Nemaska Lithium Whabouchi Updated Feasibility Study Shows a Pre-Tax NPV at 8% Discount Rate of $1.9 B and a Pre-Tax IRR of 37.7%

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A Pre-Tax NPV at 8% Discount Rate of $1.9 B (After-Tax $1.16 B) and a Pre-Tax IRR of 37.7% (After-Tax 30.3%)

QUEBEC CITY, April 4, 2016 - Nemaska Lithium Inc. («Nemaska» or the «Corporation») (TSX VENTURE:NMX) (OTCQX:NMKEF) announces the results of an update to its May 2014 Feasibility Study (2016 updated Feasibility Study) on the Whabouchi Mine and Concentrator to be located in the Eeyou Istchee James Bay territory in Quebec and the Hydromet Plant to be located in Shawinigan, Quebec. A conference call on the 2016 updated Feasibility Study will be held on Monday, April 4th, 2016 at 2pm Eastern Time. Conference call details are found at the end of this press release.

"It was necessary to update our Feasibility Study to reflect the change of location of the hydromet plant from Salaberry-de-Valleyfield to Shawinigan, both in the Province of Quebec; and to reflect the optimization of our processes. These improvements will enable Nemaska Lithium to be a low costs producer of lithium hydroxide with a cost per tonne of CDN$2,693 (US$2,154/t); while lithium carbonate will have a cost per tonne of CDN$3,441/t (US$2,753/t). Our new costs of production for lithium hydroxide and lithium carbonate are respectively 22% and 18% lower than our production cost in the 2014 Feasibility Study. We also took into consideration the current trends in the US to Canadian dollar exchange rate, as well as the forecasted prices of lithium compounds to reflect the reality of price increases in the lithium compounds market. The end result is a 106% improvement in the pre-tax NPV (8% discount) base case, going from $924 M in 2014 to $1.9 B and a 49% improvement in the pre-tax IRR increasing to 37.7% from 25.2% in 2014," commented Guy Bourassa, President and CEO of Nemaska Lithium.

The 2016 updated Feasibility Study encompasses a combined open pit and underground mine plan and was prepared by Met-Chem, a division of DRA Americas Inc. (Met-Chem) and Seneca Inc. with contribution from Michel L. Bilodeau, Eng., M. Sc. (App.), Ph.D. for the cash flow model. The previous Mineral Reserve declared as part of the 2014 Feasibility Study with an effective date of May 13th, 2014 has not changed.

The 2016 updated Feasibility Study positively compares to the 2014 Feasibility Study filed on Sedar on June 27, 2014 on a number of fronts:

2016 Updated Feasibility Study Highlights
(All calculations assume a 6% Li_2O spodumene concentrate)
(All figures are quoted in Canadian Dollars (C$), unless otherwise specified)

	2016 Updated Feasibility Study
Expected Mine Life	26 years
Life of Mine Revenue	$9.2 Billion (US$7.4 B) (average of $354 M/yr
Pre-Tax Net Undiscounted Cash Flow	$6.2 Billion (US$4.9 B) (average of $260 M/yr before initial CAPEX)
After-Tax Undiscounted Cash Flow	$3.9 Billion (US$3.1 B)
Pre-Tax NPV 8% Discount (base case)	$1.9 Billion (US$1.5 B)
After-Tax NPV 8%Discount (base case)	$1.16 Billion (US$928 M)
Pre-Tax Internal Rate of Return (IRR)	37.7%
After-Tax InternalRate of Return (IRR)	30.3%

Total Initial Capital Costs	$549 Million (US$439M) in CAPEX including contingency
Pay Back of Capital Costs	2.4 years
Selling Price Lithium Hydroxide	US $9,500/t FOB Shawinigan
Selling Price Lithium Carbonate	US $7,000/t FOB Shawinigan
Average Cost Per Tonne Spodumene Concentrate	$181/t (US$145/t) FOB Whabouchi Mine
Average Cost Per Tonne Lithium Hydroxide	$2,693/t (US$2,154/t) FOB Shawinigan
Average Cost Per Tonne Lithium Carbonate	$3,441/t (US$2,753/t) FOB Shawinigan
Life of Mine Production	5.5 million tonnes spodumene concentrate converted into approx. hydroxide and approx. 84,000 tonnes of battery grade lithium carb (average per year of approx. 213,000 tonnes of concentrate to pro hydroxide and approx. 3,245 tonnes of lithium carbonate)
Exchange Rate $C to $US	1 : 0.8

Mine and Hydromet Plant Plan

The Feasibility Study outlines a combined open pit and underground mine. The open pit mine Proven and Probable Reserves are 20 million tonnes at 1.53% Li_2O. The underground mine Proven and Probable Reserves are 7.3 million tonnes at 1.28% Li_2O.

During the first 20 years, production will be derived from an open-pit developed to a maximum depth of 190 meters and with an average strip ratio of 2.2 to 1. The open pit will be mined using a standard fleet of off-road mining trucks and hydraulic excavators at a rate of 2,740 tonnes of ore per day.

During the last 6 years, production will be derived from an underground operation at 3,342 tonnes per day and accessed via a ramp within the open pit. The underground development will reach an average depth of 90 metres below the pit bottom. The selected underground mining method is longhole stoping with the crown pillar below the pit recovered at the end of the mine life.

Nemaska Lithium has received the General Certificate of Authorization (CA) for the Whabouchi mine Project from the Quebec Ministry of Sustainable Development, Environment and The Fight Against Climate Change on September 8, 2015 and was granted a positive federal decision on July 29, 2015 and therefore has now obtained all basic environmental authorizations enabling it to move forward with its Whabouchi Mine Project. The project development schedule assumes that the Shawinigan buildings necessary to install the hydromet plant will be made available to Nemaska Lithium during the first quarter of 2017 and that detailed engineering work for the mine project will have started by the end of 2nd quarter 2016. On site, power requirements at the mine are expected to average 6.5 MW during operations and will be provided by a 69 kV power line connecting Whabouchi to the nearby Nemiscau hydro-electric power station.

The hydromet plant will be located in Shawinigan, QC. This site has been selected for its excellent existing infrastructure and availability of existing buildings. The site is serviced by the CN railway system and a pool of skilled workers and contractors from Shawinigan and the Mauricie area. The hydromet plant will be state of the art and will use Nemaska Lithium's patented process to convert the spodumene concentrate into the purest lithium hydroxide on the market. Proximity to the Hydro-Quebec network, as the plant will use close to 50 MW once in full operation, and access to the natural gas network were also deciding factors.

Whabouchi Feasibility Study Results and Key Assumptions

Mining Parameters		
	Tonnes Processed (Mt)	27.3
	Waste Rock &Overburden (Mt)	44.3
	InSitu Grade (% Li_2O)	1.51
	Diluted Grade (%)	1.46
	Mine Life (LOM) (years)	26
Mining Cost Parameters	Pre-Production CAPEX ($M)	$4.2

	Hydroelectricity Price ($/kW)	$0.048 - (H-Q, Tariff L)	
	LOM OPEX ($/t concentrate)	$70.14	
Concentrator Cost Parameters	CAPEX ($M)	$235.0	
	OPEX ($/t concentrate)	$75.25	
	G&A OPEX ($/t concentrate)	$35.91	
	Transport Cost ($/t concentrate)	$50.00	
Hydromet Plant Cost parameters			
	CAPEX ($M)	$310.2	
	OPEX ($/t concentrate)	$168.19	
Overall Sustaining Capital	LOM CAPEX ($M)	$230.1	
Revenue Parameters (real terms)	Gross Revenue ($M over LOM)		
	Lithium Hydroxide (LiOH-H_2O)	$8,476.3	
	Lithium Carbonate (Li_2CO_3)	$ 738.1	
	Cash Operating Margin	$6,968.6	
Lithium compounds Parameters	Product (US $ Sale price / t)		
	Lithium Hydroxide (LiOH-H_2O)	US $9,500	
	Lithium Carbonate (Li_2CO_3)	US $7,000	
	Exchange rate	1 C$=0.8 US$	
Schedule Parameters	Effective Date for NPV Calculation	April 4, 2016	
	Construction Mobilization	Q3, 2016 (est.)	
	Plant Commissioning Starts	Q2, 2018 (est.)	
	Commercial Production Declared	Q3, 2018 (est.)	
Valuation Parameters	Pre-Tax NPV 8% ($B)	$1.88	
	Pre-Tax IRR	37.7	%
	After-Tax NPV 8% ($B)	$1.16	
	After-Tax IRR	30.3	%

"Our lithium hydroxide cost is competitive with any supplier of lithium hydroxide today and in the foreseeable future," Mr. Bourassa stated. "Our new flow sheet has been designed to optimize the production of lithium hydroxide, while also producing a high purity lithium carbonate (99.99%), as a by-product. Nemaska Lithium's market penetration and growth strategy is to become an important supplier of lithium hydroxide by offering the highest quality product at competitive prices, while maintaining healthy margins. In tandem, Nemaska plans to grow its target market through converting lithium carbonate users to lithium hydroxide by offering a superior product (lithium hydroxide)."

Market Analysis

To complete the update of the Feasibility Study, Nemaska Lithium commissioned Roskill Consulting Group to complete an independent market analysis report. The report entitled "Lithium Market Overview and Outlook February 2016", predicts that lithium compounds could be in short supply by as early as 2018. The report stated "With lithium consumption forecast to increase consistently in the years to 2025, the outlook for lithium production and producers is positive from a volume perspective. Mine production capacity in 2015 totaled 262,500 tpy LCE and refined capacity just over 251,000 tpy LCE, meaning output is capable of meeting consumption only until 2018 based on a maximum utilization rate of 80%. Additional capacity will therefore be required, and is expected to come from both expansion of existing operations and start-up at new lithium projects."

The same report evaluated the growth in demand by lithium product. The report showed growth in demand for battery grade lithium hydroxide is forecasted to outpace all other lithium compounds over the next 10 years showing a 15.5% CARG (compound annual rate of growth) from 2015 to 2025. This increase in demand is expected to be reflected in the term contract selling price of battery grade lithium hydroxide which, according to Roskill, is expected to increase from (US$/t CIF) $8,640 in 2015 to $13,210 in 2025 representing a 52% increase in term sales price.

"Lithium hydroxide is emerging as a new chemistry of choice for battery cathode manufacturers because it

creates a battery with better power density, longer lifecycle and enhanced safety features," said Guy Bourassa, President and CEO of Nemaska Lithium. "Our decision to directly produce lithium hydroxide, rather than take the traditional route of producing lithium carbonate and then transforming it into hydroxide gives us a leading cost advantage in the fastest growing segment of all the lithium compounds."

Conference Call

Nemaska will host a conference call on the Feasibility Study on Monday, April 4, 2016 at 2 pm Eastern Time. To participate in the call, dial 1-877-223-4471 or +1-647-788-4922 local or internationally. A playback will be made available two hours after completion of the call until May 15, 2016. To access this playback dial 1-800-585-8367 or +1 416-621-4642 with the conference ID code 82875820.

Qualified Persons

The complete NI 43-101 Technical Report ("Report") being prepared by Met-Chem, a division of DRA Americas Inc. and Seneca Inc. and signed by each Qualified Person will be posted on www.sedar.com within 45 days. It will also be made available on Nemaska Lithium's website at http://nemaskalithium.com. The technical information in this press release has been reviewed by Mr. André Boilard, Eng. of Met-Chem, Qualified Person as defined under in National Instrument 43-101.

The Report will include mineral reserve estimates which were prepared respectively for the underground and the open pit by Mr. Daniel Gagnon, Eng. and Mr. Jeffrey Cassoff, Eng. Both Mr. Gagnon and Mr. Cassoff are independent Qualified Persons as defined by NI 43 101. The Report will consist of summary results from the updated Feasibility Study. The Report is being prepared under the direction of Mr. André Boilard, Eng. of Met-Chem and will be reviewed and certified by individuals responsible for their respective portions of the Report. Mr. Boilard and all other individuals providing certifications are Independent Qualified Persons as defined by NI 43 101. Among them are, Mr. Jean-Philippe Paiement, M.Sc. P.Geo., of SGS Geostat, Mr. Raymond Simoneau, Eng. and Mr. Denis Carrignan, Eng. from Seneca Inc., Mr. Michel L. Bilodeau, Eng., M. Sc. (App.), Ph.D, Mr. Tony Boyd of Noram Engineering & Construction Ltd. and Mr. Gary Pearse, M.Sc., P. Eng. of Equapolar Research.

About Met-Chem

Met-Chem, a division of DRA Americas Inc., is an internationally renowned consulting engineering firm established in 1969 to provide all phases of geology, mining, mineral processing and engineering services throughout the world. From its regional headquarters in Montreal, Met-Chem offers the mining industry professional expertise that covers scoping, pre-feasibility and feasibility studies, basic and detailed engineering, procurement and construction management, training, start-up, commissioning and operations assistance.

About Nemaska

Nemaska intends to become a lithium hydroxide and lithium carbonate supplier to the emerging lithium battery market. The Corporation is developing in Québec one of the most important spodumene lithium hard rock deposit in the world, both in volume and grade. The spodumene concentrate produced at Nemaska 's Whabouchi mine will be shipped to the Corporation's lithium compounds processing plant to be built in Shawinigan, Québec. This plant will transform spodumene concentrate into high purity lithium hydroxide and carbonate using the proprietary methods developed by the Corporation, and for which patent applications have been filed.

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