

Nemaska Lithium's Whabouchi project to ship lithium hydroxide in first quarter

Nemaska Lithium Inc. (TSX: NMX | OTCQX: NMKEF) is a producer of the compound in Quebec, Canada, and is aiming to supply to the rapidly growing market. The company wholly owns the Whabouchi Mine project, a deposit believed to rank second in the world for size and lithium concentration. The company has developed a commercial process of producing lithium hydroxide (patent pending), which is the compound anticipated to lead demand in batteries.

The Whabouchi project is the flagship of this company, but not only for its size and quality of material. Officially authorised by the Quebec and Canadian Federal Governments in 2015, the project is being funded by over \$69 million in investment raised in an offering in July 2016, from when the company began trading on the Toronto Stock Exchange. The Company has previously ranked as "Top Company Overall" of the 2016 OTCQX® Best 50 and performed second best out of the mining sector on the 2016 TSX Venture 50®. Nemaska Lithium has further attracted a significant grant from Sustainable Development Technology Canada, receiving a second installment of \$2.12 million in June. In September, new deposits were discovered at the Whabouchi project, leading to the decision to extend the drilling program from 13,700 meters to more than 17,000 meters. The project's most recent update confirmed in October that the Phase 1 Plant was proceeding according to budget and is on time, with respect to the primary shipments of their lithium hydroxide product. Maiden shipments is anticipated for the first quarter of 2017.

In April of this year a new feasibility report for the

Whabouchi Mine was released as an update to their May 2014 report. The report estimated a savings on production costs of 22% and 18% for lithium hydroxide and lithium carbonate respectively. The updated report further took into account the significant rise in the price of lithium from the time the initial report was conducted two years ago, which led to the consultants doubling their estimate for after-tax net present value to \$1.16 Billion. This report has not, however, considered the September discoveries, which should naturally lead to an even higher value for the project.

The Whabouchi Mine project has been headed up by a new Vice President of Operations who joined the company in August 2016, although his appointment was announced some months earlier. François Godin arrives with over 28 years experience in the Iron and Titanium department of Rio Tinto, where he has progressed to seniority through operations and optimization roles. At the height of his exploits with Rio Tinto, Godin began and developed a \$1 billion project in Madagascar, commanding annual expenditure of \$150 million. With so much investment making its way to Nemaska, and the Whabouchi Mine specifically set to become a dominating market force, Godin arrives with the background and experience to ensure that the project is in steady and capable hands.

As the business gears up to begin its initial product distribution in the New Year, Nemaska Lithium Inc.'s share price has performed impressively over the preceding 12 months, rising from \$0.32 to \$1.32. Before 2015 encroaches above \$0.32 were rare, and the recent strong performance is most likely assisted by a combination of factors, not least of which being the ongoing and successful development at Whabouchi, successful rounds of capital investment, and the general appreciation of the lithium market. Nemaska Lithium therefore looks set to take a significant proportion of the growing demand which is current being faced with lethargic supply channels.

Nemaska Lithium has supply agreements with FMC to provide 8,000 tonnes per year of lithium carbonate, beginning from mid-2018. In addition the company has a multi-year supply agreement with Johnson Matthey Battery Materials.