

# Nemaska Lithium Receives Independent Audit Report From BBA

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- *BBA validates Nemaska's internal cost-to-complete estimate.*
- *The Corporation's proactive approach to project management echoes the report's recommendations.*

QUEBEC CITY, April 29, 2019 - Nemaska Lithium Inc. ("Nemaska Lithium" or the "Corporation") (TSX: NMX) (OTCQX: NMKEF) (Frankfurt: N0T) is pleased to announce that an external and independent audit conducted, at the request and under the supervision of the Board of Directors' Special Committee, by multidisciplinary Canadian engineering firm BBA, has validated Nemaska Lithium's internal cost-to-complete construction assessment as of February 13, 2019, based on the information that was then available to the Corporation. Following the February 13, 2019 project update, the Corporation retained BBA as Owner's Engineer to perform an independent audit of the quantitative estimate of the expected project CAPEX and a validation of the estimate class as of that date. This audit also comprises a qualitative assessment of the Project Execution Plan (PEP) and recommendations for potential improvements.

BBA's independent cost assessment is slightly lower than the Corporation's prior cost-to-complete internal estimate as of February 13, 2019 and therefore validates the Corporation's conclusion that additional net funds of approximately \$375 million are required to meet the cost to complete drawdown conditions provided in the streaming agreement with Orion Mine Finance and the senior secured bonds. BBA also confirms that the Corporation has acted diligently to implement the necessary internal changes and assigned the appropriate supplementary resources in order to strengthen control over construction activities and optimize its existing resources pending the completion of the required additional financing or any other available strategic alternative.

"The decision to appoint a third-party to review our internal reassessment was the first of many actions that were undertaken for a more prudent approach to conducting our project construction. We are pleased to confirm that the Corporation has already proactively implemented a number of BBA's recommendations while others are in the process of being implemented. We are resolutely looking towards the future to achieve our goal of completing construction and entering into commercial production as soon as possible. Meanwhile, the quality of our spodumene concentrate and lithium hydroxide product continues to be noticed and recognized globally." said Guy Bourassa, President and CEO of Nemaska Lithium.

A series of measures implemented to improve control over construction activities

In addition to bringing in new, seasoned experts to the construction project team, the Corporation has streamlined and improved its project control processes. It has fully internalized the entire project contract and procurement management function and is currently evaluating agreements with suppliers to ensure that contracting strategies are adapted to the current reduced pace of construction. Previously, a portion of these responsibilities were contracted to an external firm.

In-house expertise has also been enhanced with the appointment of specialist engineers in key positions for project delivery in Whabouchi and detailed engineering oversight in Shawinigan. Finally, a new risk assessment exercise for the completion of the project was launched in collaboration with external peers to identify, anticipate and limit potential consequences of any unforeseen events on project execution.

"We believe our revised construction and project execution plan, which factors the current reduced construction pace, allows us to advance our detailed engineering work and improve our planning and cost control, in order to be ready when the funds will be available. We are proud to see all our team members and

partners join forces to advance the project. We are working diligently to meet the objectives set forth in our plan," added Robert Beaulieu, Vice President, Operations & Construction of Nemaska Lithium.

#### Next Steps

As previously announced on March 25, 2019, Clarksons Platou Securities and National Bank Financial have been mandated by the Corporation to lead a dual-track financing action plan – equity raise and/or consider M&A opportunities – to carry the project through the production stage at the mine and the electrochemical plant. The independent BBA Audit Report is an important data point and key validation of Nemaska Lithium's financial requirements and internal controls to complete the project. The financing/strategic process is ongoing and various parties are currently involved at different stages. The Management Team is actively working with the qualified persons in charge of updating the *NI 43-101 Technical Report – Feasibility Study on the Whabouchi Lithium Mine and Shawinigan Electrochemical Plant*, which is expected to be filed during the month of June 2019.

Nemaska Lithium intends to hold its quarterly construction update call in the second half of the month of May 2019, in line with the filing of its quarterly financial statements.

#### About Nemaska Lithium

[Nemaska Lithium Inc.](#) is a developing chemical company whose activities will be vertically integrated, from spodumene mining to the commercialization of high-purity lithium hydroxide and lithium carbonate. These lithium salts are mainly destined for the fast-growing lithium-ion battery market, which is driven by the increasing demand for electric vehicles and energy storage worldwide. With its products and processes, the Corporation intends to facilitate access to green energy, for the benefit of humanity.

The Corporation will be operating the Whabouchi mine in Québec, Canada, one of the richest lithium spodumene deposits in the world, both in volume and grade. The spodumene concentrate produced at the Whabouchi mine will be processed at the Shawinigan plant using a unique membrane electrolysis process for which the Corporation holds several patents.

The Corporation is a member of the S&P/TSX SmallCap Index, S&P/TSX Global Mining Index, S&P/TSX Global Base Metals Index, S&P/TSX Equal Weight Global Base Metals Index, and the MSCI Canada Small Cap Index. For more information, visit [www.nemaskalithium.com](http://www.nemaskalithium.com) or [twitter.com/Nemaska Lithium](https://twitter.com/NemaskaLithium).

#### About BBA

BBA has been providing a wide range of consulting engineering services for nearly 40 years. Its engineering, environmental and commissioning experts team up to quickly and accurately pinpoint the needs of industrial and institutional clients. The firm's expertise is recognized in the fields of energy, mining and metals, biofuels and oil and gas. With 12 offices across Canada to provide clients with local support and field presence, BBA is recognized for providing some of the industry's most innovative, sustainable and reliable solutions. [www.bba.ca](http://www.bba.ca).

#### Cautionary Statement on Forward-Looking Information

*All statements, other than statements of historical fact, contained in this press release including, but not limited to, those relating to preserve cash on hand and to obtain the additional capital required to enable the Corporation to complete construction, the estimated additional costs to complete the construction of the Whabouchi mine and the Shawinigan plant, the ability to meet funding and other conditions under the streaming agreement and the senior secured bonds, the expected unfolding of construction and commissioning, the ability to adapt agreements with suppliers and contracting strategies to the current or ultimate pace of construction as well as the anticipated start of production at the Whabouchi mine and Shawinigan plant sites, constitute "forward-looking information" and "forward-looking statements" within the meaning of certain securities laws and are based on expectations and projections as of the date of this press release. Certain important assumptions by the Corporation in making forward-looking statements include, but are not limited to, the obtaining of the additional capital required in a*

*timely fashion to fulfill the conditions precedent to receive the remaining proceeds from the project financing being the second tranche payment under the Streaming facility and the Bonds offering proceeds.*

*Forward-looking statements contained in this press release include, without limitation, those related to (i) the ability of the Corporation to implement BBA's recommendations, (ii) the outcome of BBA's recommendations, (iii) the outcome of the new risk assessment exercise, (iv) the ability of the Corporation to secure additional funds or identify any available strategic alternative, (v) the ability of the Corporation to meet funding and other conditions under the Streaming agreement and the senior secured bonds, (vi) the outcome of the evaluation of several options that would enable existing and new shareholders and project partners to provide funding, (vii) the ability of the Corporation to complete the mine construction and the Shawinigan facility and restart construction at full pace within a timeline in order for estimated additional net funds of about \$375 million financing to be sufficient, (viii) the outcome of the internalization of the project contract and procurement management function, (ix) the project execution plan allowing the Corporation to improve planning and cost control, and (x) generally, the above "About Nemaska Lithium" paragraph which essentially describes the Corporation's outlook. Forward-looking statements are based on expectations, estimates and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect.*

*Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that additional funding or any other strategic alternatives can be available, that the estimated net funds of \$375 million required to complete the project and to reach commercial production will be sufficient depending on the construction timeline and any related delays, that the Corporation will meet conditions under the streaming facility and the bonds in light of rights of secured creditors thereunder and that the Whabouchi mine and/or the electrochemical plant in Shawinigan will be commissioned and will begin production, as future events could differ materially what is currently anticipated by the Corporation. For greater certainty, any delay to secure the required additional financing or other available strategic alternative may impact the construction timeline and previously estimated required funds to complete construction.*

*By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risk Factors" section of the Corporation's Annual Information Form dated October 10, 2018, and the "Risk Exposure and Management" section of the Corporation's quarterly Management Discussion & Analysis. The Corporation cautions that the foregoing list of factors that may affect future results is not exhaustive, and new, unforeseeable risks may arise from time to time. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

*Further information regarding Nemaska Lithium is available in the SEDAR database ([www.sedar.com](http://www.sedar.com)) and on the Corporation's website at: [www.nemaskalithium.com](http://www.nemaskalithium.com).*

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