



Notice of the Annual General and Special Meeting of Shareholders

To be held on

Wednesday, December 14, 2016 at 10:00 a.m. (Eastern Standard Time)

at the Gare du Palais (Le Guichet room)

450 de la Gare-du-Palais Street

Québec, Québec G1K 3X2

Record Date: Wednesday, November 9, 2016

MANAGEMENT PROXY CIRCULAR

November 8, 2016

Pour recevoir l'avis de convocation à l'assemblée, la circulaire de sollicitation de procurations par la direction et le formulaire de procuration pour l'assemblée en français, prière de contacter M. Marc Dagenais, Vice-président, Affaires juridiques et secrétaire corporatif, par lettre adressée à NEMASKA LITHIUM INC., 450, rue de la Gare-du-Palais, 1^{er} étage, Québec (Québec) G1K 3X2 ou par courriel, à l'adresse suivante: marc.dagenais@nemaskalithium.com, ou encore consulter lesdits documents sous le profil de la société sur le site internet de SEDAR à www.sedar.com.

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NEMASKA LITHIUM INC.

NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

To the shareholders of NEMASKA LITHIUM INC.:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "Meeting") of shareholders of NEMASKA LITHIUM INC. (the "Corporation") will be held at the Gare du Palais (Le Guichet room), 450 de la Gare-du-Palais Street, Québec, Québec G1K 3X2, on Wednesday, December 14, 2016 at 10:00 a.m. (Eastern Standard Time) for the following purposes:

1. to receive the annual consolidated financial statements of the Corporation for the fiscal year ended June 30, 2016 and the external auditors' report thereon;
2. to elect the following directors to serve for the ensuing year: Judy Baker, Michel Baril, François Biron, Guy Bourassa, Paul-Henri Couture and René Lessard;
3. to appoint KPMG LLP as the external auditors of the Corporation and to authorize the directors to set the auditors' compensation;
4. to consider and, if deemed advisable, to adopt, with or without amendment, an ordinary resolution (which is set out in Schedule "I" of the enclosed management proxy circular) for the purpose of reconfirming the Shareholder Rights Plan Agreement adopted by the Board of Directors on October 26, 2010, as amended on October 27, 2011, and ratified, confirmed and approved respectively by the shareholders on November 22, 2010 and on November 22, 2011, the whole as described in the enclosed management proxy circular;
5. to consider and, if deemed advisable, to adopt, with or without amendment, an ordinary resolution (which is set out in Schedule "II" of the enclosed management proxy circular) concerning the approval of certain amendments to the Corporation's stock option plan, the whole as described in the enclosed management proxy circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Management proxy circular and proxy form for the Meeting are attached to this notice.

Québec, Québec, November 8, 2016

By order of the Board of Directors,

(s) Marc Dagenais

Marc Dagenais

Vice President, Legal Affairs and Corporate Secretary of the Corporation

Shareholders may exercise their rights by attending the Meeting or by completing a proxy form. If you are unable to be present in person at the Meeting, kindly complete, date and sign the enclosed proxy form and return it in the envelope provided for this purpose. To be used at the Meeting, the proxies must be received by the transfer agent and registrar of the Corporation (Computershare Investor Services Inc., attention: Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1) no later than 5:00 p.m., Eastern Standard Time, on Monday, December 12, 2016 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the date and time to which the Meeting has been rescheduled if it has been adjourned or postponed. The shareholders may also exercise their voting rights (i) by calling the toll-free number indicated on the proxy form (ii) by going to the following website: www.investorvote.com or (iii) by scanning the QR code indicated on the proxy form with their smartphones.

MANAGEMENT PROXY CIRCULAR

A. VOTING INFORMATION

PROXY SOLICITATION

This management proxy circular (the “Circular”) is provided in the context of a solicitation of proxies by the management of NEMASKA LITHIUM INC. (the “Corporation”) for the annual general and special meeting (the “Meeting”) of shareholders of the Corporation to be held on Wednesday, December 14, 2016 at the place and time and for the purposes set forth in the foregoing notice of Meeting (the “Notice”) and at any adjournment thereof. In the Circular, unless otherwise indicated, the financial information set out is dated as at June 30, 2016 while all other information set out is dated as at November 8, 2016. All dollar amounts indicated herein are stated in Canadian dollars.

While proxies will be mainly solicited by mail, certain directors, officers and employees of the Corporation may solicit them directly in person, by telephone, or by other means of electronic communication, but without additional compensation. The Corporation may also mandate an external proxy solicitation agency to help therewith. The cost of solicitation will be assumed by the Corporation and it is not expected to be significant. Arrangements will also be taken with brokerage firms and other receivers, trustees and agents for the forwarding of proxy solicitation documents to the beneficial owners of the Corporation's common shares in accordance with the provisions of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* (the “Regulation 54-101”).

Shareholders may exercise their rights by attending the Meeting or by completing a proxy form. If you are unable to be present in person at the Meeting, kindly complete, date and sign the enclosed proxy form and return it in the envelope provided for this purpose. To be used at the Meeting, the proxies must be received by the transfer agent and registrar of the Corporation (Computershare Investor Services Inc., attention: Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1) no later than 5:00 p.m., Eastern Standard Time, on Monday, December 12, 2016 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the date and time to which the Meeting has been rescheduled if it has been adjourned or postponed. The shareholders may also exercise their voting rights (i) by calling the toll-free number indicated on the proxy form (ii) by going to the following website: www.investorvote.com or (iii) by scanning the QR code indicated on the proxy form with their smartphones.

NOMINATION OF PROXYHOLDERS

The persons named as proxyholders in the enclosed proxy form are officers and directors of the Corporation and have been chosen by the Board of Directors of the Corporation (the “Board”). **A shareholder entitles to vote at the Meeting has the right to appoint another person or corporation than the persons named in the enclosed proxy form to attend and act on his or her behalf at the Meeting or any adjournment or postponement thereof. To exercise this right, the shareholder must insert the name of that person or corporation in the space provided for that purpose in the proxy form. A person or corporation named as proxyholder need not be a shareholder of the Corporation.**

Proxies must be signed and sent by mail at the following address:

**Computershare Investor Services Inc.
Attention: Proxy Dept.
100 University Avenue, 8th Floor,
Toronto, Ontario M5J 2Y1**

no later than 5:00 p.m., Eastern Standard Time, on Monday, December 12, 2016 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the date and time to which the Meeting has been rescheduled if it has been adjourned or postponed. The shareholders may also exercise their voting rights (i) by calling the toll-free number indicated on the proxy form (ii) by going to the following website: www.investorvote.com or (iii) by scanning the QR code indicated on the proxy form with their smartphones.

The shareholder who is an individual must sign his or her name as it appears on the proxy. If the shareholder is a corporate body, the proxy form must be signed by an officer or a duly authorized attorney of this corporate body. Also, for the shareholder who is a corporate body, any individual accredited by a certified resolution of the directors or management of this corporate body may represent the latter at the Meeting and may apply all the shareholder's powers, without a proxy.

If the common shares are registered in the name of more than one holder, then all those registered holders should sign the proxy form. If the common shares are registered in the name of a liquidator, director or trustee, these persons must sign the exact name appearing in the ledger. If the common shares are registered in the name of a deceased shareholder, the name of the shareholder must be printed in block letters in the space provided for that purpose. The proxy form must be signed by the legal representative, who must print his or her name in block letters under his or her signature, and proof of his or her authority to sign on behalf of the shareholder must be appended to the proxy form.

In many cases, the common shares belonging to a beneficial owner are registered in the name of a securities broker, another intermediary or a clearing agency. Beneficial owners should carefully read the section of the Circular entitled "Special Voting Instructions for the Benefit of Beneficial Owners" of this heading and carefully follow the directions given by their intermediaries.

EXERCISE OF VOTING RIGHTS BY PROXYHOLDERS

For any item listed in the Notice, the persons named as proxyholders in the enclosed proxy form will exercise the voting rights attached to the common shares for which they have been nominated in accordance with the instructions received from the shareholders and including by means of a vote by show of hands or a ballot. If no specific instruction has been given by the shareholder, the voting rights attached to his or her common shares will be exercised in favour of adopting the items listed in the Notice. The persons named as proxyholders will have discretionary authority with respect to amendments or variations to matters identified in the Notice and other matters which may properly come before the Meeting provided that (i) the management of the Corporation is not aware within a reasonable time before the time the solicitation is made that any of those amendments, variations or other matters are to be presented for action at the Meeting and (ii) a specific statement is made in the Circular or in the form of proxy that the proxy is conferring such discretionary authority. However, the persons named as proxyholders may not have such discretionary authority to vote at any meeting other than the Meeting, or any adjournment thereof, neither to vote for the election of any person as a director of the Corporation unless a bona fide proposed nominee for that election is named in the Circular. As of the date of the Circular, the directors of the Corporation have no knowledge of any amendment to the items listed in the Notice nor of any other item that may be brought before the Meeting in due form.

RIGHT TO REVOKE PROXIES

The shareholder who grants a proxy is at liberty to revoke such proxy by filing a written notice of revocation, including another proxy form indicating a later date, signed by the shareholder or his or her proxyholder duly authorized in writing. If the shareholder is a corporate body, this written notice of revocation and proxy form must be signed by a duly authorized officer or representative. The document appointing a proxyholder operates the revocation of any prior document appointing another proxyholder.

The written notice of revocation, including the proxy form, must be sent to (i) Computershare Investor Services Inc., attention: Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 by no later than the last clear business day preceding the Meeting or any adjournment thereof, (ii) at the registered office of the Corporation located at 450 de la Gare-du-Palais Street, 1st Floor, Québec, Québec G1K 3X2 on the last business day preceding the day of the Meeting or any adjournment thereof, or (iii) the President of the Meeting on the day the Meeting is being held or on any adjournment thereof.

SPECIAL VOTING INSTRUCTIONS FOR THE BENEFIT OF BENEFICIAL OWNERS

The information provided in this section is of considerable importance for many shareholders, because a large number of them hold common shares through securities brokers or their nominees and not in their own names. These shareholders (hereinafter the “Beneficial Owners”) must be aware of the fact that only proxies filed by shareholders whose names appear in the Corporation’s ledger as registered holders of common shares may be recognized and may benefit from the right to vote at the Meeting. If the common shares are registered in a statement that is remitted to the shareholder by the broker, in almost all cases, these common shares will not be registered in the shareholder’s name in the Corporation’s ledger. These common shares will likely be registered in the name of the broker or its nominee. In Canada, the majority of these common shares are registered in the name of CDS & Co. (the nominee of CDS Clearing and Depository Services Inc.) which acts as a depository for a good number of Canadian brokerage firms. The voting rights attached to the common shares held by brokers or their nominees may be exercised only according to the Beneficial Owner’s specific instructions. **Brokers and their nominees are prohibited from exercising the voting rights attached to the common shares of their clients without specific voting instructions. In order for their common shares to be voted at the Meeting, Beneficial Owners must make sure that their specific instructions concerning the exercise of the voting rights attached to their common shares are conveyed to the appropriate person well before the Meeting.**

According to Regulation 54-101, intermediaries and brokers must obtain voting instructions from Beneficial Owners before a meeting of shareholders. Each intermediary and broker has its own rules concerning the mailing and forwarding of voting instruction forms (“VIFs”), meeting notices, proxy circulars as well as all other documents sent to shareholders for a meeting. These rules must be carefully followed by Beneficial Owners to ensure that the rights attached to their common shares can be exercised at the Meeting. The VIF remitted to Beneficial Owners by the intermediary or the broker is often the same as the one remitted to registered shareholders; however, its sole purpose is to obtain instructions for the intermediary or the broker on how to exercise the voting rights on behalf of the Beneficial Owner. The majority of intermediaries or brokers now delegate the responsibility of obtaining voting instructions from their clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge provides VIFs and mails them to the Beneficial Owners, and asks them to return the VIFs to Broadridge, or to call its toll-free number to exercise the voting rights attached to their common shares, or to go to its website at www.proxyvote.com to provide voting instructions. Broadridge then computes the results of all the voting instructions received and gives the appropriate instructions regarding the exercise of the voting rights attached to the common shares that will be represented at the Meeting. **The Beneficial Owner who receives a VIF from Broadridge may not use such VIF to exercise the voting rights attached to his or her common shares directly at the Meeting. The VIF must be returned to Broadridge 48 hours before the Meeting so that the voting rights attached to the common shares can be exercised at the Meeting.**

While a Beneficial Owner cannot be recognized directly at the Meeting for the purpose of exercising the voting rights attached to the common shares registered in the name of his or her broker or his or her broker's nominee, the Beneficial Owner may attend the Meeting as proxyholder for the registered shareholder and may, in this capacity, exercise the voting rights attached to the common shares. The Beneficial Owner wishing to attend the Meeting and indirectly exercise the voting rights attached to his or her common shares as proxyholders for the registered shareholder must enter his or her own name in the space provided in the VIF and return it to his or her broker (or his or her broker's nominee) in accordance with the instructions provided by the broker (or broker's nominee) before the Meeting. The Beneficial Owner can also write the name in the space provided in the VIF of someone else whom he or she wishes to attend the Meeting and vote on his or her behalf. Unless prohibited by law, the person whose name is written in the space provided in the VIF will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or the Circular. The Beneficial Owner may consult a legal advisor if he or she wishes to modify the authority of that person in any way.

According to Regulation 54-101, the Corporation has distributed copies of the Notice, the Circular, the proxy form and, as opted by the shareholders, the Corporation's annual report which includes the annual consolidated financial statements and MD&A for the fiscal year ended June 30, 2016 (collectively, "the Meeting Materials") to clearing agencies and intermediaries for onward distribution to non-objecting Beneficial Owners. The Corporation will pay for the distribution of Meeting Materials to objecting Beneficial Owners.

As permitted under Regulation 54-101, the Corporation has used a non-objecting Beneficial Owners list to send the Meeting Materials to the owners whose names appear on that list.

The Meeting Materials were sent to both registered and non-registered owners of the common shares. If you are a non-registered owner, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send the Meeting Materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

QUORUM

Under the Corporation's general by-laws and subject to the provisions of the *Canada Business Corporations Act*, as amended from time to time, the quorum is reached, no matter the number of people attending, when at least two holders of shares with more than five percent (5%) of the voting rights are attending or being represented by proxy at a shareholder meeting.

The quorum must be reached at the opening of the shareholder meeting so that it is regularly constituted even if the quorum is not maintained during the course of such meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation at any time since the beginning of the Corporation's last fiscal year, no proposed nominee for election as a director of the Corporation, neither any associate or affiliate of any such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any items on the Meeting agenda, except for the amendments to the Corporation's stock option plan (the "Amended and Restated Plan"). Given that the Corporation's directors and executive officers are qualified as eligible participants under the Amended and Restated Plan and few of them currently hold stock options, they have an interest that the resolution concerning certain amendments to the Corporation's stock option plan be adopted by the shareholders of the Corporation.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The Corporation's authorized capital is made up of an unlimited number of common shares without par value. As of the date of the Circular, 312,883,855 common shares were issued and outstanding. The holders of common shares have the right to vote at any shareholder meeting. Only shareholders registered in the Corporation's ledger at the close of business on November 9, 2016 have the right to receive the Notice. They also have the right to vote at the Meeting and any adjournment thereof, if they are present or represented by proxyholder.

To the knowledge of the Corporation's directors or executive officers, as of the date of the Circular, no person, directly or indirectly, beneficially own, or control or direct, voting securities carrying 10% or more of the voting rights attached to any class of outstanding securities of the Corporation.

B. ITEMS ON MEETING AGENDA

PRESENTATION OF FINANCIAL STATEMENTS

The Corporation's annual consolidated financial statements for the fiscal year ended June 30, 2016 and the external auditors' report thereon will be presented to the Meeting but will not be subject to a vote.

ELECTION OF DIRECTORS

The Corporation's articles of incorporation specify that the Board may be composed of a minimum of three and a maximum of seven directors. The Corporation's general by-laws specify that the directors are elected annually by the shareholders and remain in office, regardless of whether their term has expired, until they resign, are dismissed or replaced, or until they no longer possess the required qualifications. A director whose term is expired may be re-elected.

The Corporation's management deems that all nominees will be capable of acting as directors. The Corporation's management has not been notified of any nominee who no longer wishes to serve in this capacity. **The proxy form or the VIF do not grant a discretionary power to elect a director of the Corporation, unless a proposed nominee is mentioned in the Circular.**

The Board proposes the following six individuals as nominees for directorship. Each of the nominees proposed by the Board is presently director of the Corporation. Mr. Bangkui Gao's mandate as director of the Corporation will not be renewed.

Judy Baker
Michel Baril
François Biron
Guy Bourassa
Paul-Henri Couture
René Lessard

Unless the shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the election of the nominees for directorship listed above.

APPOINTMENT OF EXTERNAL AUDITORS AND AUTHORIZATION GIVEN TO DIRECTORS TO SET THE AUDITORS' COMPENSATION

The external auditors of the Corporation are KPMG LLP ("KPMG"). KPMG has been the external auditors of the Corporation since November 22, 2011.

The Audit Committee and the Board recommend that the mandate of KPMG be renewed until the Corporation's next annual meeting of shareholders or until a successor is nominated. To be validly adopted, the resolution concerning the renewal of KPMG's mandate must be adopted by a simple majority of the votes cast by the shareholders present or represented by proxyholder at the Meeting.

The shareholders' approval will also authorize the Board to set the auditors' compensation.

Unless the shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the appointment of KPMG as external auditors of the Corporation until the adjournment of the next annual meeting of shareholders and authorize the directors to set their compensation.

RECONFIRMATION OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT

At the Meeting, the shareholders will be asked to consider and vote on a resolution approving the reconfirmation, for an additional three-year period, of the Shareholder Rights Plan Agreement (the "Rights Plan") adopted by the Board on October 26, 2010, as amended on October 27, 2011, and ratified, confirmed and approved respectively by the shareholders on November 22, 2010 (the "2010 Meeting") and on November 22, 2011. To remain effective, the Rights Plan must be reconfirmed by the shareholders at the third and sixth annual meetings of shareholders following the 2010 Meeting. The Rights Plan has been reconfirmed by the shareholders during the annual general and special meeting which took place on November 29, 2013.

The terms of the Rights Plan are set forth in the Shareholder Rights Plan Agreement dated October 28, 2010, as amended on October 27, 2011, between the Corporation and Computershare Investor Services Inc., as rights agent. The Shareholder Rights Plan Agreement was filed on SEDAR by the Corporation on October 29, 2010 and its amendment on November 4, 2011 and can be found at the following address: www.sedar.com.

Recommendation of the Board

The Board believes that the reconfirmation of the Rights Plan is in the interest of the Corporation and its shareholders and, accordingly, recommends that shareholders vote for the adoption of the resolution, the text of which is reproduced under Schedule "I" of the Circular. This resolution must be passed by a majority of the votes cast by all holders of common shares who vote in respect of such reconfirmation. If the Rights Plan is not so reconfirmed, the Rights Plan as well as all outstanding rights shall terminate and be void and of no further force and effect on and from the date of termination of the Meeting.

The Board is not aware of, nor is the Board seeking reconfirmation of the Rights Plan in anticipation of, any pending or threatened take-over or offer for common shares of the Corporation.

Summary of the Rights Plan

The following description of the Rights Plan is a summary only. Reference is made to the Shareholder Rights Plan Agreement, the full text of which is available for consultation on SEDAR at www.sedar.com.

Effective Date

The effective date of the Rights Plan is October 28, 2010 (the "effective date").

Term

The Rights Plan will terminate at the close of business on the date of the ninth anniversary of the effective date subject to its reconfirmation by the shareholders at the third and the sixth annual meeting following the 2010 Meeting.

Issue of Rights

On the effective date, one right to purchase a common share, upon the terms and subject to the conditions set forth in the Rights Plan, was issued and attached to each common share outstanding and attached to each common share subsequently issued.

Rights Exercise Privilege

The rights will separate from the common shares and will be exercisable on the eighth trading day after the earlier of (i) the stock acquisition date; (ii) the date of the commencement of, or first public announcement of the intent of any person to commence a take-over bid, other than a permitted bid or competing permitted bid and; (iii) the date upon which a permitted bid or competing permitted bid ceases to be such; or such earlier or later date as may be determined by the Board acting in good faith.

Flip-in Event

The acquisition by any person (an “acquiring person”) of 20% or more of the outstanding common shares of the Corporation, other than by way of a permitted bid, a voting share reduction, an exempt acquisition, a pro rata acquisition or a convertible security acquisition is referred to as a “flip-in event”. Any rights held by an acquiring person will become void upon the occurrence of a flip-in event. Eight business days after the occurrence of the flip-in event, each right, (other than those held by the acquiring person), will permit the purchase of common shares at a substantial discount to the market price at the time.

The issue of the rights is not initially dilutive. Upon a flip-in event occurring and the rights separating from the common shares, reported earnings per share on a fully diluted or non-diluted basis may be affected. Holders of rights not exercising their rights upon the occurrence of a flip-in event may suffer substantial dilution.

Notwithstanding what precedes, under the terms of the amendment dated October 27, 2011, the Board can allow a strategic investor to subscribe common shares of the Corporation for a percentage equal to or higher than 20% of the outstanding common shares of the Corporation without triggering provisions of the Rights Plan. However, if such person desires to acquire more voting shares of the Corporation, it will trigger the mechanism of rights issuance pursuant to the Rights Plan as amended, unless it can rely on a waiver of such mechanism.

Certificates and Transferability

Prior to the separation time, the rights are evidenced by a legend printed on certificates for the common shares issued from and after the effective date and are not to be transferable separately from the common shares. From and after the separation time, the rights will be evidenced by rights certificates which will be transferable and traded separately from the common shares.

Permitted Bid Requirements

Under the Rights Plan, a “permitted bid” is a bid made to all shareholders of the Corporation and is open for acceptance for not less than 60 days. If, at the end of such 60-day period, at least 50% of the outstanding shares, other than those owned by the offeror and certain related parties, have been tendered, the offeror may take up and pay for the shares but must extend the bid for a further ten days to allow other shareholders to tender their shares.

Waiver

The Board may, until the occurrence of a flip-in event, waive the application of the Rights Plan to a particular flip-in event (an “exempt acquisition”) where the take-over bid is made by a circular sent to all holders of common shares. Where the Board exercises the power of waiver for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a circular to all holders of common shares prior to the expiry of the other bid for which the Rights Plan has been waived by the Board.

Redemption

The Board, with the prior approval of shareholders (or the holders of rights if the separation time has occurred) at a meeting duly called for that purpose, may redeem the rights at \$0.0001 per right. Rights may also be redeemed by the Board without such approval following completion of a permitted bid, competing permitted bid or exempt acquisition.

Amendment

The Corporation may amend the Rights Plan with the prior approval of shareholders (or the holders of rights, if the separation time has occurred) at a meeting duly called for that purpose. The Corporation, without such approval, may correct clerical or typographical errors and, subject to approval as noted above at the next meeting of the shareholders (or holders of rights, as the case may be), may make amendments to the Rights Plan which the Board acting in good faith considers necessary or desirable.

The Board

The Rights Plan will not lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board, when a permitted bid is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

Exemptions for Investment Advisors

Persons whose ordinary business is managing investment funds for others, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, and administrators of registered pension plans are exempt from triggering a flip-in event, provided that they are not making, or are not part of a group making, a take-over bid.

Unless the shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the resolution, the text of which is set out in Schedule “I” of the Circular.

AMENDMENTS TO THE CORPORATION’S STOCK OPTION PLAN

During the Meeting, the shareholders of the Corporation will be invited to consider and, if deemed advisable, to adopt, with or without amendment, an ordinary resolution, the text of which is set out in Schedule “II” of the Circular, concerning the approval of certain amendments to the Corporation’s stock option plan.

The amendments to the Corporation’s stock option plan are mainly to provide for the following:

1. to reflect the listing of the Corporation’s common shares on the Toronto Stock Exchange (“TSX”) rather than on the TSX Venture Exchange (“TSXV”);
2. to fix the maximum percentage of securities available to insiders under the Amended and Restated Plan;

3. to describe the method for determining the exercise price of the stock options under the Amended and Restated Plan;
4. to describe the procedure for amending the Amended and Restated Plan, including specific disclosure where the Corporation's shareholder approval is required in connection thereto; and
5. other clerical changes of a housekeeping nature.

Recommendation of the Board

The Board believes that the foregoing amendments to the Corporation's stock option plan is in the interest of the Corporation and its shareholders and, accordingly, recommends that shareholders vote for the adoption of the resolution, the text of which is reproduced under Schedule "II" of the Circular. This resolution must be passed by a majority of the votes cast by all holders of common shares who vote in respect of such amendments to the Corporation's stock option plan.

A blacklined version of the Amended and Restated Plan is set out in Schedule "III" to the Circular, which shows the last amendments made to the Corporation's stock option plan.

Unless the shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the resolution, the text of which is set out in Schedule "II" of the Circular.

C. THE BOARD

BIOGRAPHICAL NOTES

The following table provides certain information concerning each nominee for directorship: name, province, country of residence, position held, as the case may be, with the Corporation or Nemaska Lithium P1P Inc., Nemaska Lithium Shawinigan Transformation Inc. or Nemaska Lithium Whabouchi Mine Inc. (the "Corporation's Subsidiaries"). It also provides the position held with the Audit Committee of the Corporation, the month and year in which the nominee became a director of the Corporation or the Corporation's Subsidiaries, as the case may be, his current principal occupation, business or employment and the number of securities of each class of voting securities of the Corporation that he beneficially owns, controls or directs, directly or indirectly, as at the date of the Circular.

<p>Judy Baker Ontario, Canada</p> <p>Director of the Corporation since October 2009</p> <p>Independent</p> <p>Number of common shares held: 370,250</p>	<p>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 of Argo Gold Inc. (formerly Arbitrage Exploration Inc.), Green Swan Capital Corp. and Honey Badger 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</p>
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	<p>(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.</p>
<p>Michel Baril Québec, Canada</p> <p>Chairman of the Board of the Corporation</p> <p>Director of the Corporation since October 2008</p> <p>President of the Audit Committee of the Corporation</p> <p>Independent</p> <p>Number of common shares held: 1,058,000</p>	<p>Mr. Michel Baril has been a member of the <i>Ordre des ingénieurs du Québec</i> 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 was a 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 was 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 Gold Corporation, a mining exploration corporation, since February 2011. These two corporations are listed on the TSXV. He was also Chairman of the board of directors of Monarques Gold Corporation from March 2011 to June 2016. From June 1979 to November 2003, he held various senior administrative positions with Bombardier Inc. Notably, he was 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, De 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.</p>

<p>François Biron Québec, Canada</p> <p>Director of the Corporation since November 2015</p> <p>Member of the Audit Committee of the Corporation</p> <p>Independent</p> <p>Number of common shares held: 300,000</p>	<p>Mr. Francois Biron is a senior professional mining engineer with 40 years of experience in the mining industry. Mr. Biron is a director of Matamec Explorations Inc., a junior mining exploration company, since August 2015, and director of Sphinx Resources Ltd., a junior mining exploration company since July 2016. Of specific interest to the Corporation's mining project, Mr. Biron has been involved from August 2005 to June 2010 as General Manager of the Troilus Division of Inmet Mining Corporation, an open pit mine in Eeyou Istchee James Bay region about 125 km North of Chibougamau, with 260 employees, including 65 native people. He has been Project Manager of Mine Arnaud Project owned by Investissement Québec, a financing corporation that provides guidance and financial solutions to companies, from July 2010 to May 2015. Mr. Biron has extensive experience in mining operations and has acted in several senior site-based positions with well-known international mining companies. Throughout his career, he has worked in gold, base metals and industrial minerals sectors. He has participated in the management of major open-pit mines with the state of the art operations and standards. Mr. Biron is very experienced in public consultations and social acceptability for new mining projects and well versed in the latest automation mining technologies that improve mining processes.</p>
<p>Guy Bourassa Québec, Canada</p> <p>President and Chief Executive Officer of the Corporation</p> <p>Director of the Corporation since May 2007</p> <p>President and Chief Executive Officer of the Corporation's Subsidiaries</p> <p>Director of Nemaska Lithium P1P Inc. and Nemaska Lithium Shawinigan Transformation Inc. since March 2016</p> <p>Director of Nemaska Lithium Whabouchi Mine Inc. since August 2016</p> <p>Not Independent</p> <p>Number of common shares held: 3,362,250</p>	<p>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, 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.</p>

<p>Paul-Henri Couture Québec, Canada</p> <p>Director of the Corporation since July 2013</p> <p>Member of the Audit Committee of the Corporation</p> <p>Independent</p> <p>Number of common shares held: 217,500⁽¹⁾</p>	<p>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, an enterprise that provides Management and Investment Consulting Services. He worked at the Business Development Bank of 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.</p>
<p>René Lessard Québec, Canada</p> <p>Director of the Corporation since September 2008</p> <p>Independent</p> <p>Number of common shares held: 607,225⁽²⁾</p>	<p>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. Since 2009, Mr. Lessard is self-employed as a consultant in the construction sector.</p>

Notes:

- (1) Mr. Couture personally holds 187,500 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.

- (2) Mr. Lessard personally holds 420,125 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.

Members of the Board do not have direct information on the common shares beneficially owned by the aforementioned individuals or over which they exercise control or direction. This information was provided by the proposed nominees for directorship.

MAJORITY VOTE

The Board has adopted on July 6, 2016 a majority voting policy (the “Policy”) governing uncontested elections of directors. The Board believes that each director should have the confidence and support of the shareholders of the Corporation. For the election of directors, if with respect to any director nominee, the number of votes withheld exceeds the number of votes for the nominee, then for the purpose of the Policy the nominee will be considered not to have received the confidence and support of the shareholders, even though duly elected as a matter of corporate law. Under such circumstances, the director nominee will be required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board.

The Board will consider the tendered resignation and announce by news release its decision whether or not to accept that resignation and the reasons for its decision no later than 90 days after the date of the relevant shareholders’ meeting (and will provide a copy of the news release to the TSX). The Board will accept the tendered resignation, absent exceptional circumstances. In considering whether or not to accept the tendered resignation, the Board will consider all factors that it deems in its discretion to be relevant. A director who tenders his or her resignation pursuant to the Policy will not be permitted to participate in any Board or committee meeting at which his or her resignation is to be considered.

Subject to any corporate law restrictions, the Board may (1) leave a vacancy in the Board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new director who the Board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new Board nominee(s) to fill the vacant position(s).

In the event that any director refuses to tender his or her resignation in accordance with the Policy, he or she will not be re-nominated for election by the Board.

However, the Policy does not apply if the director’s election is contested.

CEASE TRADE

To the knowledge of the members of the Board and based on the information provided by the nominees for directorship, none of these nominees:

- (a) is, as at the date of the Circular, or has been, within ten years before this date, a director, chief executive officer or 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 relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the nominee 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 relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee exercised these duties;

- (b) is, as at the date of the Circular, or has been within ten years before this date, a director or executive officer of any corporation, including the Corporation, that, while that nominee was acting in that capacity, or within a year of that nominee 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
- (c) has, within the ten years before the date of the Circular, 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 nominee;
- (d) has been imposed any penalties or sanctions by a court pursuant to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a nominee for directorship.

Notwithstanding the above, Mr. Michel Baril was Chairman of the board of directors 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. Paul-Henri Couture carried out the functions of director of Strateco Resources Inc. while on September 21, 2015, the Autorité des marchés financiers and on September 23, 2015, the Ontario Securities Commission issued orders that all trading in the securities of Strateco Resources Inc. shall cease due to its failure to file the continuous disclosure materials as required by *Regulation 51-102 respecting Continuous Disclosure Obligations* for the six-month period ended June 30, 2015 and the certification of the foregoing filings as required by *Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings*. The Alberta Securities Commission and the British Columbia Securities Commission enforce the cease trade orders already issued in Québec and Ontario in regards to Strateco Resources Inc. As of the date hereof, these cease trade orders still remain effective.

On June 9, 2015, Strateco Resources Inc. obtained an initial order under the *Companies' Creditors Arrangement Act* (Canada) by the Superior Court of Québec, commercial division in the district of Montréal, which was amended and restated on July 8, 2015. This order authorizes, among others things, Strateco Resources Inc. to pursue the litigation for damages against the Government of Québec about the Matoush Uranium Project. This order from the Superior Court was obtained while Mr. Paul-Henri Couture carried out the functions of director of Strateco Resources Inc. This order has been since renewed and remains effective as of the date hereof.

D. NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

OVERSIGHT AND DESCRIPTION OF NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Named Executive Officers

Due to the size and history of the Corporation, the Board is responsible of establishing the compensation of the Named Executive Officers, being as at June 30, 2016, the President, Chief Executive Officer and Secretary as well as the Chief Financial Officer of the Corporation (collectively, the “Named Executive Officers”).

The compensation of the Corporation’s Named Executive Officers has been established with a view to attract and retain persons critical to the Corporation’s short and long-term success and to continue to provide to such persons with compensation that is in accordance with existing market standards generally.

Through its compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation’s Named Executive Officers compensation structure seeks to: (i) attract and retain talented and experienced executives necessary to achieve the Corporation’s strategic objectives; (ii) motivate and reward Named Executive Officers whose knowledge, skills and performance are critical to the Corporation’s success; (iii) align the interests of the Corporation’s Named Executive Officers and shareholders by motivating Named Executive Officers to increase shareholder value, and (iv) provide a competitive compensation package in which a significant portion of total compensation is determined by corporate and individual results, the creation of shareholder value and the creation of a shared commitment among Named Executive Officers by coordinating their corporate and individual goals.

Within the context of the overall objectives of the Corporation’s compensation practices, the Corporation determined the specific amounts of compensation to be paid to each of its Named Executive Officers based on a number of factors, including: (i) the Corporation’s understanding of the amount of compensation generally paid by similarly situated companies to their Named Executive Officers with similar roles and responsibilities; (ii) the Corporation’s executives’ performance during the fiscal year in general and as measured against predetermined corporate and individual performance goals; (iii) the roles and responsibilities of the Corporation’s Named Executive Officers; (iv) the individual experience and skills of, and expected contributions from the Corporation’s Named Executive Officers; (v) the amounts of compensation being paid to the Corporation’s other Named Executive Officers; and (vi) any contractual commitments that the Corporation has made to its Named Executive Officers regarding compensation.

Option-Based Awards

The Corporation’s granting of options to certain Named Executive Officers under the Corporation’s stock option plan is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase the shareholder value. The relative emphasis of options for compensating certain Named Executive Officers will generally vary based on the position held, the global compensation and the benchmarks in such case. The Corporation generally expects future grants of options should be based on the following factors: (i) the terms and conditions of the employment agreements of Named Executive Officers; (ii) the executive’s past performance; (iii) the executive’s anticipated future contribution; (iv) the prior options grants to such executive; (v) the percentage of outstanding equity owned by the executive; (vi) the level of vested and unvested options and (vii) the market practices and the executive’s responsibilities and performance. The Corporation has not set specific target levels for the granting of options to Named Executive Officers but seeks to be competitive with similar companies. For a summary of the main terms and conditions of the Amended and Restated Plan, see “Amended and Restated Plan Description” under the section “Stock Option Plans and Other Incentive Plans”.

Directors

The Board is responsible for establishing the compensation to be paid to directors of the Corporation. The Board reviews quarterly the compensation paid to directors in relation with the Corporation's financial situation. For that purpose, the Board compares the total compensation offers on the market after consulting with resource persons in the industry. The directors that are not Named Executive Officers received from September 30, 2009 to June 30, 2016, an annual compensation of \$4,000. The directors who sit on Board's committee received an annual compensation of \$1,000. The compensation of the Chairman of the Board, who is also President of the Audit Committee, was \$36,000 per year. These directors also received \$500 for each meeting of the Board or each committee which they attended in person, and received \$250 for meetings of the Board or committee which they attended by telephone. All directors are entitled to be reimbursed for reasonable travel expenses incurred with respect to their attendance at meetings of the Board and of the Audit Committee. In addition, each director is eligible to receive options pursuant to the Corporation's stock option plan. During the fiscal year ended June 30, 2016, a total of 3,763,500 new stock options were granted to directors that are not Named Executive Officers.

The aggregate cash compensation paid or to be paid to the directors of the Corporation for services rendered in their capacities as directors and members of the Audit Committee during the fiscal year ended June 30, 2016 is \$79,341.

External Consultants

The Corporation has retained the services of Marc Pelletier as a strategic consultant to assist management on remuneration matters, and in building the human resources function and finalizing the Corporation's organizational chart in order to take into consideration its change of activities and purpose from an exploration company to a development and eventual producer of lithium products. The services of Marc Pelletier were retained as of February 11, 2016 and the aggregate fees paid to him for his services since his hiring and up to and including June 30, 2016, stand at \$84,822.

The Corporation further determined that it needed to (i) hire highly qualified persons to fill important management roles, and (ii) assess the employment market to determine the type of remuneration applicable to the Corporation's new status to enable the Corporation to attract and retain highly skilled persons. As such, the Corporation retained the services of PCI Perreault Conseil Inc. ("PCI") to conduct a research and provide recommendations to the Corporation as to what should constitute acceptable overall employment conditions for corporations such as the Corporation. PCI was also asked to conduct a similar study pertaining to remuneration payable to board members. The services of PCI were retained as of May 17, 2016 and the aggregate fees paid to them for their services since their hiring and up to and including June 30, 2016, stand at \$26,334.

NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table details all compensation paid to the Corporation's Named Executive Officers and directors for the fiscal years ended June 30, 2015 and June 30, 2016.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Guy Bourassa, President, Chief Executive Officer and Director of the Corporation and the Corporation's Subsidiaries ⁽¹⁾	2015 2016	308,000 ⁽²⁾ 366,800 ⁽²⁾	N/A 275,000	N/A N/A	N/A N/A	N/A N/A	308,000 641,800
Steve Nadeau, Chief Financial Officer of the Corporation and the Corporation's Subsidiaries and Director of the Corporation's Subsidiaries ⁽³⁾⁽⁴⁾	2015 2016	142,272 ⁽⁵⁾ 250,900 ⁽⁶⁾	N/A 168,000	N/A N/A	N/A N/A	N/A N/A	142,272 418,900
Michel Baril, Chairman of the Board	2015 2016	N/A N/A	N/A N/A	39,750 40,750	N/A N/A	N/A N/A	39,750 40,750
Judy Baker, Director of the Corporation	2015 2016	N/A N/A	N/A N/A	5,000 6,000	N/A N/A	N/A N/A	5,000 6,000
Paul-Henri Couture, Director of the Corporation	2015 2016	N/A N/A	N/A N/A	7,750 9,250	N/A N/A	N/A N/A	7,750 9,250
Bangkui Gao, Director of the Corporation	2015 2016	N/A N/A	N/A N/A	5,500 6,000	N/A N/A	N/A N/A	5,500 6,000
René Lessard, Director of the Corporation	2015 2016	N/A N/A	N/A N/A	8,500 8,250	N/A N/A	N/A N/A	8,500 8,250
Wei Wu, Director of the Corporation ⁽⁷⁾	2015 2016	N/A N/A	N/A N/A	4,000 2,667	N/A N/A	N/A N/A	4,000 2,667
Francois Biron Director of the Corporation ⁽⁸⁾	2016	N/A	N/A	6,424	N/A	N/A	6,424

Notes:

- (1) Mr. Bourassa, who is also a director of the Corporation and the Corporation's Subsidiaries, is not being compensated for the services delivered as such. Mr. Bourassa was also Secretary of the Corporation until September 18, 2016.
- (2) The base salary for Mr. Bourassa also includes the vacation percentage paid or to be paid as per the employment contract.
- (3) Mr. Nadeau was also Chief Financial Officer of Monarques Gold Corporation until December 1st, 2015.
- (4) Mr. Nadeau, who is also a director of the Corporation's Subsidiaries, is not being compensated for the services delivered as such.

- (5) The base salary for Mr. Nadeau, which includes the vacation percentage paid or to be paid by the Corporation as per the employment contract, was on a cost-shared basis between the Corporation for approximately 66% and the equity accounted investee Monarques Gold Corporation for approximately 33%.
- (6) The base salary for Mr. Nadeau, which includes the vacation percentage paid or to be paid by the Corporation as per the employment contract, was on a cost-shared basis between the Corporation for approximately 88% and the equity accounted investee Monarques Gold Corporation for approximately 12%.
- (7) Ms. Wu's mandate as director of the Corporation was not renewed at the last annual general and special meeting of shareholders of the Corporation held on February 25, 2016.
- (8) Mr. Biron was appointed as director of the Corporation on November 19, 2015.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table lays out all compensation securities granted or issued to Named Executive Officers and directors by the Corporation during the fiscal year ended June 30, 2016 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities ⁽¹⁰⁾ and Percentage of Class ⁽¹¹⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$) ⁽¹²⁾	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Guy Bourassa, President, Chief Executive Officer and Director of the Corporation and the Corporation's Subsidiaries ⁽¹⁾	Stock Options	600,000 representing in the aggregate 0.19%	2015/12/24	0.40	0.40	1.33	2020/12/24
		854,500 representing in the aggregate 0.27%	2016/04/14	0.92	0.92	1.33	2021/04/14
Steve Nadeau, Chief Financial Officer of the Corporation and the Corporation's Subsidiaries and Director of the Corporation's Subsidiaries ⁽²⁾	Stock Options	175,000 representing in the aggregate 0.06%	2015/12/24	0.40	0.40	1.33	2020/12/24
		573,150 representing in the aggregate 0.18%	2016/04/14	0.92	0.92	1.33	2021/04/14
Michel Baril, Chairman of the Board and Director of the Corporation ⁽³⁾	Stock Options	400,000 representing in the aggregate 0.13%	2015/12/24	0.40	0.40	1.33	2020/12/24
		604,500 representing in the aggregate 0.19%	2016/04/14	0.92	0.92	1.33	2021/04/14

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities ⁽¹⁰⁾ and Percentage of Class ⁽¹¹⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$) ⁽¹²⁾	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Judy Baker, Director of the Corporation ⁽⁴⁾	Stock Options	250,000 representing in the aggregate 0.08%	2015/12/24	0.40	0.40	1.33	2020/12/24
		354,500 representing in the aggregate 0.11%	2016/04/14	0.92	0.92	1.33	2021/04/14
Paul-Henri Couture, Director of the Corporation ⁽⁵⁾	Stock Options	250,000 representing in the aggregate 0.08%	2015/12/24	0.40	0.40	1.33	2020/12/24
		250,000 representing in the aggregate 0.08%	2016/04/14	0.92	0.92	1.33	2021/04/14
Bangkui Gao, Director of the Corporation ⁽⁶⁾	Stock Options	250,000 representing in the aggregate 0.08%	2015/12/24	0.40	0.40	1.33	2020/12/24
		250,000 representing in the aggregate 0.08%	2016/04/14	0.92	0.92	1.33	2021/04/14
René Lessard, Director of the Corporation ⁽⁷⁾	Stock Options	250,000 representing in the aggregate 0.08%	2015/12/24	0.40	0.40	1.33	2020/12/24
		354,500 representing in the aggregate 0.11%	2016/04/14	0.92	0.92	1.33	2021/04/14
Wei Wu, Director of the Corporation ⁽⁸⁾	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities ⁽¹⁰⁾ and Percentage of Class ⁽¹¹⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$) ⁽¹²⁾	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
François Biron Director of the Corporation ⁽⁹⁾	Stock Options	50,000 representing in the aggregate 0.02%	2015/11/20	0.365	0.365	1.33	2020/11/20
		250,000 representing in the aggregate 0.08%	2015/12/24	0.40	0.40	1.33	2020/12/24
		250,000 representing in the aggregate 0.08%	2016/04/14	0.92	0.92	1.33	2021/04/14

Notes:

- (1) As at June 30, 2016, Mr. Bourassa held a total of 2,550,000 stock options (2,550,000 vested) entitling him to acquire 2,550,000 common shares of the Corporation.
- (2) As at June 30, 2016, Mr. Nadeau held a total of 1,722,650 stock options (1,722,650 vested) entitling him to acquire 1,722,650 common shares of the Corporation.
- (3) As at June 30, 2016, Mr. Baril held a total of 1,604,500 stock options (1,604,500 vested) entitling him to acquire 1,604,500 common shares of the Corporation.
- (4) As at June 30, 2016, Ms. Baker held a total of 904,500 stock options (904,500 vested) entitling her to acquire 904,500 common shares of the Corporation.
- (5) As at June 30, 2016, Mr. Couture held a total of 650,000 stock options (650,000 vested) entitling him to acquire 650,000 common shares of the Corporation.
- (6) As at June 30, 2016, Mr. Gao held a total of 650,000 stock options (650,000 vested) entitling him to acquire 650,000 common shares of the Corporation.
- (7) As at June 30, 2016, Mr. Lessard held a total of 1,004,500 stock options (1,004,500 vested) entitling him to acquire 1,004,500 common shares of the Corporation.
- (8) As at June 30, 2016, Ms. Wu held a total of 200,000 stock options (200,000 vested) entitling her to acquire 200,000 common shares of the Corporation.
- (9) As at June 30, 2016, Mr. Biron held a total of 500,000 stock options (500,000 vested) entitling him to acquire 500,000 common shares of the Corporation.
- (10) Each stock option entitles his holder thereof to acquire one common share of the Corporation.
- (11) The calculation of the percentage of class set out in the table is calculated on an undiluted basis and took into account the number of issued and outstanding common shares of the Corporation as at the date of the Circular.
- (12) As provided under the Corporation's stock option plan, the exercise price of the stock options is established based on the market price of the common shares at the closing of the exchange on the exchange day immediately preceding the date of grant of the stock options, or if no common shares were negotiated on this day, the arithmetic average of the last bid and ask prices of the common shares on the exchange. For the purpose of this table, the closing price indicated represents the market price of the Corporation's common shares on the exchange day immediately preceding the date of grant of the stock options.

The following table lays out all compensation securities that were exercised by the Corporation's Named Executive Officers and directors during the fiscal year ended June 30, 2016.

Exercise of Compensation Securities by Named Executive Officers and Directors							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Guy Bourassa, President, Chief Executive Officer and Director of the Corporation and the Corporation's Subsidiaries	Stock Options	52,250	0.459	2016/05/26	1.66	1.201	62,752.25
Steve Nadeau, Chief Financial Officer of the Corporation and the Corporation's Subsidiaries and Director of the Corporation's Subsidiaries	Stock Options	36,575	0.459	2016/05/26	1.66	1.201	43,926.58
Michel Baril, Chairman of the Board and Director of the Corporation	Stock Options	52,250	0.459	2016/05/26	1.66	1.201	62,752.25
Judy Baker, Director of the Corporation	Stock Options	52,250	0.459	2016/05/25	1.71	1.251	65,364.75
Paul-Henri Couture, Director of the Corporation	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
Bangkui Gao, Director of the Corporation	Stock Options	50,000	0.10	2016/04/26	1.16	1.06	53,000.00
René Lessard, Director of the Corporation	Stock Options	52,250	0.459	2016/05/26	1.66	1.201	62,752.25

Exercise of Compensation Securities by Named Executive Officers and Directors							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Wei Wu, Director of the Corporation	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
François Biron Director of the Corporation	Stock Options	50,000	0.365	2016/04/25	1.11	0.745	37,250.00

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

Amended and Restated Plan Description

The following describes the material terms of the Amended and Restated Plan.

Subject to the Corporation's shareholder approval at the Meeting, the Board approved on November 8, 2016 and the TSX conditionally approved on November 14, 2016, certain amendments to the Corporation's stock option plan for the purpose, among others, of reflecting the listing of the Corporation's common shares on the TSX rather than on the TSXV. Moreover, additional amendments were made as for the maximum percentage of securities available to insiders under the Amended and Restated Plan, the new method for determining the exercise price of the stock options and the procedure for amending the Amended and Restated Plan, including specific disclosure where the Corporation's shareholder approval is required in connection thereto.

The Board may grant stock options to (a) an employee, officer, director or consultant of the Corporation or any subsidiary thereof, and (b) a person employed to perform investor relations activities (the "Eligible Participants"). The Amended and Restated Plan has been prepared so as to meet the requirements of the TSX.

The purpose of the Amended and Restated Plan, considered as a rolling stock option plan, is to provide the Corporation with a share-based mechanism to attract, motivate and retain Eligible Participants whose skills, performance and loyalty to the Corporation or any of its subsidiaries are necessary to its success, image, reputation or activities.

For the purposes of the Amended and Restated Plan description, capitalized terms used hereinafter that are not otherwise defined shall have the meanings ascribed thereto in Schedule A of the Amended and Restated Plan, a blacklined copy of which is attached hereto as Schedule "III".

The material terms of the Amended and Restated Plan are as follows:

1. A maximum of 10% of the issued Shares in the capital of the Corporation being outstanding from time to time is reserved for the grant of Stock Options pursuant to the Amended and Restated Plan.
2. The number of Stock Options that may be issued to Insiders, at any time, pursuant to all securities-based compensation mechanisms, including the Amended and Restated Plan, may not exceed 10% of the total Shares issued and outstanding on a non-diluted basis. The number of Shares issued to Insiders, within any 12 month period, pursuant to all securities-based compensation mechanisms, including the Amended and Restated Plan, may not exceed 10% of the total Shares issued and outstanding on a non-diluted basis.

3. The Board may, in its sole discretion, determine to which Eligible Participants Stock Options will be granted and the number of Shares reserved for issuance pursuant to the Stock Options.
4. Subject to the provisions of the Amended and Restated Plan, the Expiry Date of a Stock Option shall be the 10th anniversary of the Date of Grant unless a shorter period of time is otherwise set by the Board and set forth in the Notice of Grant at the time the particular Stock Option is granted.
5. The Expiry Date of any Stock Options that expires during a blackout period or within 10 days following the end of such period, as set forth under the Corporation's internal policies, as amended from time to time, will be extended for a period of ten Business Days following the end of such blackout period.
6. The Expiry Date of a Stock Option held by an Optionholder that became vested prior to his or her death shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) one year following the Optionholder's death.
7. Should a person employed to perform investor relations activities cease to be an Eligible Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "Date of Termination of Investor Relations Activities"), shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) 30 days from the Date of Termination of Investor Relations Activities.
8. Should a person cease to be an Eligible Participant for any reason other than death or the termination of investor relations activities (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "Termination Date"), shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) one year from the Termination Date.
9. Notwithstanding anything to the contrary in the provisions of the Amended and Restated Plan, if an Eligible Participant who is an Employee or Consultant of the Corporation, or any of its subsidiaries, is terminated for cause (serious reason, as referenced in Article 2094 of the *Civil Code of Québec*), all Stock Options held by such Eligible Participant shall immediately terminate and become null, void and of no effect on the date on which the Corporation, or any of its subsidiaries, gives a notice of termination for cause to such Eligible Participant.
10. The Vesting Dates of the Stock Options shall correspond to the vesting periods determined by the Board at the time of grant of such Stock Options, as set out in the Notice of Grant.
11. The Exercise Price of the Shares underlying such Stock Options corresponds to the market price of the Shares at the closing of the Exchange on the Exchange day immediately preceding the Date of Grant, or if no Shares were negotiated on this day, the arithmetic average of the last bid and ask prices of the Shares on the Exchange.

12. Upon the announcement of any event considered as a Change of Control, the Corporation shall have the discretion, without the need to obtain the consent of the Optionholders, to accelerate the Vesting Dates and/or the Expiry Dates of all outstanding Stock Options. The Corporation may accelerate one or more Optionholder's Vesting Dates and/or Expiry Dates without accelerating Vesting Date and/or Expiry Dates of all outstanding Stock Options and may accelerate the Vesting Dates and/or Expiry Dates of only a portion of an Optionholder's Stock Options.
13. The Amended and Restated Plan provides for an adjustment to the number of Stock Options granted if a stock dividend is paid on the Shares or if the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for by securities or assets of the Corporation or of any other corporation.
14. Stock Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Stock Options may be exercised only by the Optionholder's legal representative within the first year following the Optionholder's death.
15. Approval by the Board, shareholders and regulatory authorities will be required to make the following amendments to the Amended and Restated Plan:
 - (i) any amendment to the number of securities issuable under the Amended and Restated Plan including an increase in the Insider participation limits as well as an increase to fix the maximum number of securities or the replacement of the maximum number of securities by a maximum percentage;
 - (ii) the change regarding Eligible Participants under the Amended and Restated Plan that might serve to broaden or increase Insider participation;
 - (iii) the addition of a provision that would allow the transfer or assignment of a Stock Option;
 - (iv) the addition of a cashless exercise Stock Option feature, payable in cash or securities, provided that the wording does not stipulate that the total number of underlying securities will be deducted from the number of securities reserved under the Amended and Restated Plan;
 - (v) the addition of a provision regarding DSUs or restricted share units or any other mechanism or procedure where employees receive securities but the Corporation does not receive any cash consideration;
 - (vi) any reduction of the Exercise Price of any Share underlying any Stock Option, any cancellation of a Stock Option and the substitution of a Stock Option by a new Stock Option with reduced Exercise Price;
 - (vii) any extension of the Expiry Date of a Stock Option beyond its original Expiry Date (subject to the extension of the Expiry Date further to a blackout period);
 - (viii) any amendment to the method of determining the Exercise Price for each Share underlying any Stock Option granted under the Amended and Restated Plan;
 - (ix) any amendment to the amendment provisions in a manner to increase the capacity of the Board to amend the Amended and Restated Plan without shareholder approval;
 - (x) the addition of any form of financial assistance that the Corporation may grant to Eligible Participants under the Amended and Restated Plan to enable them to subscribe for Shares following the exercise of Stock Options.

16. The Board may, at its sole discretion, through a resolution and without shareholder approval, subject to receipt of approval from regulatory authorities, where required, make all other amendments to the Amended and Restated Plan not set forth in the preceding section, including, without limiting the generality of the foregoing, the following:
- (i) any amendment of a housekeeping nature or an amendment intended to clarify the provisions of the Amended and Restated Plan;
 - (ii) any amendment to the provisions governing a Stock Option or the Amended and Restated Plan relating to the vesting period;
 - (iii) a change to the termination provisions of a Stock Option or the repeal of the Amended and Restated Plan that does not entail an extension beyond the original Expiry Date;
 - (iv) any change in the number of securities issuable under the Amended and Restated Plan and any amendment to the Exercise Price or to the number of Shares under any unexercised Stock Option further to a split, consolidation, reclassification, declaration of dividends in shares or any other amendment regarding the Shares; and
 - (v) the termination of the Amended and Restated Plan.

As of the date of the Circular, there are 17,431,150 common shares issuable upon the exercise of outstanding stock options, i.e., about 5.57% of the issued and outstanding common shares of the Corporation. For the period from July 1, 2016 to November 8, 2016, 400,000 common shares were issued upon the exercise of stock options granted under the Corporation's stock option plan and 13,857,235 common shares were available for grants under such plan, i.e., about 4.43% of the issued and outstanding common shares of the Corporation.

During the fiscal year ended June 30, 2016, 8,616,150 stock options were granted, 1,055,575 stock options were exercised and 1,776,500 stock options expired.

The shareholders ratified and confirmed the Corporation's stock option plan at the last annual general and special meeting of the Corporation held on February 25, 2016.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Guy Bourassa

An employment agreement was entered into on March 28, 2013 between the Corporation and Mr. Guy Bourassa, then President, Chief Executive Officer and Secretary of the Corporation, pursuant to which his working conditions were confirmed (the "CEO Agreement"). As per the CEO Agreement, the employment of Mr. Bourassa is for an indeterminate term. The CEO Agreement provides that the Corporation will pay Mr. Bourassa a yearly gross salary of \$275,000. The CEO Agreement also provides that Mr. Bourassa is eligible to a yearly bonus according to the parameters and guidelines of the Corporation for the remuneration of its officers as adopted by the Board. Mr. Bourassa benefits from the Corporation's collective insurance and is provided with a cellular telephone, a portable computer and any other equipment required to fulfill its duties and obligations under the CEO Agreement. The cost of use of such equipment are being entirely supported by the Corporation. Mr. Bourassa is entitled to six weeks of paid vacations per year and also to stock options that may be granted from time to time by the Board under the stock option plan in force.

The CEO Agreement also provides the following:

- (a) the Corporation may, for cause, terminate at any time the employment of Mr. Bourassa. In such case, the CEO Agreement will be terminated and the Corporation will have no obligation to provide Mr. Bourassa with any notice of termination or to pay him any indemnity or compensation whatsoever;

- (b) the Corporation may also, without cause, terminate at any time the employment of Mr. Bourassa. In such case, the Corporation will have the obligation to provide Mr. Bourassa with a written notice of termination and he will be entitled to receive a lump sum representing 12 months of salary payable on the last day of work at the business address of the Corporation;
- (c) Mr. Bourassa may, at any time, resign from his employment for any reason. In such case, Mr. Bourassa will have to provide the Corporation with a written notice of resignation at least six months before his resignation; and
- (d) in the event the employment of Mr. Bourassa is terminated following a take-over, reverse take-over, change of control or sale of the Corporation, Mr. Bourassa will be entitled to receive a lump sum representing two years of his gross salary payable on the last day of work at the business address of the Corporation.

As per the CEO Agreement, Mr. Bourassa must comply with all confidentiality, non-solicitation and non-compete clauses. These clauses will apply for the duration of the employment of Mr. Bourassa and, in the case of the non-compete and non-solicitation clauses, for a period of 12 months following termination of his employment without cause. As for the confidentiality clause, it will remain in effect for a period of two years following termination of his employment.

Based on a compensation adjustment approved by the Board as of July 28, 2016, Mr. Bourassa is paid a yearly gross salary of \$380,000 effective as of January 1st, 2016. This salary will remain in force until October 1st, 2017.

Steve Nadeau

An employment agreement was entered into on March 11, 2013 between the Corporation and Mr. Steve Nadeau, Chief Financial Officer of the Corporation (the "CFO Agreement"). As per the CFO Agreement, the employment of Mr. Nadeau is for an indeterminate term. The CFO Agreement provides that the Corporation will pay Mr. Nadeau a yearly gross salary of \$210,000. The CFO Agreement also provides that Mr. Nadeau is eligible to a bonus according to the parameters and guidelines of the Corporation for the remuneration of its officers as adopted by the Board. Mr. Nadeau benefits from the Corporation's collective insurance and is provided with a cellular telephone or is reimbursed the cost of use, as long as it is in the execution of his duties and obligations under the CFO Agreement. The Corporation will provide a monthly parking space to Mr. Nadeau. Mr. Nadeau is entitled to four weeks of paid vacations per year. This can be increased from time to time. Mr. Nadeau is also entitled to stock options that may be granted from time to time by the Board under the stock option plan in force.

The CFO Agreement also provides the following:

- (a) the Corporation may, for cause, terminate at any time the employment of Mr. Nadeau. In such case, the CFO Agreement will be terminated and the Corporation will have no obligation to provide Mr. Nadeau with any notice of termination or to pay him any indemnity or compensation whatsoever;
- (b) the Corporation may also, without cause, terminate at any time the employment of Mr. Nadeau. In such case, the Corporation will have the obligation to provide Mr. Nadeau with a written notice of termination and he will be entitled to receive a lump sum representing nine months of his salary payable on the last day of work at the business address of the Corporation;
- (c) Mr. Nadeau may, at any time, resign from his employment for any reason. In such case, Mr. Nadeau will have to provide the Corporation with a written notice of resignation at least six months before his resignation; and

- (d) in the event the employment of Mr. Nadeau is terminated following a take-over, reverse take-over, change of control or sale of the Corporation, Mr. Nadeau will be entitled to receive a lump sum representing 18 months of his gross salary payable on the last day of work at the business address of the Corporation.

As per the CFO Agreement, Mr. Nadeau must comply with all confidentiality, non-solicitation and non-compete clauses. These clauses will apply for the duration of the employment of Mr. Nadeau and, in the case of the non-compete and non-solicitation clauses, for a period of 12 months following termination of his employment without cause. As for the confidentiality clause, it will remain in effect for a period of two years following termination of his employment.

Based on a compensation adjustment approved by the Board as of July 28, 2016, Mr. Nadeau is paid a yearly gross salary of \$250,000 effective as of January 1st, 2016. This salary will remain in force until October 1st, 2017.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	14,506,150	\$0.53	10,737,225 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	14,506,150	\$0.53	10,737,225⁽¹⁾

Note:

- (1) Number as of June 30, 2016. Therefore, this number will vary since the Corporation's stock option plan provides that the Corporation may grant stock options to purchase a maximum number of the Corporation's common shares corresponding to 10% of the number of outstanding shares of the Corporation from time to time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of the Circular, no executive officer, director, proposed nominee for election as a director, and each associate of any such persons, or employee, former or present, of the Corporation was indebted to the Corporation or the Corporation's Subsidiaries or to another entity where the indebtedness was subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or the Corporation's Subsidiaries.

E. CORPORATE GOVERNANCE

GENERAL COMMENT

The information on the Corporation's corporate governance provided hereinafter is required under Regulation 58-101 respecting Disclosure of Corporate Governance Practices.

THE BOARD

Disclose how the Board facilitates its exercise of independent supervision over management, including:

- (a) the identity of directors that are independent:

Judy Baker, Michel Baril, Paul-Henri Couture, Bangkui Gao, René Lessard and François Biron are independent directors.

- (b) the identity of directors who are not independent, and the basis for that determination:

Guy Bourassa, President and Chief Executive Officer of the Corporation, is not an independent director within the meaning of Section 1.4 of *Regulation 52-110 respecting Audit Committees* (the “Regulation 52-110”) because he is an executive officer of the Corporation.

DIRECTORSHIPS

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors are presently directors of other issuers that are also reporting issuers (or the equivalent) in a jurisdiction or in a foreign jurisdiction:

Name of Director	Issuer
Guy Bourassa	Monarques Gold Corporation
Michel Baril	Imaflex Inc. Monarques Gold Corporation
Judy Baker	Honey Badger Exploration Inc. Star Gold Corp. Argo Gold Inc. (formerly Arbitrage Exploration Inc.) Green Swan Capital Corp.
François Biron	Matamec Explorations Inc. Sphinx Resources Ltd.
Paul-Henri Couture	Strateco Resources Inc. Geomega Resources Inc.

ORIENTATION AND CONTINUING EDUCATION

Describe what steps, if any, the Board takes to orient new board members, and describe any measures the Board takes to provide continuing education for directors.

The Board encourages the directors to take relevant training programs offered by different regulatory bodies and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation.

ETHICAL BUSINESS CONDUCT

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.

A director, in the performance of his duties and responsibilities, must act with complete honesty and good faith in the best interest of the Corporation. He must also act in accordance with the applicable laws, regulations and policies.

In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest he has in any important contract or proposed contract of the Corporation, as soon as he becomes aware of the agreement or of the Corporation's intention to consider or enter into the proposed contract and in such a case, the director shall abstain from voting on the matter.

NOMINATION OF DIRECTORS

Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (a) *who identifies new candidates*

The Board designates new candidates for the position of director.

- (b) *the process of identifying new candidates*

The Board carefully reviews and assesses the professional skills and abilities, the personality and other qualifications of each candidate, including the time and energy that the candidate is able to devote to this task as well as the contribution that he can make to the Board.

COMPENSATION

Disclose what steps, if any, are taken by the Board to determine compensation for the directors and chief executive officer, including:

- (a) *who determines compensation*

The Board determines the compensation of the Corporation's directors and officers.

- (b) *the process of determining compensation*

For details regarding the process of determining compensation paid to Named Executive Officers, including the Chief Executive Officer, as well as the directors of the Corporation, see section "Named Executive Officer and Director Compensation – Oversight and Description of Named Executive Officer and Director Compensation" of the Circular.

OTHER BOARD COMMITTEES

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Besides the Audit Committee, the Board does not have other standing committees.

ASSESSMENTS

Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

Different methods are used to assess the Board, namely, surveys, interviews, group discussions and other similar methods.

F. AUDIT COMMITTEE

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 Circular as Schedule "IV".

COMPOSITION OF THE AUDIT COMMITTEE

As of the date of the Circular, the Audit Committee is made up of the following individuals:

Name	Independent	Financially Literate
Michel Baril (President)	Yes	Yes
Paul-Henri Couture	Yes	Yes
François Biron	Yes	Yes

RELEVANT EDUCATION AND EXPERIENCE

For the relevant education and experience of the Audit Committee members, please refer to the table under the section "The Board – Biographical Notes" of the Circular.

AUDIT COMMITTEE OVERSIGHT

Since the beginning of the Corporation's fiscal year ended June 30, 2016, there was no recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

Since the beginning of the Corporation's fiscal year ended June 30, 2016, 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.

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.

EXTERNAL AUDITOR SERVICE FEES

The following external auditor service fees were or will be invoiced by KPMG for the fiscal years ended June 30, 2016 and June 30, 2015:

	2015	2016
Audit Fees	\$48,285 ⁽¹⁾	\$198,685 ⁽⁴⁾
Audit-Related Fees	\$9,750 ⁽²⁾	\$9,750 ⁽²⁾
Tax Fees	\$30,625 ⁽³⁾	\$54,870 ⁽⁵⁾
All Other Fees	-	-
Total	\$88,660	\$263,305

Notes:

- (1) 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.
- (2) Translation services.
- (3) 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.
- (4) Includes fees amounting to \$142,000 related to work performed in relation to the Short Form Prospectus of the Corporation dated July 4, 2016 and related to the financing completed on July 8, 2016.
- (5) Preparation of the Corporation's tax returns and the mining duties returns and for tax advisory services.

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.

G. OTHER INFORMATION

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, with the exception of what is disclosed herein and in the Corporation's annual consolidated financial statements for the fiscal year ended June 30, 2016, no informed person of the Corporation, no proposed director of the Corporation, and no associate of affiliate of any informed person or proposed director of the Corporation has any direct or indirect interest in any transaction since the commencement of the Corporation's most recently completed fiscal year or in any proposed transaction which has materially affected or would materially affect the Corporation or the Corporation's Subsidiaries.

OTHER ISSUES TO BE CONSIDERED AT THE MEETING

As of the date of the Circular, the Corporation's directors have no knowledge of any amendment to the items listed in the Notice nor of any other item that may be brought before the Meeting in due form. The enclosed proxy form confers discretionary power to the persons named as proxyholders therein with regard to any amendments to the items listed in the Notice as well as any other item that may be brought in due form before the Meeting or any adjournment thereof.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com or at www.nemaskalithium.com.

The financial information concerning the Corporation appears in the Corporation's comparative financial statements and MD&A for the fiscal year ended June 30, 2016. Shareholders requesting a copy of the Corporation's financial statements and MD&A may do so as follows:

By telephone: (418) 704-6038

By fax: (418) 614-0627

By e-mail: info@nemaskalithium.com

By mail : NEMASKA LITHIUM INC.
450 de la Gare-du-Palais Street
1st Floor
Québec, Québec G1K 3X2
Attention: Mr. Steve Nadeau

SHAREHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING

A registered holder or Beneficial Owner of common shares that are entitled to be voted at the next annual meeting of shareholders and who wish, subject, among others, to the conditions outlined hereinafter, to submit proposals regarding any matter to be dealt with at such meeting must do so at the latest on August 10, 2017.

To be eligible to submit a proposal at such meeting, a person must be, for at least a six-month period immediately before the day on which the shareholder submits the proposal, the registered holder or the Beneficial Owner of at least a number of voting shares

- (i) that is equal to 1% of the total number of the outstanding voting shares of the Corporation, as of the day on which the shareholder submits a proposal; or
- (ii) whose fair market value, as determined at the close of business on the day before the shareholder submits the proposal to the Corporation, is at least \$2,000.

APPROVAL OF DIRECTORS

The Board has approved the content and mailing of the Circular.

November 8, 2016

(s) Guy Bourassa
Guy Bourassa
President and Chief Executive Officer of the Corporation

SCHEDULE "I"

RESOLUTION CONCERNING THE RECONFIRMATION OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT OF THE CORPORATION

WHEREAS the shareholders of the Corporation, during the annual general and special meeting which took place on November 22, 2010 (the "2010 Meeting"), ratified, confirmed and approved the Shareholder Rights Plan Agreement of the Corporation (the "Rights Plan") adopted by the Board of Directors of the Corporation (the "Board") on October 26, 2010;

WHEREAS the shareholders of the Corporation, during the annual general and special meeting which took place on November 22, 2011, ratified certain amendments made to the Rights Plan adopted by the Board on October 27, 2011;

WHEREAS to remain effective, the Rights Plan must be reconfirmed by the shareholders at the third and sixth annual meetings of shareholders following the 2010 Meeting;

WHEREAS the Rights Plan has been reconfirmed by the shareholders during the annual general and special meeting which took place on November 29, 2013;

THEREFORE, IT IS RESOLVED:

1. **TO RECONFIRM**, for an additional three-year period, the Rights Plan adopted by the Board on October 26, 2010, as amended on October 27, 2011; and
2. **THAT** any director or officer of the Corporation, be and is hereby authorized, for and on behalf of the Corporation, to execute and to deliver all documents and instruments and do all such other acts or things as such director or officer may determine to be necessary or advisable to implement this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions.

SCHEDULE "II"

RESOLUTION CONCERNING CERTAIN AMENDMENTS TO THE CORPORATION'S STOCK OPTION PLAN

WHEREAS the Corporation's Board of Directors adopted on October 28, 2011 a resolution pertaining to the implementation of a new stock option plan, considered as a rolling stock option plan, for the employees, officers, directors or consultants of the Corporation or any subsidiary thereof, and for the persons employed to perform investor relations activities;

WHEREAS the implementation of such new stock option plan was also adopted by the shareholders of the Corporation during the Corporation's annual general and special meeting held on November 22, 2011;

WHEREAS is in the interest of the Corporation and its shareholders to amend and restate the stock option plan of the Corporation currently in effect in order to reflect, among others, the listing of the Corporation's common shares on the Toronto Stock Exchange rather than on the TSX Venture Exchange;

THEREFORE, IT IS RESOLVED:

1. **TO APPROVE** the amended and restated version of the Corporation's stock option plan, a blacklined version of which is attached as Schedule "III" to the Management Proxy Circular for the purposes of the Annual General and Special Meeting of the Corporation to be held on December 14, 2016; and
2. **THAT** any director or officer of the Corporation, be and is hereby authorized, for and on behalf of the Corporation, to execute and to deliver all documents and instruments and do all such other acts or things as such director or officer may determine to be necessary or advisable to implement this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions.

SCHEDULE “III”

**AMENDED AND RESTATED NEMASKA LITHIUM INC. 2011 STOCK OPTION PLAN
(BLACKLINED VERSION)**

**AMENDED AND RESTATED NEMASKA LITHIUM INC. 2011
STOCK OPTION PLAN**

(the « Corporation »)

Adopted by the Board of Directors of the Corporation
on October 28, 2011 and the amendments of which ~~have been~~were approved
on November 1st, 2012, December 16, ~~2013 and~~2013, January 26, 2016 and November 8, 2016

Approved by the shareholders of the Corporation
on November 22, 2011 ~~Ratified and confirmed by the shareholders of the Corporation
on November 27, 2012, November 29, 2013, November 28, 2014 and on February 25, 2016~~ and
December *, 2016

Approved by the ~~TSX Venture~~Toronto Stock Exchange
~~on November 28, 2011 and the amendments of which have been approved on December 4, 2012,
December 18, 2013 and March 22,~~
on *, 2016

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**AMENDED AND RESTATED NEMASKA LITHIUM INC. 2011
STOCK OPTION PLAN**

The purpose of the Plan, considered as a rolling stock option plan pursuant to the policies of the Exchange, is to provide the Corporation with a share-based mechanism to attract, motivate and retain Eligible Participants whose skills, performance and loyalty to the Corporation or any of its subsidiaries, as the case may be, are necessary to its success, image, reputation or activities.

SECTION 1 DEFINITIONS

For the purposes of this Plan, capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in Schedule "A" attached hereto.

SECTION 2 SHARES RESERVED FOR ISSUANCE

- 1) A maximum of 10% of the issued Shares in the capital of the Corporation being outstanding from time to time is reserved for the grant of Stock Options pursuant to the Plan.
- 2) ~~Subject to subsections 2(3) and 2(4) hereof, no~~No Stock Option may be granted to an Eligible Participant (and to any companies that are wholly owned by that person) if the Shares reserved for issuance with respect to such grant and the Stock Options already granted exceed in a 12 month period 5% of all the issued and outstanding Shares, calculated at the Date of Grant of such Stock Options unless the Corporation has obtained the requisite disinterested shareholder approval in ~~accordance with the policies of the Exchange~~connection thereto.
- 3) The number of Stock Options ~~to that may be granted to any Consultant in a 12 month period must not exceed 2% of all issued to Insiders, at any time, pursuant to all securities-based compensation mechanisms, including the Plan, may not exceed 10% of the total Shares issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Options to such Consultant.~~4) — The number of Stock Options to be granted to all persons employed to provide investor relations activities in a 12 month period must not exceed 2 on a non-diluted basis. The number of Shares issued to Insiders, within any 12 month period, pursuant to all securities-based compensation mechanisms, including the Plan, may not exceed 10% of all the issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Options. Stock Options granted to Consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the Stock Options vesting in any three month period~~the total Shares issued and outstanding on a non-diluted basis.~~

SECTION 3 GRANT OF STOCK OPTIONS

- 1) The Board of Directors may, in its sole discretion, determine to which Eligible Participants Stock Options will be granted and the number of Shares reserved for issuance pursuant to the Stock Options. The Board of Directors shall grant Stock Options in accordance with such determination. The grant of Stock Options to an Eligible Participant at any time shall not entitle such Eligible Participant to receive subsequent Stock Options.
- 2) The Plan does not provide any guarantee against any loss or with respect to any profit which may result from fluctuations in the price of the Shares.

- 3) Subject to its withholding obligations under the various taxation Laws, the Corporation does not assume responsibility for the income tax or other tax consequences for the Optionholders in connection with the Plan and Optionholders are advised to consult with their own tax advisers with respect to such matters.
- 4) Following the approval by the Board of Directors of the grant of Stock Options to an Eligible Participant, the Secretary of the Corporation, or any other person designated by the Board of Directors, shall forward to the Eligible Participant a Notice of Grant setting out the Date of Grant, the number of Stock Options, the Exercise Price, the Vesting Dates, as the case may be, the Expiry Date and any additional terms of the grant, substantially in the form attached hereto as Schedule "B", a copy of the Plan and any other relevant documentation required by law.
- 5) In the event of an inconsistency between the terms of the Plan and the Notice of Grant, the Notice of Grant shall prevail provided that the terms of the Notice of Grant do not conflict with the rules of any Exchange upon which the Shares of the Corporation are listed. ~~In the event of such discrepancy, the approval of the Exchange shall be obtained prior to the implementation of any of the conflicting provisions.~~
- 6) No Optionholder, nor his legal representatives, nor his legatees will be, or will be deemed to be, a shareholder of the Corporation with respect to the Shares underlying his Stock Options, unless and until certificates for such Shares are issued to him, as the case may be, upon the due exercise of its Stock Options in accordance with the terms of the Plan.
- ~~7) When the Corporation grants Stock Options to an Employee or a Consultant it must represent that the Optionholder is a bona fide Employee or Consultant, as the case may be.~~

SECTION 4 TERMS AND CONDITIONS OF STOCK OPTIONS

1) Number of Shares – Expiration or Termination of Stock Options

Stock Options shall not be granted under the Plan for a number of Shares in excess of the maximum number of Shares reserved for issuance under the Plan, provided that if any Stock Option expires or terminates without having been exercised in full, the number of Shares reserved for issuance pursuant to Stock Options expired or terminated shall again be available for issuance under the Plan.

2) Expiry and Vesting

- a) Subject to paragraph 4(2)(b) and subsection 4(3) hereof, the Expiry Date of a Stock Option shall be the 10th anniversary of the Date of Grant unless a shorter period of time is otherwise set by the Board of Directors and set forth in the Notice of Grant at the time the particular Stock Option is granted.
- b) The Expiry Date of any Stock Options that expires during a blackout period or within 10 days following the end of such period, as set forth under the Corporation's internal policies, as amended from time to time, will be extended for a period of ten Business Days following the end of such blackout period.
- c) The Vesting Dates of the Stock Options shall correspond to the vesting periods determined by the Board of Directors at the time of grant of such Stock Options, as set out in the Notice of Grant relating thereto, subject to the accelerated vesting provisions as well as the provisions relating to amendments set forth in ~~subsection~~ Section 8(4) hereof.

- d) An Optionholder may only exercise its Stock Options that are fully vested.

3) Expiry Date

Any Stock Option or part thereof not exercised prior to the Expiry Date shall terminate and become null, void and of no effect. Notwithstanding the foregoing and subsection 4(2) hereof, the Expiry Date of a Stock Option shall be determined as follows:

- a) **Death** - The Expiry Date of a Stock Option held by an Optionholder that became vested prior to his or her death shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) one year following the Optionholder's death.
- b) **Termination of investor relations activities** - Should a person employed to perform investor relations activities cease to be an Eligible Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Date of Termination of Investor Relations Activities**"), shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) 30 days from the Date of Termination of Investor Relations Activities.
- c) **Termination** – Should a person cease to be an Eligible Participant for any reason other than death or the termination of investor relations activities (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Termination Date**"), shall be the earlier of:
 - (i) the Expiry Date shown on the relevant Notice of Grant; or
 - (ii) one year from the Termination Date.
- d) **Termination Date or Date of Termination of Investor Relation Activities** – For the Purpose of the Plan, unless otherwise determined by the Board of Directors, an Eligible Participant's employment or engagement with the Corporation or a subsidiary thereof shall be considered to have ceased, effective the last day of the Eligible Participant's actual and active employment or services with the Corporation or subsidiary, whether such day is selected by agreement with the Eligible Participant, unilaterally by the Corporation or subsidiary and whether with or without prior notice to the Eligible Participant. No period of notice nor payment in lieu of such notice that ought to have been given under applicable Laws in respect of termination of employment or other engagement will be considered in determining entitlement under the Plan.
- e) **Discretion of the Board of Directors** - Notwithstanding paragraphs 4(3) (a), (b), (c) and (d) above, but subject to subsection 4(2) hereof, and subject to all Laws and to the approval of the Exchange, the Board of Directors may, by notifying an Optionholder or its legal representative, in its sole discretion, extend the Expiry Date of any Stock Options in whole or in part.

4) Expiry of Non - Vested Stock Options

Subject to the discretionary power of the Board of Directors, outstanding Stock Options that are not vested as of the date the Optionholder ceases to be an Eligible Person for any reason such as disability, resignation, dismissal or termination of contract, shall terminate on such date, cannot be vested and become null, void and of no effect.

5) Termination for Cause

Notwithstanding anything to the contrary in this Section 4, if an Eligible Participant who is an Employee or Consultant of the Corporation, or any of its subsidiaries, is terminated for cause (serious reason, as referenced in Article 2094 of the Civil Code of Québec), all Stock Options held by such Eligible Participant shall immediately terminate and become null, void and of no effect on the date on which the Corporation, or any of its subsidiaries, gives a notice of termination for cause to such Eligible Participant.

6) Exercise Price

~~The Board of Directors, in its sole discretion, determines~~ With respect to any Stock Options, the Exercise Price of the Shares underlying ~~the~~such Stock Options, ~~which Exercise Price shall not be lower than \$0.05 per Share in accordance with the policies of the Exchange. Subject to subparagraph 3.6(d) of Policy 4.4 of the Exchange Corporate Finance Manual respecting options granted within 90 days of a distribution by a prospectus, the Exercise Price is established based on~~ corresponds to the market price of the Shares at the closing of the Exchange on the ~~exchange~~Exchange day immediately preceding the Date of Grant, ~~provided that if the Stock Options were granted to an officer, a Director or a person employed to provide investor relations activities, a news release was issued to fix the price,~~ or if no Shares were negotiated on this day, the arithmetic average of the last bid and ask prices of the Shares on the Exchange (the “**Exercise Price**”).

7) Assignment and Transfer of Stock Options

Stock Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Stock Options may be exercised only by the Optionholder's legal representative within the first year following the Optionholder's death.

8) Adjustments

If prior to the complete exercise of any Stock Option, a stock dividend is paid on the Shares or if the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for by securities or assets of the Corporation or of any other corporation (collectively, the “**Event**”), a Stock Option, to the extent that it has not been completely exercised, shall entitle the Optionholder, upon the exercise of the Stock Option in accordance with the terms thereof, to such number and kind of shares or other securities or property to which such Optionholder would have been entitled as a result of the Event had such Optionholder actually exercised the unexercised portion of the Stock Options immediately prior to the occurrence of the Event and the Exercise Price shall be adjusted accordingly as if the originally optioned Shares of the Corporation were being purchased hereunder. No fractional Shares or other security shall be issued upon the exercise of any Stock Option and accordingly, if as a result of the Event, an Optionholder would become entitled to a fractional Share or other security, such Optionholder shall have the right to purchase only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Upon the occurrence of the Event, the maximum number of Shares reserved for issuance under the Plan shall be appropriately adjusted.

SECTION 5 CHANGE OF CONTROL

1) Accelerated of Vesting or Expiration – Change of Control

Upon the announcement of any event considered as a Change of Control, the Corporation shall have the discretion, without the need to obtain the consent of the Optionholders, to accelerate the Vesting Dates and/or the Expiry Dates of all outstanding Stock Options. The Corporation may accelerate one or more Optionholder's Vesting Dates and/or Expiry Dates without accelerating Vesting Date and/or Expiry Dates of all outstanding Stock Options and may accelerate the Vesting Dates and/or Expiry Dates of only a portion of an Optionholder's Stock Options. The Corporation shall promptly notify each Optionholder of any acceleration of the Vesting Dates and/or Expiry Dates.

2) Mergers and Consolidations

In the event the Corporation is a consenting party to a Change of Control, outstanding Stock Options shall be subject to the agreement affecting such Change of Control and Optionholders shall be bound by such agreement. Such agreement, without the Optionholders' consent, may provide for:

- (i) the continuation of such outstanding Stock Options by the Corporation (if the Corporation is the surviving or acquiring corporation);
- (ii) the assumption of the Plan and such outstanding Stock Options by the surviving or acquiring corporation or its parent; or
- (iii) the substitution or replacement by the acquiring or surviving corporation or its parent of options with substantially the same terms for such outstanding Stock Options.

SECTION 6 EXERCISE OF STOCK OPTIONS

1) Exercise of Stock Options

Stock Options may be exercised only by the Optionholder or by his legal representative. Stock Options may be exercised in whole or in part in respect of a whole number of Shares at any time or from time to time prior to the Expiry Date by delivering to the Corporation an Exercise Notice substantially in the form attached hereto as Schedule "C" and a certified cheque or a bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Stock Options ~~(the "Exercise Funds")~~.

2) Issue of Shares

As soon as practicable following the receipt of the Exercise Notice, the Corporation shall deliver to the Optionholder a certificate representing the Shares so purchased.

3) Conditions on Issue

The issue of Shares by the Corporation pursuant to the exercise of any Stock Option is subject to compliance with all Laws applicable to the issuance, distribution and listing on the Exchange of such Shares. The Optionholder shall: (i) comply with all Laws, (ii) provide the Corporation with any information, report and/or undertaking required to comply with all Laws and (iii) fully co-operate with the Corporation in complying with all Laws.

SECTION 7 ADMINISTRATION

The Plan shall be administered by the Board of Directors. The Board of Directors may at its discretion from time to time make, amend and repeal such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan, and such regulations shall form part of the Plan. The Board of Directors may appoint any committee, Director, officer or Employee of the Corporation as administrator of the Plan and delegate to such person such administrative duties and powers as it may see fit.

Without limiting the foregoing paragraph, the Board of Directors will have the authority to:

- 1) construe and interpret the Plan, and any agreement or document executed pursuant thereto;
- 2) prescribe, amend and rescind rules and regulations relating to the Plan, including determining the forms and agreements used in connection therewith; provided that the Board of Directors may delegate to the President, the Chief Financial Officer or the officer in charge of Human Resources the authority to approve amendments to the forms and agreements used in connection with the Plan that are designed to facilitate the Plan administration, and that are not inconsistent with the Plan or with any resolutions of the Board of Directors relating thereto;
- 3) determine whether Stock Options will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Stock Options under the Plan or any other incentive or compensation plan of the Corporation or any subsidiary;
- 4) subject to the prior approval of the Exchange, grant waivers of Plan or Stock Option conditions;
- 5) determine the Stock Option's Vesting Date(s);
- ~~6) — correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any Stock Option; 7) — amend the Plan (subject to all Laws and the prior approval of the Stock Exchange), except for amendments that increase the number of Shares available for issuance under the Plan or change the eligibility criteria for participation in the Plan or that reduce the exercise price when the Optionholder covered by this amendment is an Insider of the Corporation when the amendment is proposed (in the latter case, disinterested shareholder approval of the Corporation is to be obtained); and~~
- 6) ~~8)~~ make all other determinations necessary or advisable for the administration of the Plan.

SECTION 8 – AMENDMENT

- 1) Approval by the Board of Directors, shareholders and regulatory authorities will be required to make the following amendments to the Plan:
 - (i) any amendment to the number of securities issuable under the Plan including an increase in the Insider participation limits as well as an increase to fix the maximum number of securities or the replacement of the maximum number of securities by a maximum percentage;
 - (ii) the change regarding Eligible Participants under the Plan that might serve to broaden or increase Insider participation;
 - (iii) the addition of a provision that would allow the transfer or assignment of a Stock Option;
 - (iv) the addition of a cashless exercise Stock Option feature, payable in cash or securities, provided that the wording does not stipulate that the total number of underlying securities will be deducted from the number of securities reserved under the Plan;
 - (v) the addition of a provision regarding DSUs or restricted share units or any other mechanism or procedure where employees receive securities but the Corporation does not receive any cash consideration;
 - (vi) any reduction of the Exercise Price of any Share underlying any Stock Option, any cancellation of a Stock Option and the substitution of a Stock Option by a new Stock Option with reduced Exercise Price;
 - (vii) any extension of the Expiry Date of a Stock Option beyond its original Expiry Date (subject to the extension of the Expiry Date further to a blackout period);
 - (viii) any amendment to the method of determining the Exercise Price for each Share underlying any Stock Option granted under the Plan;
 - (ix) any amendment to the provisions set forth under Section 8 in a manner to increase the capacity of the Board of Directors to amend the Plan without shareholder approval;
 - (x) the addition of any form of financial assistance that the Corporation may grant to Eligible Participants under the Plan to enable them to subscribe for Shares following the exercise of Stock Options.
- 2) The Board of Directors may, at its sole discretion, through a resolution and without shareholder approval, subject to receipt of approval from regulatory authorities, where required, make all other amendments to the Plan that are not set out in subsection 8(1), in particular, without limiting the generality of the foregoing, the following:
 - (i) any amendment of a housekeeping nature or an amendment intended to clarify the provisions of the Plan;
 - (ii) any amendment to the provisions governing a Stock Option or the Amended and Restated Plan relating to the vesting period;
 - (iii) a change to the termination provisions of a Stock Option or the repeal of the Plan that does not entail an extension beyond the original Expiry Date;

- (iv) any change in the number of securities issuable under the Plan and any amendment to the Exercise Price or to the number of Shares under any unexercised Stock Option further to a split, consolidation, reclassification, declaration of dividends in shares or any other amendment regarding the Shares; and
- (v) the termination of the Plan.

Notwithstanding the provisions of this subsection, the Corporation will not contravene the requirements, standards, Laws or regulations emanating from the Exchange or from any other regulatory authority.

SECTION ~~89~~ – MISCELLANEOUS

1) Notice

- a) Any notice, request, payment or other communication required or permitted to be given hereunder by the Corporation to an Optionholder shall be in writing and shall be given by personally delivering it or by delivering it by mail to the address of the Optionholder set out in the Notice of Grant or such other address of which the Optionholder has notified the Corporation. The Optionholder shall notify the Corporation in writing of any address change.
- b) Any notice, request, payment or other communication required or permitted to be given hereunder by an Optionholder to the Corporation shall be in writing and shall be given by personally delivering it or by delivering it by mail to the primary business address of the Corporation or any other address designated by the Corporation.
- c) The date of delivery of notice, request, payment or any other communication shall be the date of personal delivery or, if delivered by mail, the fifth Business Day after mailing provided that in the event of a postal strike, the date of delivery shall be the date of actual delivery.

2) ~~Disinterested Shareholder Approval~~ Termination of Plan

~~In addition to the cases already provided elsewhere in the Plan, the Corporation shall obtain, in accordance with the policies of the Exchange, the disinterested shareholder approval when the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, as the case may be, could permit at any time the grant to Insiders of the Corporation (as a group), within a 12 month period, of an aggregate number of Stock Options exceeding 10% of all the issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Option to any Insider.~~

3) ~~Approval of the Plan~~

~~Pursuant to the policies of the Exchange, the Plan must be approved each year by the Corporation's shareholders at the annual general meeting of shareholders of the Corporation.~~

4) ~~Amendments~~

~~The Corporation may, subject to all Laws and prior Exchange approval, at its discretion from time to time, amend the Plan and the terms and conditions of any Stock Option to be granted thereunder and, without limiting the generality of the foregoing, may make such amendments for the purpose of complying with any changes in any Laws, or for any other purpose which may be permitted by Law, provided always that, any such amendment shall not alter the terms or conditions of, or impair any right of any Optionholder pursuant to any Stock Option granted prior to such amendment without the consent of the affected Optionholder(s). Any amendment that reduces the Exercise Price requires disinterested shareholder approval of the Corporation if the Optionholder covered by this amendment is an Insider of the Corporation when the amendment is proposed. A copy of any amendment to the Plan shall be sent to each Optionholder as soon as reasonably practicable.~~

5) ~~Termination~~

The Corporation may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Stock Option or impair any right of any Optionholder pursuant to any Stock Option granted prior to the date of such termination and notwithstanding such termination by the Corporation, such Stock Options and such Optionholders shall continue to be governed by the provisions of the Plan.

63) Interpretation

The interpretation by the Board of Directors of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by an Optionholder. No member of the Board of Directors or the Committee or any person acting pursuant to authority thereby delegated hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board of Directors and each such person acting on the authority delegated hereunder, shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

7) ~~Hold Period~~

4) Resale Restrictions

~~According to the policies of the Exchange, the Stock Options granted to an Insider of the Corporation and the Shares that may be issued upon the exercise thereof will be subject to a four month resale restriction imposed by the Exchange commencing on the date the Stock Options are granted to such Insider. The Corporation hereby informs the Optionholder that Stock Options and Shares are subject to Laws that may impose Shares resale restrictions. Certain Optionholders may also be subject to restrictions with respect to the trade of Shares as set forth in the Corporation's internal policies.~~

85) No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued following the exercise of any Stock Option in accordance with the provisions of the Plan.

~~96~~) Governing Laws

The Plan will be governed by and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein.

~~407~~) Compliance with Applicable Law

If any provision of the Plan or any Stock Option conflicts with any Law, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

~~448~~) Agreement

The Corporation and every Optionholder shall be bound by the terms and conditions of the Plan by the simple delivery thereof to an Optionholder and the signature of the Notice of Grant.

~~12)~~ ~~Transitional~~~~9)~~ Non-Exclusive

Subject to the required approvals, no provision of the Plan will prevent the Board of Directors to maintain or adopt other compensation mechanism or supplemental compensation mechanism.

10) Transitional

Each Optionholder having received a grant of Stock Options or a right to acquire Stock Options pursuant to the Plan prior to the date this Stock Option Plan is adopted by the Corporation will receive a Notice of Grant setting out the terms of the previous Stock Option commitment. Upon delivery of the Notice of Grant to the Optionholder, any prior documentation relating to the previous Stock Option commitment will be null and void and not binding on the Corporation.

~~4311~~) Name

This Plan shall be called the "Amended and Restated *Nemaska Lithium Inc. 2011 Stock Option Plan*".

SCHEDULE A

DEFINED TERMS

“Board of Directors” means the Board of Directors of the Corporation.

“Business Day” means any day of the year, other than a Saturday or Sunday or any day recognized by Québec Law as a statutory holiday.

“Change of Control” means:

- a) a reorganization, acquisition, amalgamation or merger (or a plan of arrangement in connection with any of the foregoing), with respect to which all or substantially all of the persons who were the beneficial owners of the Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting shares on a fully-diluted basis (for greater certainty, this shall not include a public offering or private placement out of treasury); or
- b) the sale to a person other than an affiliate of the Corporation of all or substantially all of the Corporation’s assets.

“Consultant” means, with respect to the Corporation, an individual or Consultant Company other than an Employee or a Director of the Corporation, that:

- a) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution of securities;
- b) provides the services under a written contract between the Corporation or the affiliate and the individual or the Consultant Company;
- c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
- d) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

“Consultant Company” means for an individual Consultant, a corporation or partnership of which the individual is an employee, shareholder or partner.

“Corporation” means Nemaska Lithium Inc. or any successor thereto.

“Date of Grant” means the date on which a particular Stock Option is granted by the Board of Directors.

“Date of Termination of Investor Relations Activities” means has the meaning ascribed thereto in paragraph 4(3)(b) hereof.

“Director” means a member of the Board of Directors.

“Eligible Participant” means (a) an Employee, officer, Director or Consultant of the Corporation or any subsidiary thereof, and (b) a person employed to perform investor relations activities.

“Employee” means, as the case may be:

- a) an individual who is considered an employee of the Corporation or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- b) an individual who works full-time for a Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- c) an individual who works for a Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

“Event” has the meaning ascribed thereto in subsection 4(8) hereof.

“Exchange” means the ~~TSX-Venture~~Toronto Stock Exchange or such other stock exchange or over ~~the~~the counter quotation upon which the Shares are listed.

“Exercise Notice” means the notice respecting the exercise of any Stock Option, substantially in the form attached as Schedule “C” hereto, duly executed by the Optionholder or his legal representative.

“Exercise Price” has the meaning ascribed thereto in subsection 4(6) hereof.

“Expiry Date” means the date determined in accordance with subsection 4(2)(a) hereof after which a particular Stock Option can no longer be exercised, subject to amendment in accordance with the terms hereof.

“Insider” has the meaning ascribed to such term under ~~policy 1.1 of the Corporate Finance Manual of the Exchange~~the Securities Act (Québec).

“Laws” means the laws, rules and regulations of any government, public agency or authority, regulatory body, Exchange or other organization that has jurisdiction over the Shares, the Corporation, any Optionholder or any of the Corporation shareholders.

“Notice of Grant” means the notice respecting the grant of Stock Options, substantially in the form attached as Schedule “B” hereto, duly executed by the Secretary or of the Corporation or any other person designated by the Board of Directors.

“Optionholder” means an Eligible Participant or former Eligible Participant who holds Stock Options which have not been fully exercised and have not expired or, where applicable, the legal representative of such Eligible Participant.

“Plan” means this stock option plan named “[Amended and Restated](#) Nemaska Lithium Inc. 2011 Stock Option Plan” adopted by the Board of Directors on October 28, 2011 and amended on November 1st, 2012, December 16, ~~2013 and~~ [2013](#), January 26, [2016 and November 8, 2016](#), as amended from time to time.

“Shares” means the common shares in the capital of the Corporation or such other securities specified in subsection 4(8) hereof in the case of the occurrence of an Event.

“Stock Option” and **“Option”** means an option to purchase Shares granted to an Eligible Participant under this Plan.

“Termination Date” has the meaning ascribed thereto in paragraph 4(3)(c) hereof.

“Vesting Date” means the date set pursuant to paragraph 4(2)(c) starting on which the Stock Options may be exercised in whole or in part.

SCHEDULE B

NOTICE OF GRANT

BETWEEN: NEMASKA LITHIUM INC., a legal person duly incorporated under the *Canada Business Corporations Act*, having its head office at 450 rue de la Gare-du-Palais, 1st Floor, Québec, Québec G1K 3X2;

(hereinafter referred to as « **NEMASKA** »)

AND: _____ an individual residing and domiciled at _____;

(hereinafter referred to as the “**Optionholder**”)

WHEREAS the Optionholder is _____ of NEMASKA;

WHEREAS the Board of Directors of NEMASKA has adopted a stock option plan named “[Amended and Restated Nemaska Lithium Inc. 2011 Stock Option Plan](#)”, for the purpose of providing its employees, officers, directors, consultants and persons employed to provide investor relations activities with an incentive to promote its interests (hereinafter referred to as the “**Plan**”);

WHEREAS the stock options granted after the adoption of said Plan will be governed by the Plan;

WHEREAS NEMASKA wishes to grant to the Optionholder stock options to subscribe common shares (hereinafter referred to as the “**Shares**”) in the capital of NEMASKA pursuant to the terms of the Plan;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

STOCK OPTIONS GRANTED

NEMASKA hereby grants to the Optionholder the right to subscribe to _____ Shares at a price of \$_____ per Share, upon the terms and conditions herein contained (hereinafter referred to as the “**Stock Options**”).

TERMS OF THE STOCK OPTIONS

After the ____ anniversary of the grant of the Stock Options, being _____, (referred to as the “**Expiry Date**”), any unexercised Stock Options shall become null and void.

[Paragraph and table below to be included if the Board of Directors has set vesting periods at the time of the grant of stock options.]

The Stock Options hereby granted to the Optionholder shall vest in * tranches of * Shares, only at the vesting dates and exercise prices set forth below:

Number of Shares	Vesting Dates	Exercise Price	Expiry Dates
*	starting *	\$*	*
*	starting *	\$*	*
*	starting *	\$*	*
*	starting *	\$*	*

All the terms and conditions set forth in the Plan are hereby incorporated by reference and are included herein as if fully recited. It is acknowledged that Plan contains terms and conditions that may change the Expiry Date.

EXERCISE OF STOCK OPTIONS

The Optionholder may exercise the Stock Options, in full or in part, at any time before the Expiry Date by sending to the head office of NEMASKA, an exercise notice (hereinafter referred to as the “**Exercise Notice**”), accompanied by a certified cheque or bank draft made payable to NEMASKA in the amount of the full price of the Shares subscribed for upon the terms of the Stock Options.

NEMASKA shall cause a certificate representing the number of Shares specified in the Exercise Notice to be issued and registered in the name of the Optionholder and delivered to him within reasonable time following receipt of such notice.

GOVERNING LAW

This Notice of Grant and the Stock Options shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

ACKNOWLEDGEMENT OF TERMS

The undersigned Optionholder, does accept the grant of the stock options upon the terms and conditions that are set out in this Notice of Grant and the Plan.

The Optionholder acknowledges that he has received and reviewed a copy of the Plan and that he is familiar with the terms and conditions of the Stock Options.

He acknowledges that the Stock Options and any Shares he receives upon exercise thereof will be governed by the *Securities Act* (Québec) and possibly the securities laws of other jurisdictions and the rules of the ~~TSX Venture~~Toronto Stock Exchange. Such laws and rules may limit the Optionholder’s ability to sell any Shares he receives on exercise of his Stock Options. Certain Optionholders might also be subject to trading restrictions stated in NEMASKA’ internal company policies.

He acknowledges that the Plan entitles him to written notice of certain events and that he must advise NEMASKA of any address changes in order to protect his rights.

He agrees that this Notice of Grant is comprehensive and contains a complete listing of all of his rights to acquire Shares of NEMASKA. Any rights that he may have to acquire Shares of NEMASKA, that are not set out herein are hereby cancelled.

DATED and signed at _____ on _____ .

NEMASKA LITHIUM INC.

Per: _____

Witness Signature

Signature of Optionholder

Print Witness’s Name

Print Optionholder’s Name

Witness Address

SCHEDULE C

EXERCISE NOTICE

AMENDED AND RESTATED NEMASKA LITHIUM INC. 2011 STOCK OPTION PLAN

NEMASKA LITHIUM INC.

450 rue de la Gare-du-Palais
1st Floor
Québec, Québec G1K 3X2

Dear Sirs / Mesdames:

Please be advised that in connection with stock options to purchase common shares of **NEMASKA LITHIUM INC.** ("**NEMASKA**") granted to me pursuant to that certain notice of grant dated _____, the undersigned hereby wishes to exercise his or her option to purchase _____ common shares of NEMASKA.

Please find enclosed cash, a certified cheque or a bank draft in the amount of \$_____ payable to NEMASKA in full payment for the common shares to be purchased hereby. I hereby agree to assist NEMASKA in the filing of, and will timely file, all reports that I may be required to file under the applicable securities laws or listing exchange.

The common shares issued on the exercise of the stock options specified above are to be issued in the following registration as fully paid and non-assessable common shares of NEMASKA:

Dated at _____, this ____ day of _____.

(Print Optionee's or Nominee's Name)

(Optionee's or Nominee's Signature)

(Address of Optionee or Nominee)

(Telephone Number)

(Facsimile Number)

(E-Mail Address)

SCHEDULE “IV”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD

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.