



AUDIT & RISK COMMITTEE CHARTER

I. PURPOSE

The Audit & Risk Committee (the “**Committee**”) is a committee of the Board of Directors (“**Board**”) of Nemaska Lithium Inc. (the “**Corporation**”).

Its primary role is to assist the Board in fulfilling its responsibilities with respect to:

1. the Corporation’s financial information and reporting, and its internal controls, and
2. its oversight of the Corporation’s business and operations risk;

toward the shareholders of the Corporation and the financial / investment community.

Its primary duties and responsibilities are to:

- Ensure the integrity of the Corporation’s financial statements, and 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 document relating to the foregoing;
- Subject to the powers of the Board and the shareholders under the Corporation’s Articles and By-laws and pursuant to the *Canada Business Corporations Act*, the Committee is responsible for the selection, appointment, oversight, compensation, retention and, if necessary, replacement of the external, independent auditors (“**Auditors**”), which shall report directly to the Committee;
- Review and assess the Auditors’ efficiency, ensure their competence, effectiveness and independence, and maintain open line of communication between them, management and the Board;
- 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;
- Provide open lines of communications between the Auditors, management and the Board for financial reporting and control matters; the Committee shall meet, periodically, with management and the Auditors;
- Review, evaluate and oversee the periodic replacement of the lead audit partner of the Auditors;
- Review the Corporation’s overall tax plan and any material tax planning initiatives; and
- Oversee the Corporation’s process for identifying and managing business risks and its use of hedging programs to manage operational, financial and currency risk.

While the Committee has the responsibilities and powers provided in this charter, it is the responsibility of management and the Auditors to plan and conduct audits to prepare and determine that the Corporation’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

It is also the responsibility of management to establish, document, maintain and review systems of internal control and maintain the appropriate accounting and financing reporting principles and policies designed to assure compliance with accounting standards and applicable law. Absent knowledge to the contrary (the knowledge of which shall be promptly reported to the Board), each Committee member is entitled to rely on the accuracy of the financial and other information provided to the Committee by management and the Auditors.

II. COMPOSITION

The 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 hereinbelow. The Board must ensure that all Committee members are “**Financially literate**” as defined hereinbelow. The Committee members are nominated by the Board, at its meeting closest to the annual general shareholders’ meeting, for the next year or until their successors are nominated or elected. The Board may dismiss a member of the Committee by resolution at any time, at its discretion. Unless the Committee Chairman is nominated by the entire Board, the Committee members may appoint the Committee Chairman by majority vote of all Committee members.

“**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.

III. DUTIES AND RESPONSIBILITIES

1. The Committee is responsible for the following as regards **financial reporting, financial statements, internal controls and audit**:
 - a. Review the audited annual and the unaudited quarterly consolidated financial statements, and recommend same to the Board for approval;
 - b. Review with management and the Auditors, the Corporation’s financial operations, the financial statements, the management’s discussion & analysis, press releases and any other documents relating to the financial results before they are filed with regulatory agencies and reported to the public;
 - c. Review any document that contains the audited annual and the unaudited quarterly 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. Oversee 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;
 - e. Oversee relations between management and the 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 Auditors regarding financial reporting and to see that they are resolved;

- f. Review and report to the Board annually on all significant relations between the Corporation and the Auditors in order to evaluate the Auditors' independence and discuss this with them; in addition, review the Auditors' objectivity and professional skepticism, the sufficiency of resources provided by the Auditors and the integrity and candor of communications with the Auditors;
- g. Review the performance of the Auditors and approve any proposal for replacement when circumstances so warrant; examine, with management, the reasons for retaining the services of other firms; every five (5) years, perform a comprehensive review of the performance of the Auditors over multiple years to provide further insight on the audit firm, its independence and application of professional skepticism;
- h. Meet periodically with the 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;
- i. See to the availability of the Auditors in accordance with the needs of the Committee and the Board; ensure that the Auditors report directly to the Committee and that they answer to the Board and the Committee as auditor representatives towards whom the Auditors are ultimately responsible;
- j. Oversee the work of the Auditors retained for the preparation and issuance of an auditor's report or for other audit, review or attest services;
- k. 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;
- l. Review the external audit program (including its scope and audit procedures) and fees; approve the audit fees and any other remuneration paid to the Auditors;
- m. Review the Auditor's report on the audited annual financial statements;
- n. Review with management and the Auditors:
 - i. 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;
 - ii. the observations, both positive and negative, made by the Auditors during their audit;
 - iii. 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;
 - iv. new accounting issues and their potential impact on the financial information of the Corporation;
- o. Review and approve any request for consultation with Auditors and be informed of any request from management for non-audit services and the fees related thereto; prohibit the Auditors from providing the following non-audit services and determine which other non-audit services the Auditors are prohibited from providing:

- i. bookkeeping or other services related to the accounting records or financial statements of the Corporation;
 - ii. financial information systems design and implementation;
 - iii. appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - iv. actuarial services;
 - v. internal audit outsourcing services;
 - vi. management or human resources functions;
 - vii. broker or dealer, investment adviser or investment banking services;
 - viii. legal services and expert services unrelated to audit;
 - ix. tax services to any person in a financial reporting oversight role, or an immediate family member of any such person;
 - x. services related to marketing, planning or opinions in favor of the tax treatment of transactions that are confidential transactions under Canadian tax laws or transactions that would be considered aggressive tax position transactions; and
 - xi. any other services which the Public Company Accounting Oversight Board determines to be impermissible;
- p. Review with management, the 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;
 - q. Review the conclusions of the Auditor's evaluation of the internal control system as well as management's response;
 - r. 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;
 - s. 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;
 - t. 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;
 - u. Review with management the accuracy and timeliness of the filings with regulatory authorities; review the disclosure in respect of the Committee's work in the Corporation's annual filings;
 - v. Review the Corporation's business plans periodically;
 - w. Review annually the Corporation's general insurance coverage to ensure sufficient protection of the Corporation's assets, including without limitation, directors & officers liability insurance and coverage of key personnel;

- x. Review and approve in advance any proposed related-party transactions and required disclosures of such, in accordance with applicable law, and report to the Board on any approved transactions;
 - y. Engage and compensate independent counsel and other advisors if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties;
 - z. Carry out any other task required by the Corporation's Articles and any relevant securities policy or regulation; and
 - aa. 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.
2. The Committee is responsible for the following as regards **the Corporation's business and operational risks**:
- a. Review the principal risks of the Corporation's business and operations, and any other circumstances and events that could have a significant impact on the Corporation's assets and stakeholders;
 - b. Discuss with management potential risks of the Corporation's business and operations, their likelihood and magnitude and the interrelationships and potential compounding effects of such risks;
 - c. Assess the actions and steps management has taken to minimize such risks in light the Corporation's risk tolerance;
 - d. Assess the Corporation's risk tolerance, the overall process for identifying the Corporation's principal business and operational risks and the implementation of appropriate measures to manage and disclose such risks;
 - e. Review with management annually, the Corporation's general liability, property and casualty insurance policies and consider the extent of any uninsured exposure and the adequacy of coverage;
 - f. Review disclosure respecting the oversight of management of the Corporation's principal business and operational risks;
 - g. Review the Corporation's privacy and data security risk exposures and measures taken to protect the security and integrity of its management information systems and company data;
 - h. Obtain, annually, "comfort" from management as regards legal title to the Corporation's material properties;
 - i. 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;

- j. Amend or add to the Corporation's security policies from time to time, and report to the Board annually on the relevance of the instructions in effect for the management of the Corporation's security programs; and
 - k. 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.
3. The Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, set and pay the compensation for these advisors and communicate directly with internal auditors and the Auditors; for greater certainty, in every instance where the Committee requires outside assistance to carry its duties, exercise its prerogatives and/or fulfill its mandate, any such outside assistance shall be retained/hired directly (not through management) by the Committee and shall report to the Committee.
 4. The Committee assesses all risks associated with its role and responsibilities, and sees that appropriate mitigation measures are implemented.
 5. The Committee reviews its charter annually and recommends any amendment it deems appropriate to the Board.

IV. SECRETARY

The Corporate Secretary or, as applicable, the Assistant-Secretary of the Corporation shall act as secretary of the Committee meetings. He/she keeps the minutes of the Committee meetings.

V. MEETINGS AND QUORUM

1. The Committee shall meet on the dates, at the times and in the places determined by the Committee, and at least four times a year. The Committee meets with management and the Auditors separately at least once a year.
2. A majority of Committee members constitutes **quorum** at any Committee meeting.
3. The Committee members may meet in person, by telephone or by videoconference.
4. A written resolution signed by all members of the Committee has the same value as one adopted at a meeting of the Committee.
5. Meetings of the Committee will be held from time to time, as decided by the Committee or the Committee Chairman, upon 24 hours' notice to all Committee members. A quorum of Committee members may waive the notice period.
6. A meeting of the Committee may be called by any member of the Committee or by the Auditors. The Auditors receive notice of all Committee meetings.
7. The minutes of each Committee meeting are tabled at the latest on the next quarterly Committee meeting.

Approved by the Board of Directors on November 13, 2018.