

Nemaska Lithium Announces Court Application for the Discharge of Security Securing the USD 350M Senior Secured Bonds

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- Nemaska Lithium informed the Nordic Trustee that it acknowledges the set-off of the Nominal Amount of the Senior Secured Bonds plus accrued interest
- The Corporation filed an application with the Court seeking the discharge of the security which secured the Senior Secured Bonds
- Pallinghurst confirms willingness to pursue its proposed investment in Nemaska Lithium
- Nemaska Lithium is now focused on fully funding the project through more favorable avenues

QUEBEC CITY, Sept. 17, 2019 -- Nemaska Lithium Inc. ("Nemaska Lithium" or the "Corporation") (TSX: NMX) (OTCQX: NMKEF) (Frankfurt: N0T) informs the market that, pursuant to Article 13.9 of the Bond terms, the Corporation has informed the Nordic Trustee that it acknowledges the set-off of the USD 350M nominal amount of the Senior Secured Bonds issued pursuant to the bond offering announced on May 10, 2018 (the "Bonds"), together with accrued interest up to September 16, 2019, with all obligations of the Corporation under the Bond terms being extinguished as of such date. Following the publication of the updated National Instrument (NI) 43-101 Technical Report on July 31st, 2019, a *Project Completion Cut-Off Event*, as defined in the Bond terms, was triggered as a result of the overall project completion date being delayed to later than June 2021 without the Bond terms being amended. Under the Bond terms, upon the occurrence of a *Project Completion Cut-Off Event*, any remaining proceeds from the Bonds issuance held in the escrow account shall be set-off against and used to prepay the Bonds within 45 days following the notice of the *Project Completion Cut-Off Event*, and the Nordic Trustee is authorized and obligated to take all necessary measures to effectuate such prepayment.

Between July 31, 2019 and last week, the Corporation was engaged in active discussions with the Nordic Trustee and a majority of Bondholders being part of an *Ad Hoc Committee*, the latter being represented by a Toronto law firm, in order to possibly find a common ground for the amendments to the Bond terms that would have been required in order to keep in place the USD 350M Bonds. However, based on several key elements during the discussions, the Corporation took the decision not to pursue this avenue and to inform the Nordic Trustee and the *Ad Hoc Committee* with their counsel that it acknowledged the set-off of the Bonds and the prescribed prepayment according to the Bond Terms following the *Project Completion Cut-Off Event*. The Nordic Trustee controls the escrow account in which amounts owed to Bondholders are held and the prescribed reimbursement process of amounts owed to Bondholders resulting from the set-off under the Bond terms.

"Since the proceeds were held in a trust account and the Corporation could not access them at this stage, the set-off and related prescribed reimbursement of the Bonds has certain positive implications for the Corporation in the short term by allowing it to save payment of interests on the Bonds. The savings on interest, coupled with the capacity to eventually use the CAD 40M of cash and cash equivalents that is sitting in a cost overrun account required under the Bond terms, will allow us to continue advancing the project while we carry on our discussions and negotiations to attain a more suitable capital structure in light of the actual market conditions. We have solid relationships with our strategic partners and stakeholders and are confident that we should be able to put everything in place to successfully complete the construction and commissioning of the project as expected," said Guy Bourassa, President and Chief Executive Officer of Nemaska Lithium.

At the end of the fiscal year that ended June 30, 2019, Nemaska Lithium still had, on a consolidated basis,

about CAD 128M of unrestricted cash and cash equivalents on hand (excluding also the restricted cash and cash equivalents of CAD 40M sitting in a cost overrun account) to finance its current activities which are mainly focused on site preparation at Whabouchi mine, advancing detailed engineering at both sites and completing project execution planning. To view the most recent pictures of the project, visit Nemaska Lithium's website at www.nemaskalithium.com.

Nemaska Lithium filed on September 16, 2019 an application with the Superior Court of Québec, in connection with its arrangement proceedings under the *Canada Business Corporations Act*, seeking the discharge of the security which secured the Bonds.

On September 17, 2019, Nemaska Lithium was made aware of a notice of a written Bondholders' resolution published by the Nordic Trustee without the Corporation's consent, seeking approval of Bondholders by way of a written resolution to instruct the Nordic Trustee to refrain from exercising, commencing or proceeding against the Corporation with respect to, among other things, any right to set-off and effect any prepayment of the Bonds. The Corporation has advised the Nordic Trustee that it considers the proposed resolution invalid with no effect for the Corporation or under the Bond terms and requesting the Nordic Trustee to withdraw such notice.

Ongoing Discussions with The Pallinghurst Group

Nemaska Lithium is still working closely with The Pallinghurst Group ('Pallinghurst') on the investment proposal of up to CAD 600 M announced on July 19, 2019. Pallinghurst was informed of the set-off and related prescribed reimbursement and confirmed that it remains willing to continue the due diligence for its proposed investment in Nemaska Lithium. The Corporation has agreed to exclusive discussions with Pallinghurst until October 19, 2019 (unless further extended by the parties). The Corporation is working to ensure that the Whabouchi mine and Shawinigan plant will be fully funded through a financing package that provides reasonable financial flexibility in order to allow the project to reach nameplate capacity. Nemaska Lithium's current strategic partners, including *Investissement Québec* and Softbank Group, have also been involved in discussions.

Additional details regarding the discharge of the security which secured the Bonds and the financing package will be communicated when available.

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. 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.

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 the set-off and prescribed reimbursement of the Bonds, the Court application for the discharge of the security securing the Bonds and related outcome, the invalidity of the proposed resolution published by the Nordic Trustee with no effect for the Corporation or under the Bond terms, the additional capital required to enable the Corporation to complete construction and the estimated additional

costs for completing the construction of the Whabouchi mine and the Shawinigan plant, 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, (A) the outcome of Court proceedings for the discharge of the security which secured the Bonds, (B) the prescribed reimbursement process of the Bonds; nominal amount and such process having positive implications for the Corporation, (C) the interest savings and eventual use of the cost overrun account's cash and cash equivalents allowing the Corporation to advance the project, and (D) the solidity of the Corporation's relationships with its strategic partners and stakeholders allowing it to put everything in place to successfully complete the construction and commissioning of the project.

Forward-looking statements contained in this press release include, without limitation, those related to (i) the ability of the Corporation to obtain Court approval for the discharge of security securing the Bonds and potential dispute with respect to the set-off and timing of the prescribed reimbursement of the Bonds, (ii) the ability of the Corporation to secure additional funds, (iii) the discussions and negotiations to attain a more suitable capital structure in light of the actual market conditions, (iv) Pallinghurst's willingness to pursue its proposed investment in the Corporation, (v) the Corporation working closely to ensure the project will be fully funded through a financing package that will provide reasonable financial flexibility in order to allow the project to reach nameplate capacity, (vi) Investissement Québec and SoftBank Group also being involved in the financing discussions, and (vii) 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 the Court proceedings seeking the discharge of the security securing the Bonds will be successful, that the Pallinghurst investment will close or that other funding/strategic alternatives can be available, that the Corporation will meet conditions under the streaming facility 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. In addition, there can be no assurances that the financing discussions with Pallinghurst, Investissement Québec and SoftBank Group will lead to a comprehensive financing package in place to successfully complete the construction and commissioning of the project. In addition, there can be no assurances that the acknowledgment of the set-off and related prescribed reimbursement of the Bonds will not result in litigation involving Bondholders, the Nordic Trustee and/or the Corporation, notably in light of the notice published by the Nordic Trustee and response of the Corporation claiming the invalidity of such notice.

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) and on the Corporation's website at: www.nemaskalithium.com.

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