted by the Board on October 28, 2011, as amended on November 1, 2012 and on December 16, 2013 to employees, officers, directors or consultants of the Corporation or any subsidiary thereof, and to persons employed to perform investor relations activities.

9. MARKET FOR SECURITIES

9.1 Market

The common shares were listed on the TSXV on January 20, 2010 under the trading symbol "NMX".

9.2 Trading Price and Volume

The following table shows the variation in price and the trading volume of the common shares on the TSXV on a monthly basis for each month of the financial year ended June 30, 2015.

Month	High ($)	Low ($)	Trading volume
July 2014	0.200	0.100	17,150,876
August 2014	0.250	0.160	15,173,018
September 2014	0.240	0.165	6,236,172
October 2014	0.200	0.150	4,961,441
November 2014	0.190	0.120	5,788,986
December 2014	0.205	0.150	7,300,129
January 2015	0.175	0.150	3,994,216
February 2015	0.225	0.165	8,242,596
March 2015	0.180	0.160	3,754,627
April 2015	0.170	0.150	4,425,812
May 2015	0.190	0.155	5,907,447
June 2015	0.175	0.160	2,085,841

10. ESCROWED SECURITIES

As at June 30, 2015 and up to the date of this Annual Information Form, there were no securities of the Corporation held in escrow.

11. DIRECTORS AND OFFICERS

11.1 Name, Occupation and Securities Held

The following table contains certain information on the Corporation's current directors and executive officers. The directors of the Corporation are elected at the annual general meeting of shareholders for a term of office ending at the following annual general meeting or until their successor is duly elected, unless their position becomes vacant earlier.

Guy Bourassa Québec, Canada President, Chief Executive Officer and Secretary Director of the Corporation since May 2007 **Number of common shares held: 3,067,500**	Mr. Guy Bourassa has graduated in law from the Université Laval, Québec, in 1983. He has been member of the Québec Bar from 1983 to October 2011. During his career as an attorney, he has mainly worked with Québec mining exploration businesses. He has been Director and President of Radisson Mining Resources Inc. from November 1988 to June 1991. He has also been President and Director of Dufresnoy Industrial Minerals Inc. from May 1994 to November 1996, and Corporate Secretary of Mazarin Mining Corporation Inc. from September 1991 to June 1994. He is Secretary and Director of Monarques Gold Corporation ("Monarques"), a mining exploration corporation, since February 2011 and has been President and Chief Executive Officer thereof from March 2011 to October 2012. From June 2004 to October 2007, he was President and Chief Executive Officer of T-Rex Vehicles Inc., a corporation specialized in the construction of three-wheel vehicles.
Michel Baril Québec, Canada Chairman of the Board Director of the Corporation since October 2008 President of the Audit Committee **Number of common shares held: 1,005,750**	Mr. Michel Baril has been a member of the Ordre des Ingénieurs du Québec since June 1976. He graduated from Montréal's École Polytechnique. Since 2003, Mr. Baril has served on several boards of directors. He was a Director of The Hockey Co. from June 2003 to June 2004. He was also Director of Groupe Laperrière & Verreault Inc., a corporation that specializes in the fields of pulp and paper and water treatment, from September 2004 to August 2007. He has also been Director of Raymor Industries Inc., a corporation specialized in the production of metallic powder and carbon nanotubes, from January 2005 to February 2009 and from June 2009 to February 2010. Also, he has been a Director of Komet Manufacturers Inc., a corporation specialized in the manufacturing of vanities and kitchen cabinets, from June 2007 to September 2011. He is currently a Director of Imaflex Inc., a corporation specialized in the manufacturing of polymer-based films, since April 2008 and of Monarques, a mining exploration corporation, since February 2011. These two corporations are listed on the TSXV. He is also Chairman of the Board of Monarques since March 2011. From June 1979 to November 2003, he held various senior administrative positions with Bombardier Inc. Notably, he has been President, Mass Transit Division, responsible for all Bombardier Transportation activities in Canada and the United States, Executive Vice President, Operations, Bombardier Aerospace Group, responsible for all manufacturing and procurement activities of Canadair, of Havilland, Learjet and Shorts, Executive Vice President, Bombardier Transportation Group, responsible for the worldwide operations of Bombardier Transportation and President and Chief Operating Officer of Bombardier Recreational Products Inc.

Steve Nadeau, CPA, CGA Québec, Canada Chief Financial Officer since May 2008 **Number of common shares held: 159,603[(1)]**	Mr. Steve Nadeau obtained his certified general account title (CGA) in 1998 and is now a CPA, CGA member of the *Ordre des comptables professionnels agréés du Québec* since its creation in May 2012. He completed a bachelor's degree in business administration at Moncton University in May 1991. During his career, he mainly held management positions including, among other: Chief Financial Officer of Monarques, a mining exploration corporation, since February 2011. From December 2007 to February 2011, Mr. Nadeau has been the controller of DAP Technologies Ltd, a corporation specialized in the manufacturing of rugged electronic handheld and tablets. He also acted, from November 2005 to December 2007, as the financial controller of T-Rex Vehicles Inc., a corporation specialized in the manufacturing of three-wheels vehicles. Before 2005, among other, he acted has controller for corporations specialized in the operation of granite quarries as well as in the commercialization, transformation and production of granite products.
Judy Baker Ontario, Canada Director of the Corporation since October 2009 **Number of common shares held: 356,000**	Ms. Judy Baker has 25 years of experience in the mining and mineral exploration sector including equity analysis, fund management, and exploration and mining corporation activity. Ms. Baker serves on the Board, Star Gold Corp. and Arbitrage Exploration Inc. Ms. Baker holds an Honours B.Sc. Geological Engineering in Mineral Resources Exploration from Queen's University (1990) and an M.B.A. from the University of Western Ontario (Ivey) Business School (1995). From June 2011 to January 2014, Ms. Baker was the CEO, a director and the founder of Superior Copper Corporation, a mineral exploration company, where $3.5 M in capital was raised for copper exploration at the Coppercorp Mine Project in Ontario and the Rivière Doré Project in Québec. Previous to this, Ms. Baker was a consultant for American Lithium Minerals Inc. and was responsible for acquiring the large Borate Hills boron lithium project in Nevada and having Japan Oil (JOGMEC) invest $4 M to advance the project through the pre-feasibility stage. From September 2007 to June 2009, Ms. Baker was the President, CEO, a director and the founder of Canada Lithium Corp., a mining corporation. Ms. Baker was instrumental in restructuring the corporation debt and strategically positioning the corporation in lithium business; including acquiring the Québec Lithium project and initiating lithium exploration in the Great Basin of the United States.

René Lessard Québec, Canada Director of the Corporation since September 2008 Member of the Audit Committee **Number of common shares held: 554,975[(2)]**	Mr. René Lessard held the position of sales manager at Campagna Motors, a corporation specialized in vehicle manufacturing, from September 2008 to October 2009. From October 2004 to October 2007, he was sales manager of T-Rex Vehicles Inc., a corporation specialized in the manufacturing of three-wheeled vehicles. From February 2001 to July 2004, he was sales manager of Distribution GLR involved in activities of import/export of various products. From March 1997 to October 2000, he was sales representative of Ray-Flammes Inc. He is a Director of Monarques, a mining exploration corporation, since February 2011.
Wei Wu Sichuan, China Director of the Corporation since November 2011 **Number of common shares held: 0[(3)]**	Ms. Wei Wu is General Manager of Sichuan Tianqi Lithium Industries, Inc., a lithium chemical producer that converts spodumene concentrate in different lithium compounds, since December 2012. From May 2009 to December 2012, Ms. Wei Wu acted as Vice President (Corporate Development) of Chengdu Tianqi Industry Group Co., Ltd., an integrated corporation group involved in three main business areas: lithium compounds, minerals and agricultural machinery. The corporation has its headquarters in Chengdu City, the economic hub of south-west China. Ms. Wu is also a Director of Sichuan Tianqi Lithium Industries, Inc. since November 2011. Before joining Tianqi Group in 2009, Ms. Wu worked as Manager with Corporate Development Office for Nokia (China) Investment Co., Ltd. from October 2006 to April 2009, and held the position of Director of Consultancy and Services at Cerbibo Information Technology Co., Ltd. from 2004 to 2006. She worked as lecturer at University of Electronic Science and Technology of China from 2000 to 2004. Ms. Wu has a Master of Arts Degree from University of Electronic Science and Technology of China.
Bangkui Gao Québec, Canada Director of the Corporation since February 2012 **Number of common shares held: 0[(3)]**	Mr. Bangkui Gao is Vice President of TQC Equipment Inc. ("TQCE"), the Canadian subsidiary of Chengdu Tianqi Industry Group Co., Ltd., which is an integrated corporation group involved in three main business areas: lithium compounds, minerals and agricultural machinery, since May 2010. He is also the Chief Representative (North America) of Sichuan Tianqi Lithium Industries, Inc., a lithium chemical producer that converts spodumene concentrate in different lithium compounds, since January 2012. Before joining TQCE in 2009, he worked as an international business manager of Chengdu Enwei Group Co. Ltd., from June 2002 to June 2009, which is specialized in medicine and health products. Mr. Gao holds a Bachelor degree of Economics of East China Normal University, Shanghai, China (2000).

Paul-Henri Couture Québec, Canada Director of the Corporation since July 2013 Member of the Audit Committee **Number of common shares held: 155,000(4)**	Mr. Paul-Henri Couture has over 35 years of experience as a financial management and investment professional. He has a bachelor's degree in business administration from HEC Montréal. He is a Chartered Financial Analyst (CFA) and member of several professional associations. Mr. Couture held various positions at Caisse de dépôt et placement du Québec (the "Caisse") from May 1983 to June 2009. For many years, he built and led a team responsible for the management and development of a CA $3 billion investment portfolio in Financial Institutions and Natural Resources sectors. Prior to leaving Caisse in 2009, he was Senior Vice-President responsible for the Natural Resources, Distress and Restructuring and New Products portfolios. He was responsible for the launch and development of a CA$3 ‑ billion portfolio undistressed debt, turnarounds and corporate restructurings. At Caisse, he was a member of the Private Equity Investment Committee among others. As such, Mr. Couture had to evaluate hundreds of transactions. Mr. Couture put forward innovative projects that included the launch of two mining funds: Gestion Sodémex Inc., involved with mining exploration corporations and MinQuest Capital, a $225 million private equity capital development mining fund seeking investment opportunities worldwide. In June 2009, he joined Sentient Asset Management Canada Ltd., a subsidiary of The Sentient Group, an important manager of private equity funds in the mining sector, as President and Director. Since April 2013, Mr. Couture is the President of Minvest Capital, a newly formed enterprise that provides Management and Investment Consulting Services. He worked at the Business Development Bank or Canada for the first six years of his professional career. Mr. Couture has been a member of over thirty boards of directors and Private Equity Investment Funds advisory committees. He is currently a member of the board of directors of Geomega Resources Inc. and Strateco Resources Inc.

Notes:

(1) Mr. Nadeau personally holds 78,375 common shares and 81,228 common shares through a registered retirement savings plan.

(2) Mr. Lessard personally holds 367,875 common shares and 187,100 common shares through 9180-7644 Québec Inc., a corporation controlled by Mr. René Lessard and of which he is the President and a Director.

(3) Ms. Wei Wu and Mr. Bangkui Gao are the Board representatives of TQC Group (Netherlands) Coöperatief U.A., a shareholder who owns 19,107,968 common shares of the Corporation, representing 9.54% of the outstanding issued common shares of the Corporation as at the date of the Annual Information Form.

(4) Mr. Paul-Henri Couture personally holds 125,000 common shares, 20,000 common shares through Fiducie familiale (2010) Paul-Henri Couture, a trust whose trustee is Mr. Paul-Henri Couture and beneficiaries are immediate family members and 10,000 common shares through a registered education savings plan.

As of the date of this Annual Information Form, the Corporation's directors and executive officers beneficially owned, directly or indirectly, an aggregate of 5,298,828 common shares representing approximately 2.65% of the Corporation's outstanding common shares.

11.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Board and based on the information provided by the directors or executive officers of the Corporation, none of these persons:

(a) is, as at the date of this Annual Information Form, or has been, within ten years before this date, director, chief executive officer or a chief financial officer of any corporation, including the Corporation, which has been subject to one of the following orders:

(i) a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person exercised these duties.

To the knowledge of the Board and based on the information provided by the directors or executive officers of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, none of these persons:

(a) is, as at the date of this Annual Information Form, or has been within ten years before this date, a director or executive officer of any corporation, including the Corporation, that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; or

(c) has not been imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has not entered into a settlement agreement with a securities regulatory authority or has not been imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Notwithstanding the above, Mr. Michel Baril was Chairman of the board of T-Rex Vehicles Inc. six months before it made an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) on March 14, 2008. Mr. Baril was, until February 8, 2010, a director of Raymor Industries Inc., a reporting issuer in the provinces of Québec, Alberta and British Columbia that filed a notice of intention to make a proposal to its unsecured creditors under the *Companies' Creditors Arrangement Act* (Canada) on January 16, 2009. The proposal was approved by the unsecured creditors, as amended and ratified by the Superior Court on January 27, 2010.

Mr. Guy Bourassa was President and Chief Executive Officer of T-Rex Vehicles Inc. six months before it made an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) on March 14, 2008.

Mr. Steve Nadeau was Controller of T-Rex Vehicles Inc. six months before it made an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) on March 14, 2008.

12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the fiscal year ended June 30, 2015 and as of the date of this Annual Information Form, there was no legal proceedings outstanding or regulatory actions pending involving the Corporation or any of its properties or to which the Corporation is a party or to which its properties are subject, nor to the knowledge of the Corporation are any such legal proceedings contemplated or such regulatory actions threatened, as of the date hereof, which could become material to a purchaser of securities of the Corporation.

Since the beginning of the fiscal year ended June 30, 2015 and as of the date of this Annual Information Form: (i) the Corporation has not been the subject of penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; (ii) the Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority; and (iii) no penalties or sanctions has been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

13. AUDIT COMMITTEE

13.1 The Audit Committee's Charter

The Audit Committee's charter describes the duties, responsibilities and skills required from its members as well as the terms of their nomination and dismissal and their relationship with the Board. The charter is attached to the Annual Information Form as Schedule "A".

13.2 Composition of the Audit Committee

As of the date of this Annual Information Form, the Audit Committee is made up of the following individuals:

Name	Independent	Financially Literate
Michel Baril (President)	Yes	Yes
Paul-Henri Couture	Yes	Yes
René Lessard	Yes	Yes

13.3 Relevant Education and Experience

For the relevant education and experience of the Audit Committee members, please refer to the table included in the "Directors and Officers" section of this Annual Information Form.

13.4 Audit Committee Oversight

Since the beginning of the Corporation's fiscal year ended June 30, 2015, there was no recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

13.5 Reliance on Certain Exemptions

Since the beginning of the Corporation's fiscal year ended June 30, 2015, the Corporation has not relied on the provisions of section 2.4 of *Regulation 52-110 respecting Audit Committees* (the "Regulation 52-110") or on an exemption granted by the securities authority under Part 8 of this regulation.

13.6 Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies or procedures with respect to the awarding of contracts for non-audit services. However, the Audit Committee approves, from time to time, expenses made for non audit-related services contracts.

13.7 External Auditor Service Fees

The following external auditor service fees were or will be invoiced by KPMG LLP ("KPMG") for the fiscal years ended June 30, 2015 and June 30, 2014:

	2014	**2015**
Audit Fees	$65,735[(1)]	$48,285[(2)]
Audit-Related Fees	$8,750[(3)]	$9,750[(3)]
Tax Fees	$8,000[(4)]	$30,625[(5)]
Total	**$82,485**	**$88,660**

Notes:

(1) Includes fees amounting to $31,735 related to work performed in relation to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013 and related to the financing completed in April 2014.

(2) Includes fees amounting to $14,285 related to work performed in relation to the Short Form Base Shelf Prospectus of the Corporation dated March 4, 2013 and related to the financing completed in November 2014.

(3) Translation services.

(4) Preparation of the Corporation's tax returns and the mining duties returns.

(5) Preparation of the Corporation's tax returns and the mining duties returns. Also for work performed in relation to audits from the provincial and federal tax authorities and various corporate tax works.

13.8 Exemption

The Corporation is a "venture issuer" within the meaning of Regulation 52-110 and, as such, benefits from the exemption provided for in section 6.1 of this regulation.

14. TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is Computershare Investor Services Inc. ("Computershare"). The register of transfers of the Corporation's common shares is held at Computershare's offices located in its place of business at 1500 Robert-Bourassa Blvd., 7th Floor, Montréal, Québec H3A 3S8.

15. INTERESTS OF EXPERTS

As of the date of this Annual Information Form, Jean-Philippe Paiement, M. Sc., P. Geo., Nicolas Skiadas, Eng., Noël Journeaux, P. Geo., Eng., Gary H.K. Pearse, M.Sc., P. Eng., Martin Stapinsky, P. Geo., Ph.D., Clive Brereton, Dr. Peter G. Symons, Paul Bonneville, Eng., Daniel Gagnon, Eng., Jeffrey Cassoff, Eng., Geneviève Clayton, Eng., Ewald Pengel, P. Eng., Alain Michaud, Eng., Michel Bilodeau, Eng., M.Sc. (App.), Ph.D. and André Boilard, PMP, Eng., the Authors of the Technical Report, have no beneficial or registered interests, direct or indirect, in the Corporation's securities or properties.

KPMG are the Corporation's auditors and are independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

16. MATERIAL CONTRACTS

The following lists any contract material to the Corporation that was entered into outside the normal course of business during the most recently completed fiscal year or before the last fiscal year that is still in effect:

a) the transfer agent and registrar agreement dated December 31, 2009 between the Corporation and Computershare;

b) the Whabouchi Purchase Agreement;

c) the Shareholders Rights Plan dated October 28, 2010, as amended on October 27, 2011, between the Corporation and Computershare, as rights agent;

d) the October Warrant Indenture dated October 28, 2013, as amended by Supplemental Indenture dated August 5, 2015, between the Corporation and Computershare Trust, as warrant agent;

e) the Warrant Indenture dated April 2, 2014, as amended by Supplemental Indenture dated August 5, 2015, between the Corporation and Computershare Trust, as warrant agent;

f) the Chinuchi Agreement; and

g) the Warrant Indenture dated November 14, 2014, as amended by Supplemental Indenture dated August 5, 2015, between the Corporation and Computershare Trust, as warrant agent.

17. ADDITIONAL INFORMATION

Additional information regarding the Corporation, including directors' and officers' remuneration and indebtedness, the principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, are contained in the Corporation's Management Proxy Circular dated October 31, 2014, prepared in connection with the most recent annual general and special meeting of shareholders held on November 28, 2014.

Also, additional financial information is provided in the audited financial statements and the Management's Discussion and Analysis for the Corporation's last fiscal year ended June 30, 2015.

Additional information regarding the Corporation is available on SEDAR at www.sedar.com and on the Corporation's Web site at www.nemaskalithium.com.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee is a committee of the Corporation's Board. The primary role of the Audit Committee is to help the Board to fulfill its responsibilities with respect to financial information and controls toward the shareholders of the Corporation and the financial community. The external auditors report directly to the Audit Committee. The primary duties and responsibilities of the Audit Committee are as follows:

- to ensure the integrity of the Corporation's financial statements, and to review all financial reports and financial information provided by the Corporation to any government authority or issued to the public as well as all other relevant document;

- to recommend the nomination of external auditors and to review and assess their efficiency, to ensure their competence and independence, and to maintain open line of communication between the external auditors, financial operations management, executive officers and the Board;

- to act as an objective, outside party to oversee the methods of preparing the financial information, the application of internal controls and of rules respecting business management and financial risk, and compliance with legal, ethical and regulatory requirements; and

- to encourage the continuous improvement and observance, at all levels, of the practices, methods and policies of the Corporation.

II. COMPOSITION

The Audit Committee, including its Chairman, is made up of at least three directors of the Corporation, the majority of whom may not be employees, officers or "control persons" of the Corporation as defined herein below. The Board must ensure that all members are "financially literate" as defined herein below. The members of the Audit Committee are nominated by the Board, at the annual meeting of the Board following the Annual Meeting, for the next year or until their successors are nominated or elected. The Board may dismiss a member of the Audit Committee by resolution at any time, at its discretion. Unless the Chairman of the Audit Committee is nominated by the entire Board, the members of the Audit Committee may appoint the Chairman of the Audit Committee by majority vote of all members of the Audit Committee.

III. DUTIES AND RESPONSIBILITIES

1. The Audit Committee is responsible for the following:

    a) to review the audited annual consolidated financial statements and to recommend them to the Board for approval;

    b) to review with the Corporation's financial operations management and external auditors the financial statements, management's discussion & analysis, press releases and any other

documents relating to the financial results before they are filed with regulatory agencies and reported;

c) to review any document that contains the audited annual consolidated financial statements or includes them by reference, such as prospectuses, press releases announcing financial results and interim results before they are reported; and

d) to amend or add to the Corporation's security policies from time to time. The Audit Committee reports to the Board annually on the relevance of the instructions in effect for management of the Corporation's security programs.

2. In fulfilling its mandate, the Audit Committee is required:

a) to see to the implementation of internal control measures and processes enabling the Chief Executive Officer and Chief Financial Officer to certify the financial statements and any other information document required under securities legislation;

b) to recommend external auditors to the Board, to evaluate their independence and effectiveness, and to approve the external auditors fees and any other remuneration paid to the external auditors;

c) to oversee relations between management and the external auditors, including the review of any letter of recommendation or any other external auditor's report, to discuss any significant difference of opinion or disagreement between management and the external auditors regarding financial reporting and to see that they are resolved;

d) to review annually all significant relations between the Corporation and the external auditors in order to evaluate the external auditors' independence and discuss this with them, and to report to the Board;

e) to review the performance of the external auditors and to approve any proposal for replacement when circumstances so warrant. To examine, with management, the reasons for retaining the services of other firms;

f) to meet periodically with the external auditors, without management in attendance, to discuss the main risks, internal controls and any approach undertaken by management to control these risks, and to discuss the accuracy and completeness of the financial statements. Specific attention should be paid to the capability of internal controls to detect any payment, transaction or method that may be deemed illegal or otherwise inappropriate;

g) to see to the availability of the external auditors in accordance with the needs of the Audit Committee and the Board. To ensure that the external auditors report directly to the Audit Committee and that they answer to the Board and the Audit Committee as auditor representatives towards whom the auditors are ultimately responsible;

h) to oversee the work of the external auditors retained for the preparation and issuance of an auditor's report or for other audit, review or attest services;

i) to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

j) to review the external audit program and fees;

k) to review the external auditor's report on the audited annual financial statements;

l) to review the problems identified during the audit and, if applicable, the limitations and restrictions imposed by management or any significant accounting issue for which management requests a second opinion;

m) to review the observations, both positive and negative, made by the external auditors during their audit;

n) to review with management and the external auditors the Corporation's main accounting policies, the impact of other applicable accounting policies, and the forecasts and decisions of management that may have a significant impact on the financial results;

o) to review new accounting issues and their potential impact on the financial information of the Corporation;

p) to review and approve any request for consultation with external auditors and to be informed of any request from management for non-audit services and the fees related thereto;

q) to review with management, the external auditors and legal counsel any legal proceedings or claim, including tax assessments, that could have a significant impact on the Corporation's financial position and operating results, and to ensure that they are disclosed in an appropriate manner;

r) to review the conclusions of the external auditor's evaluation of the internal control system as well as management's response;

s) to review with management the manner of ensuring and verifying the security of the Corporation's assets (including intellectual property) and information systems, the competence of the personnel holding key positions, and improvement projects;

t) to review management's code of conduct and compliance with corporate governance policies;

u) to review annually the legal requirements, the requirements of regulatory authorities, and the impact of any breach of these requirements on the financial information reported and on the Corporation's reputation;

v) to receive periodic reports on the nature and scope of compliance with security policies. The Board must be informed of any non-compliance having significant consequences, and of the corrective measures and schedule proposed for remedying it;

w) to see that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and must periodically assess the adequacy of those procedures;

x) to review with management the accuracy and timeliness of the filings with regulatory authorities;

y) to review the Corporation's business plans periodically;

z) to review the annual audit program of the Corporation's external auditors;

aa) to review annually the Corporation's general insurance coverage to ensure sufficient protection of the Corporation's assets, including without limitation, directors and officers liability insurance and coverage of key personnel;

bb) to carry out any other task required by the Corporation's articles and any relevant securities policy or regulation; and

cc) to establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3. The Audit Committee may engage independent counsels and other advisors as it determines necessary to carry out its duties, set and pay the compensation for these advisors and communicate directly with the internal and external auditors.

4. The Audit Committee reviews the Charter of the Audit Committee annually and recommends any amendment it deems appropriate to the Board.

IV. SECRETARY

The Secretary of the Audit Committee is nominated by the Chairman of the Audit Committee.

V. MEETINGS

1. The Audit Committee meets on the dates, at the times and in the places determined by the Audit Committee, at least four times a year. The Audit Committee meets with management and the external auditors separately at least once a year.

2. The members of the Audit Committee may meet in person, by telephone or by videoconference.

3. A written resolution signed by all members of the Audit Committee has the same value as one adopted at a meeting of the Audit Committee.

4. Meetings of the Audit Committee will be held from time to time, as decided by the Audit Committee or the Audit Committee Chairman, upon 48 hours' notice to all Audit Committee members. A quorum of Audit Committee members may waive the notice period.

5. A meeting of the Audit Committee may be called by any member of the Audit Committee or by the external auditors. The external auditors receive notice of all meetings of the Audit Committee.

6. The minutes of each Audit Committee meeting are tabled at the first meeting of the Board following such Audit Committee meeting.

VI. QUORUM

A majority of members of the Audit Committee constitutes quorum at any Audit Committee meeting.

VII. DEFINITIONS

"**Financially literate**" means an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

"**Control person**" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.