

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

☒

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2023

or

☐

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission File Number 001-38694

ARCADIUM LITHIUM PLC

Bailiwick of Jersey
(State or other jurisdiction of
incorporation or organization)
Suite 12, Gateway Hub
Shannon Airport House
Shannon, Co. Clare
Ireland
(Address of principal executive offices)

98-1737136
(I.R.S. Employer
Identification No.)

V14 E370
(Zip Code)

Registrant's telephone number, including area code: 353-1-6875238

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Ordinary Shares, \$1.00 par value per share

Trading Symbol (s)
ALTM

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	<input checked="" type="checkbox"/>			
Large accelerated filer		Accelerated filer		<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company		<input type="checkbox"/>
		Emerging growth company		<input type="checkbox"/>
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.				
				<input type="checkbox"/>

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2023, the last day of the registrant's second fiscal quarter, was \$4,896,548,501. The market value of voting stock held by non-affiliates excludes the value of those shares held by executive officers and directors of the registrant.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>January 31, 2024</u>
Ordinary Shares, par value \$1.00 per share	1,074,397,786

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with the registrant's annual meeting of shareholders or on an amendment on Form 10-K/A are incorporated by reference in Part III.

EXPLANATORY NOTE

Arcadium Lithium plc (the "Company") is filing this Amendment No. 1 on Form 10-K/A ("Amended 10-K") to its Annual Report on Form 10-K for the year ended December 31, 2023 ("Original 10-K") filed with the U.S. Securities and Exchange Commission ("SEC") on February 29, 2024 to include the annual financial statements and related notes of Nemaska Lithium, Inc. ("NLI") as at and for the fiscal year ended December 31, 2022, an unconsolidated joint venture as of December 31, 2022, in which we currently have a 50% ownership interest.

On October 18, 2023, we entered into an amendment to our shareholders agreement with NLI, and also amendments to certain related service agreements. The amendments to these agreements provide our subsidiary Québec Lithium Partners (UK) Limited ("QLP") with control of substantive participating rights, and as such, the Company began to consolidate NLI as of October 18, 2023. Nemaska Lithium, in which we continue to own a 50% equity interest, was previously accounted for using the equity method. Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, as amended, provides that if a 50 percent-or-less-owned person accounted for by the equity method meets the first or third condition of the significant subsidiary tests set forth in Rule 1-02(w) of Regulation S-X, substituting 20 percent for 10 percent, separate financial statements for such 50 percent-or-less-owned person shall be filed. NLI met the significant subsidiary test described above for fiscal year ended December 31, 2022. The Original 10-K is being amended by this Amended 10-K to include as exhibits: (i) the NLI audited financial statements for fiscal year ended December 31, 2022 and unaudited financial statements for the fiscal year ended December 31, 2021, each prepared in accordance with generally accepted accounting principles in the United States; (ii) the consent of the independent auditor of NLI; and (iii) certifications by our Chief Executive Officer and Chief Financial Officer. This Amended 10-K does not otherwise update any exhibits as originally filed and does not otherwise reflect events that occurred after the filing date of the Original 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
23.1	Consent of KPMG LLP
31.3	Certifying Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	Certifying Statement of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.1	Financial Statements of Nemaska Lithium, Inc. for the year ended December 31, 2022
101	Interactive Data File
104	Cover Page Interactive Data File

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARCADIUM LITHIUM PLC
(Registrant)

By: _____ /S/ GILBERTO ANTONIAZZI
Gilberto Antoniazzi,
Vice President and Chief Financial Officer

Date: April 1, 2024



Exhibit 23.1

KPMG LLP
600 de Maisonneuve Blvd West
Suite 1500, Tour KPMG
Montréal (Québec) H3A 0A3
Tel. 514-840-2100
Fax. 514-840-2187
www.kpmg.ca

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-276377 and 333-276378) on Form S-8 and (no. 333-273360) on Form S-4 of our report, dated April 1, 2024, with respect to the financial statements of Nemaska Lithium Inc., which comprise the statement of financial position as of December 31, 2022, the related statements of loss, comprehensive loss, changes in equity and cash flows for the year then ended and the related notes, included in the Amended Annual Report on Form 10-K/A of Arcadium Lithium plc for the fiscal year ended December 31, 2023.

/s/ KPMG LLP

April 1, 2024
Montreal, Canada

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Paul W. Graves, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Arcadium Lithium plc; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 1, 2024

/s/ Paul W. Graves

Paul W. Graves
President and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Gilberto Antoniazzi, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Arcadium Lithium plc; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 1, 2024

/s/ Gilberto Antoniazzi

Gilberto Antoniazzi
Vice President and Chief Financial Officer

Nemaska Lithium Inc.

Financial Statements
(expressed in thousands of Canadian dollars, unless otherwise noted)

For the years ended December 31, 2022 and 2021

Nemaska Lithium Inc.
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KPMG LLP
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Telephone 514 840 2100
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nemaska Lithium Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nemaska Lithium Inc. (the "Corporation"), which comprise the balance sheet as of December 31, 2022, and the related statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Corporation will continue as a going concern. As discussed in Note 1 to the financial statements, the Corporation has incurred significant operating losses and negative cash flows from operations since its inception and anticipates such losses and negative cash flows will continue for the foreseeable future. Management has stated that substantial doubt exists about the Corporation's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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Other Matter

Comparative information

The accompanying balance sheet of Nemaska Lithium Inc. as of December 31, 2021 and the related statement of loss and comprehensive loss as well as the statement of changes in equity and cash flows for the year then ended were not audited, reviewed or compiled by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
-



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Montreal, Canada
April 1, 2024

Nemaska Lithium Inc.
Balance Sheets
(Amounts in thousands of Canadian dollars, except share data)

		December 31,	
	Notes	2022	2021
		\$	\$
ASSETS			(unaudited)
Current assets			
Cash		21,570	28,173
Sales tax receivable		4,563	1,423
Other current assets		1,400	724
Assets held for sale	3	-	1,370
		27,533	31,690
Non-current assets			
Restricted cash	6	12,105	9,206
Deposits to suppliers		81	77
Property, plant and equipment, net of accumulated depreciation of \$970 in 2022 and \$855 in 2021	3	369,342	366,562
Right-of-use assets	10	187	-
Intangible assets	4	216	532
TOTAL ASSETS		409,464	408,067
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		10,677	4,729
Current portion of long-term debt	5	3,416	42,699
Current portion of financial liability	7	-	12,000
Current portion of operating lease liabilities	10	107	-
		14,200	59,428
Non-current liabilities			
Other non-current liability		2,692	-
Long-term debt	5	2,272	5,688
Operating lease liabilities	10	80	-
Deferred income and mining taxes	9	17,491	17,491
Asset retirement obligation	6	5,654	8,757
Total liabilities		42,389	91,364
Commitments and contingent liabilities	10		
Subsequent events	13		
Equity			
Share capital; no par value, unlimited shares authorized; 118,111,386 and 80,000,002 shares issued and outstanding at December 31, 2022 and 2021 respectively	8	236,429	116,429
Contributed surplus		32,667	32,667
Retained earnings		97,979	167,607
Total equity		367,075	316,703
TOTAL LIABILITIES AND EQUITY		409,464	408,067

Approved, on behalf of the Board:

(signed) Gervais Jacques, Director

(signed) Sarah Maryssael, Director

The accompanying notes are an integral part of these financial statements.

Nemaska Lithium Inc.
Statements of Loss and Comprehensive Loss
(Amounts in thousands of Canadian dollars)

		Year Ended December 31,	
	Notes	2022	2021
		\$	\$
			(unaudited)
EXPENSES			
Compensation		14,589	7,298
Operating lease, office expenses and other expenses		7,290	4,515
Travel and entertainment		1,105	397
Consulting and outside services		36,566	10,238
Professional fees		1,379	684
Management fees		2,590	2,522
(Gain)/loss on foreign exchange		3,420	(220)
(Gain)/loss on the sale of assets	3	(637)	249
Depreciation and amortization expense	3-4	466	660
Impairment on assets held for sale	3	1,370	147,083
Operating loss		68,138	173,426
OTHER			
Interest income		(547)	(63)
Interest expense		2,679	2,977
Gain on debt extinguishment	7	(642)	-
		<u>1,490</u>	<u>2,914</u>
NET LOSS BEFORE TAXES		69,628	176,340
Income and mining taxes	9	-	-
NET LOSS AND COMPREHENSIVE LOSS		69,628	176,340

The accompanying notes are an integral part of these financial statements.

Nemaska Lithium Inc.
Statements of Cash Flows
(Amounts in thousands of Canadian dollars)

	Notes	Year Ended December 31, 2022	2021
		\$	\$ (unaudited)
Cash flows from/(used in) operating activities			
Net loss		(69,628)	(176,340)
Adjustments for:			
Operating lease expense	10	37	-
(Gain)/loss on foreign exchange		3,999	(220)
(Gain)/loss on the sale of assets	3	(637)	249
Depreciation and amortization expense	3-4	466	660
Impairment on assets held for sale	3	1,370	147,083
Interest income		(547)	(63)
Interest expense		2,679	2,977
Interest paid		(6,530)	-
Interest received		458	147
Gain on debt extinguishment	7	(642)	-
Other non-current liability		2,692	-
Changes in working capital			
Sales tax receivable		(3,140)	(834)
Other receivables		(587)	24
Account payables and accrued liabilities		5,926	(1,097)
		(64,084)	(27,414)
Cash flows from/(used in) investing activities			
Additions to property, plant and equipment	3	(5,716)	(406)
Proceeds from sale of property, plant and equipment	3	692	627
Interest paid and capitalized to property, plant and equipment	3	(372)	(534)
		(5,396)	(313)
Cash flows from/(used in) financing activities			
Repayment of lease liabilities	10	(37)	-
Repayment of financial liability	7	(11,358)	-
Repayment of long-term debt	5	(42,829)	(4,271)
Proceeds from issuance of shares	8	120,000	38,060
		65,776	33,789
Net increase (decrease) in cash and restricted cash		(3,704)	6,062
Cash and restricted cash, beginning of year		37,379	31,317
Cash and restricted cash, end of year		33,675	37,379
Cash, end of year		21,570	28,173
Restricted cash, end of year		12,105	9,206
Cash and restricted cash, end of year		33,675	37,379

The accompanying notes are an integral part of these financial statements.

Nemaska Lithium Inc.
Statements of Changes in Equity
(Amounts in thousands of Canadian dollars, except share data)

	Notes	Number of shares	Share capital	Contributed surplus	Retained earnings	Total
			\$	\$	\$	\$
Balance as at January 1, 2021 (unaudited)		60,000,002	78,369	32,667	343,947	454,983
Net loss and comprehensive (unaudited)		-	-	-	(176,340)	(176,340)
Issuance of shares (unaudited)	8	20,000,000	38,060	-	-	38,060
Balance at December 31, 2021 (unaudited)		80,000,002	116,429	32,667	167,607	316,703
Net loss and comprehensive loss (unaudited)		-	-	-	(69,628)	(69,628)
Issuance of shares	8	38,111,384	120,000	-	-	120,000
Balance at December 31, 2022		118,111,386	236,429	32,667	97,979	367,075

The accompanying notes are an integral part of these financial statements.

Nemaska Lithium Inc.
Notes to the Financial Statements
For the years ended December 31, 2022 and 2021

1. Nature of the Business and Going Concern

Nemaska Lithium Inc. (the "Corporation") is a corporate entity domiciled in Canada and incorporated under the Canada Business Corporations Act. Its head office is located at 600, de Maisonneuve boulevard West, Suite 750, Montréal, Québec, Canada.

On December 1, 2020, pursuant to a series of transactions under the Companies' Creditors Arrangement Act ("CCAA"), Investissement Québec ("IQ") and Quebec Lithium Partners (UK) Limited ("QLP") acquired on a 50-50 basis all the issued and outstanding shares of the Corporation. Pursuant to the restructuring under the CCAA, essentially all unsecured liabilities, such as trade debt, were transferred off the Corporation's balance sheet to another entity prior to the sale of the Corporation to IQ and QLP. QLP was a joint venture owned equally by the Pallinghurst Group ("TPG") and Livent Corporation ("Livent").

On June 6, 2022, Livent purchased all the shares of QLP it did not already own from TPG and QLP became a wholly owned subsidiary of Livent.

Operating in the chemical and mining industry, the Corporation is a developing company aiming to vertically integrate its activities, from spodumene mining to the commercialisation of battery grade lithium hydroxide. These lithium salts are primarily intended for the lithium-ion battery market.

The Corporation intends to develop the Whabouchi mine (the "Whabouchi Project") in Quebec, Canada, and the spodumene concentrate that will be produced at the mine will then be processed at the Bécancour, Québec, Canada conversion facility currently under construction (together, the "Commercial Project").

As a developing entity, the Corporation has devoted substantially all of its resources since inception to organizing and staffing the Corporation, raising capital, developing the Commercial Project, and providing general and administrative support for these operations. As a result, the Corporation has incurred significant operating losses and negative cash flows from operations since its inception and anticipates such losses and negative cash flows will continue for the foreseeable future. The Corporation's future operations are dependent and concentrated in the Commercial Project.

As at December 31, 2022, the Corporation had a working capital (current assets less current liabilities) of \$13,333 and had incurred a loss and negative operating cash flows of \$69,628 and \$64,084, respectively, for the year then ended. To date, the Corporation has not generated any revenues and has financed its liquidity needs primarily through the issuance of equity and debt. Management believes that without additional funding, the Corporation does not have sufficient liquidity to pursue its planned expenditures for the next twelve months following the date of issuance of these financial statements, which includes the continued construction of the Commercial Project. These factors indicate that substantial doubt exists about the Corporation's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the date of issuance of these financial statements. The Corporation's ability to continue future operations and fund its development activities is dependent on management's ability to successfully develop the Commercial Project and commercialize its product, achieve and maintain profitable operations, as well as the continued financial support of its shareholders. Management's plans are to secure additional financing in the future, which may be completed in several ways, mainly through share subscriptions from current shareholders. Subsequent to December 31, 2022, the Corporation issued shares totalling \$335,000 and received US\$75,000 under a debt agreement (note 13). The Corporation will require additional funds to complete the Commercial Project. Although management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

Nemaska Lithium Inc.
Notes to the Financial Statements
For the years ended December 31, 2022 and 2021

These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses that might result from the outcome of this uncertainty. Such adjustments could be material.

2. Principal Accounting Policies and Related Financial Information

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accounting policies applied in these financial statements are based on U.S. GAAP issued and in effect as at year-end.

On March 28, 2024, the Board of Directors approved these financial statements for issuance.

Estimates and Assumptions

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant estimates and assumptions reflected in these financial statements include but are not limited to the rehabilitation costs associated to the asset retirement obligations. The Corporation's mining activities are subject to several laws and regulations relating to environmental protection. Management records its best estimate of decommissioning obligations in the period in which these obligations arise. Actual costs incurred in future periods could differ significantly from these estimates. In addition, future changes in legislation and regulations, timing of cash flows and discount rates may affect the carrying amount of this provision.

The Corporation bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. The Corporation evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from these estimates.

Foreign Currencies

Transactions in foreign currencies are translated to the functional currency of the Corporation, which is the Canadian dollar, at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial Instruments

Non-Derivative Financial Assets

Loans and receivables are financial assets with specified or determinable payments that are not listed on an active market. These assets are initially recognized at fair value adjusted by, in the case of a financial asset or financial liability that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. After initial recognition, loans and receivables are recognized at amortized cost using the interest rate method, less impairment losses, if any.

Nemaska Lithium Inc.
Notes to the Financial Statements
For the years ended December 31, 2022 and 2021

Cash and cash equivalents include cash balances and short-term investments that have an initial maturity of three months or less from the date of acquisition or that can be converted into cash at any time.

The Corporation evaluates the expected credit loss on a forward-looking basis. Lifetime credit losses are recorded upon initial recognition of the instrument as an allowance for credit losses. The estimate of expected credit losses is measured using a consistent method throughout the life of the instrument and considers historical information, current information, and the reasonable and supportable forecasts of future events and circumstances, as well as estimates of prepayments. To date, there have been no material credit losses recorded.

Non-Derivative Financial Liabilities

Financial liabilities are initially recognized at fair value, plus directly attributable transaction costs. After initial recognition, these financial liabilities are recorded at amortized cost using the interest method.

Assets Held for Sale

Assets are classified as held for sale when the carrying amount is to be recovered principally through a sale transaction rather than through continued use and such sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset or disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset or disposal group, but not more than any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset or disposal group is recognised at the date of derecognition.

Property, Plant and Equipment

Property, plant and equipment including capitalized interest are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Depreciation begins when the asset is available for its intended use. Depreciation is calculated over the depreciable amount, which is the cost of an asset less any estimated residual amount.

The estimated useful lives, depreciation method and rates for the current and comparative years are as follows:

Assets	Basis	Useful Life
Buildings	Straight-line	25 to 40 years
Vehicle	Straight-line	5 to 7 years
Office and computer equipment	Straight-line	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Gains and losses from the disposal of property, plant and equipment are the difference between the proceeds from the disposal of assets and the carrying amount of the assets and are presented in the statement of net loss and comprehensive loss.

Nemaska Lithium Inc.
Notes to the Financial Statements
For the years ended December 31, 2022 and 2021

Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

All other borrowing costs are expensed during the year in which they are incurred.

Intangible Assets

Intangible assets consist of purchased software and related implementation costs. Intangible assets with finite lives are amortized on a straight-line basis over five to ten years.

Impairment of Long-Lived Assets

The carrying amounts of long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment.

The recoverability of the net book value of long-lived assets is reviewed whenever events and circumstances indicate ("triggering events") that the net book value of an asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual disposition. In cases where a triggering event occurs and undiscounted expected future cash flows are less than the net book value, management would recognize an impairment loss equal to an amount by which the net book value exceeds the fair value of the asset. There were no significant impairments during the two years ended December 31, 2022, other than the impairment of assets held for sale described in note 3.

Leases

The Corporation determines if an arrangement is a lease at its inception and categorizes leases at inception as either operating or finance leases.

Leases are recognized as a right-of-use asset and a corresponding liability in lease liabilities at the date at which the leased asset is available for use by the Corporation. Right-of-use assets represent the Corporation's right to use an underlying asset during the lease term and lease liabilities represent the Corporation's obligation to make lease payments arising from the lease.

The lease liability is initially measured at the present value of the remaining lease payments, including variable lease payments that depend on an index or a rate. Renewal and termination options are included in the lease term when it is reasonably certain that they will be exercised. The lease liability is discounted using the interest rate implicit in the contract if this rate can be easily determined, otherwise, the lessee must use its incremental borrowing rate. Non-lease components noted in our lease contracts comprised of operating costs, real estate taxes and utilities costs and have been excluded in the measurement of the lease liability and related right-of-use asset, since these are variable payments that do not depend on an index or rate.

The right-of-use assets are initially measured at cost, which includes the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date including non-refundable security deposits.

Subsequent to the commencement date, the lease liability and right-of-use asset will continue to be measured as the present value of the remaining lease payments and an operating lease expense will be recorded in a single financial statement line item on a straight-line basis over the lease term. If a change to

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the lease were to happen, the lease liability would be remeasured to reflect those changes (e.g., changes in the lease term or changes in the lease payment).

A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. Rental payments under short-term leases or leases with low-value underlying assets are recorded in operating expenses on a straight-line basis over the duration of the lease.

Asset Retirement Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property. Such expected costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for as asset retirement obligation and capitalized to the carrying value of the assets, as soon as a legal obligation to incur such costs arises. A credit-adjusted, risk-free rate that reflects a risk premium reflecting the amount that market participants would demand as compensation for the uncertainty inherent in the cash flows is used for estimating the fair value of the liability. The related liability is adjusted in each period to reflect the accretion related to the time value of money, changes to the credit-adjusted, risk free rate and changes in the amount or timing of the underlying cash flows needed to settle the obligation.

Changes to the undiscounted cash flows are recognized as an increase or a decrease in both the liability for an asset retirement obligation and the related asset retirement cost. Upward revisions are discounted by using the current credit-adjusted, risk-free rate. Downward revisions are discounted by using the credit-adjusted, risk-free rate that existed when the original liability was recognized, or if the prior period to which the downward revision relates cannot be defined, a weighted-average, credit-adjusted, risk-free rate will be used instead to discount the downward revision to estimated future cash flows. The accretion of the liability is recognized as part of financial expenses in the statements of net loss.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized against the share capital.

Income and Mining Taxes

Current Income and Mining Taxes

Current income and mining tax is recognized in the statements of net loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case, the tax is also recognized in other comprehensive loss or directly in equity, respectively. Mining taxes represent Canadian provincial taxes levied on mining operations and are classified as income taxes since such taxes are based on a percentage of mining profits. The current income and mining tax charge reflects the expected tax payable using the tax laws enacted at the balance sheet date in the jurisdictions where the Corporation operates and generates taxable income.

Deferred Income and Mining Taxes

Deferred income tax is provided using the asset and liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Under that method, the change in the net deferred tax asset or liability is included in the statements of net loss. A temporary difference may arise on initial recognition of an asset or liability. In asset purchases that are not business combinations, a deferred tax asset or liability is recorded with the offset generally recorded against the assigned value of the asset.

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Deferred income tax assets and liabilities are measured using enacted rates that are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses and a valuation allowance is recognized to the extent that it is more likely than not (i.e. 50% or greater) that the deferred income tax assets will not be realized.

Deferred income and mining tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income or mining taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Corporation accounts for uncertainty in income taxes recognized in the financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

Investment Tax Credits

The Corporation is eligible to receive investment tax credits ("ITCs") related to certain of its exploration and evaluation expenditures. Refundable ITCs are accounted for as government assistance and are recognized when the related expenditures are incurred and there is reasonable assurance that the Corporation has met the requirements of the approved expenditure program, when there is reasonable assurance that benefits will be received, and all attached conditions have been complied with. Refundable ITCs related to exploration and evaluation expenditures are recorded against their related expenditure.

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3. Property, Plant and Equipment

					UNDER CONSTRUCTION			Mineral property	Total
	Land	Building	Vehicle	Office and computer	Whabouchi mine and concentrator	Bécancour site	Shawinigan site		
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2021 (unaudited)	100	10,133	1,475	706	330,308	-	146,200	25,929	514,851
Additions (unaudited)	121	-	-	-	285	-	-	534	940
Disposals (unaudited)	-	(140)	(1,059)	-	-	-	-	-	(1,199)
Asset retirement obligation (note 6) (unaudited)	-	-	-	-	1,547	-	-	-	1,547
Transfer to asset held for sale (unaudited)	(100)	(2,422)	-	-	-	-	(146,200)	-	(148,722)
Balance as at December 31, 2021 (unaudited)	121	7,571	416	706	332,140	-	-	26,463	367,417
Additions	3,378	45	75	-	845	1,373	-	372	6,088
Disposals	-	-	(90)	-	-	-	-	-	(90)
Transfers	-	311	-	-	(311)	-	-	-	-
Asset retirement obligation (note 6)	-	-	-	-	(3,103)	-	-	-	(3,103)
Balance as at December 31, 2022	3,499	7,927	401	706	329,571	1,373	-	26,835	370,312
Accumulated depreciation and impairment									
Balance as at January 1, 2021 (unaudited)	-	(224)	(375)	(584)	-	-	-	-	(1,183)
Depreciation (unaudited)	-	(93)	(101)	(70)	-	-	-	-	(264)
Disposal (unaudited)	-	45	278	-	-	-	-	-	323
Impairment (unaudited)	-	271	-	(2)	-	-	-	-	269
Balance as at December 31, 2021 (unaudited)	-	(1)	(198)	(656)	-	-	-	-	(855)
Depreciation	-	(60)	(63)	(27)	-	-	-	-	(150)
Disposals	-	-	35	-	-	-	-	-	35
Balance as at December 31, 2022	-	(61)	(226)	(683)	-	-	-	-	(970)
Carrying amounts									
As at December 31, 2021 (unaudited)	121	7,570	218	50	332,140	-	-	26,463	366,562
As at December 31, 2022	3,499	7,866	175	23	329,571	1,373	-	26,835	369,342

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3. Property, Plant and Equipment (continued)

Assets held for sale

	2022	2021
	\$	\$
		(unaudited)
Land	-	100
Shawinigan site	-	1,270
	-	1,370

In April 2021, after several trade-off studies, the Corporation's Board of Directors made the decision to build its conversion plant on a new site located in Bécancour and abandon the Shawinigan site, which was reclassified to assets held for sale. The fair value less cost to sell of the Shawinigan site was therefore estimated at \$1,370, which resulted as an impairment of \$147,083 in 2021. The historical asset cost was composed of construction in progress, consisting mainly of project engineering, equipment and site preparation, and capitalized financing costs. The fair value of the Shawinigan site was determined on publicly available and active market listings for industrial properties in the Shawinigan region less costs to sell which includes demolition and rehabilitation costs.

In 2022, the discussions with the potential buyer of the Shawinigan site progressed. However, the exchanges lead to indications that the fair value less cost to sell of the Shawinigan site would be nominal resulting in an additional impairment of \$1,370.

4. Intangible Assets

	2022	2021
	\$	\$
		(unaudited)
Software	2,049	2,049
Accumulated amortization	(1,833)	(1,517)
Intangible assets, net	216	532

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5. Long-Term Debt

	<u>2022</u>	<u>2021</u>
	\$	\$
		(unaudited)
Unsecured obligation	5,688	9,104
Promissory note	-	39,283
Total	5,688	48,387
Current portion	3,416	42,699
Non-current portion	2,272	5,688

Unsecured obligation

In November 2014, the Corporation entered into an impact and benefits agreement (the "Chinuchi Agreement") for the Whabouchi Project with the Cree Nation of Nemaska, the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority (together the "Cree Parties"). The Chinuchi Agreement is a binding agreement that governs the long-term working relationship between the Corporation and the Cree Parties during all phases of the Whabouchi Project which triggered a liability of \$20,499 pursuant to the terms of the Chinuchi Agreement.

Under the terms of this agreement, the Corporation will pay interest at a rate of 4.75 % per annum quarterly in arrears on the principal balance amount of the liability. Principal repayments, along with related interest, will be made in an estimated 25 quarterly installments, in arrears, starting on the first day of the following quarter as prescribed in the Chinuchi Agreement. For the year ended December 31, 2022, interest of \$372 (2021 – \$534) was capitalized to the mineral property (note 3).

The following table sets out the fixed amount obligation as set out in the Chinuchi Agreement:

	<u>2022</u>	<u>2021</u>
	\$	\$
		(unaudited)
Balance – January 1	9,104	13,375
Repayment	(3,416)	(4,271)
Balance – December 31	5,688	9,104
Current portion	3,416	3,416
Non-current portion	2,272	5,688

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Promissory note

On December 1, 2020, the Corporation entered a promissory note with Orion for a total amount of US\$28,444 (\$36,214) bearing interest at an annual rate of 8%. The promissory note was repaid in full on October 14, 2022. The repayment of \$45,900 included \$6,487 of interest.

	<u>2022</u>	<u>2021</u>
	\$	\$ (unaudited)
Balance – January 1	39,283	36,485
Repayment	(45,900)	-
Interest expense	2,636	3,027
Foreign exchange impact	3,981	(229)
Balance – December 31	-	39,283
Current portion	-	39,283
Non-current portion	-	-

6. Asset Retirement Obligation

The Corporation has recorded an asset retirement obligation for costs associated with mine reclamation and closure activities at the Whabouchi Project.

As of December 31, 2022, estimated inflation-adjusted discounted cash flows required asset retirement obligation of \$5,654 (2021 – \$8,757), using a 2% inflation rate (2021 – 2%) and a 3.28% credit-adjusted risk-free discount rate (2021 – 1.76%) and assuming that the disbursements would be made in 2056. The undiscounted amount of this liability was estimated using the expected value method, which is based on the restoration plan, which included a contingency factor, for inflation-adjusted costs increasing to \$8,620 (2021 – \$8,072).

Following the approval of the restoration plan by the authorities, the Corporation received its mining lease for the Whabouchi Mine and, as at December 31, 2022, made payments totalling \$12,105 (\$9,206 as of December 31, 2021) covering a portion of the estimated restoration costs. These amounts are presented as restricted cash. The Corporation made additional payments of \$1,453 and \$1,452 in February 2023 and February 2024 respectively (note 10).

The asset retirement obligation changed as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$ (unaudited)
Balance – January 1	8,757	7,210
Change of estimate	(3,103)	1,547
Balance – December 31	5,654	8,757

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7. Financial Liability

In May 2016, the Corporation entered into a supply agreement for \$12,000 with a third party.

In 2020, the agreement was terminated, and the parties agreed to negotiate a new agreement subsequent to the CCAA restructuring.

In February 2022, a new agreement was signed by the parties and an amount of \$11,358 was reimbursed by the Corporation as final settlement for the amount received. The balance of \$642 was released to the Corporation without conditions on December 31, 2022, as per the agreement.

	<u>2022</u>	<u>2021</u>
	\$	\$
		(unaudited)
Balance – January 1	12,000	12,000
Repayment	(11,358)	-
Gain on debt extinguishment	(642)	-
Balance – December 31	<u>-</u>	<u>12,000</u>

8. Share Capital

The Corporation is authorized to issue an unlimited number of common shares without par value.

In the year ended December 31, 2022, the Corporation issued 38,111,384 common shares entitled to discretionary dividend at an average price of \$3.15 per share for aggregate gross proceeds of \$120,000.

In the year ended December 31, 2021, the Corporation issued 20,000,000 common shares entitled to discretionary dividend at an average price of \$1.90 per share for aggregate gross proceeds of \$38,060.

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9. Income and Mining Taxes

For the years ended December 31, 2022 and 2021, no current or deferred income and mining tax expense was recorded.

The income tax expense differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% (2021 – 26.5%) to the loss before taxes for the following reasons:

	Years Ended December 31,	
	2022	2021
	\$	\$
		(unaudited)
Net loss before taxes	(69,628)	(176,340)
Tax using the Corporation's domestic tax rate	(18,451)	(46,730)
<u>Increase/(decrease) in income taxes resulting from:</u>		
Non-taxable income and other	353	(20)
Current year losses for which no deferred tax assets recognized	16,589	46,750
Adjustment in respect to prior years	1,509	-
Income tax expense	<u>-</u>	<u>-</u>

Movement in temporary differences during the years are detailed as follows:

	As at January 1, 2022	Recognized in profit/(loss)	As at December 31, 2022
	\$	\$	\$
	(unaudited)		(unaudited)
Net operating losses and research and development expenses	53,399	(2,136)	51,263
Property, plant and equipment	(70,890)	2,136	(68,754)
	<u>(17,491)</u>	<u>-</u>	<u>(17,491)</u>

	As at January 1, 2021	Recognized in profit/(loss)	As at December 31, 2021
	\$	\$	\$
	(unaudited)	(unaudited)	(unaudited)
Net operating losses and research and development expenses	93,093	(39,694)	53,399
Property, plant and equipment	(110,584)	39,694	(70,890)
	<u>(17,491)</u>	<u>-</u>	<u>(17,491)</u>

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The Corporation recorded a valuation allowance on the net deferred income tax assets in respect of the following items:

	As of December 31,	
	2022	2021
	\$	\$
		(unaudited)
Net operating losses and research and development expenses	128,006	108,408
Intangible assets	2,186	2,102
Asset retirement obligation	1,498	2,321
Financing fees	1,978	3,822
Long-term debt	1,507	2,413
Other items	353	(126)
	<u>135,528</u>	<u>118,940</u>

Deferred income tax assets have not been recognized in respect of these items because of the uncertainties that future taxable profit will be available against which the Corporation can utilize these benefits. As such, the Corporation determined that it was not more likely than not (i.e. 50% or greater) that these deferred income tax assets will be realized.

The Corporation files income tax returns in Canada. In the normal course of business, the Corporation could be subject to examination by federal and provincial jurisdictions, where applicable.

The calculation of the Corporation's tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations for both federal taxes and the province in which the Corporation operates or does business in. ASC 740 states that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits.

The Corporation records uncertain tax positions as liabilities in accordance with ASC 740 and adjusts these liabilities when the Corporation's judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available. As of December 31, 2022 and 2021, no uncertain tax positions have been recorded in the financial statements.

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As at December 31, 2022, the Corporation has the following non-capital tax losses, available to reduce future years income for tax purposes:

Year incurred	Year of expiry	Federal	Provincial
		\$	\$
2018	2034	4,657	6,650
2019	2035	44,910	44,939
2020	2036	138,350	138,473
2020	2037	35,219	35,279
2020	2038	37,287	37,287
2020	2039	244,096	243,658
2020	2040	44,064	44,063
2021	2041	42,010	41,998
2022	2042	70,747	70,747
		<u>661,340</u>	<u>663,094</u>

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10. Commitments

As of December 31, 2022, the significant commitments are detailed in the following table:

	Total	Less than a year	Between 1 and 2 years
	\$	\$	\$
Leases	316	158	158
Capital commitments	1,002	1,002	-
Rehabilitation fund (note 6)	2,905	1,453	1,452
Contractual purchase commitments	18,737	18,737	-
	<u>22,960</u>	<u>21,350</u>	<u>1,610</u>

Leases

Right-of-use assets

	2022	2021
	\$	\$
		(unaudited)
Balance – January 1	-	-
Additions	224	-
Depreciation	(37)	-
Balance – December 31	<u>187</u>	<u>-</u>

Lease liabilities

	2022	2021
	\$	\$
		(unaudited)
Balance – January 1	-	-
Additions	224	-
Repayments	(37)	-
Balance – December 31	<u>187</u>	<u>-</u>
Current portion	107	-
Non-current portion	80	-

During the year ended December 31, 2022, expenses of \$105 (2021 – \$99) had been recognized in net loss relating to short-term leases and variable lease payments not included in the measurement of lease liabilities. All of the Corporation's leases are operating leases as of December 31, 2022.

As of December 31, 2022, the Corporation's operating leases had a weighted average remaining lease term of 1.8 years and a weighted average discount rate of 8.3%.

There are no restrictions or covenants imposed by the leases.

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11. Financial Instruments, Risk Management and Fair Value Measurements

Fair value of financial instruments

The carrying amounts of the current financial assets and liabilities which include cash, accounts payable, other receivables and accrued liabilities, approximate their fair value due to the short-term nature of these financial instruments.

The carrying amount of restricted cash approximate their fair value due to their nature and are considered Level 2 investments.

The following table shows the carrying amount and fair value of financial assets and liabilities, and their level in the fair value hierarchy:

	Level	2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
				(unaudited)	(unaudited)
Liabilities					
Long-term debt	3	5,688	5,270	48,387	47,844
Financial liability	3	-	-	12,000	12,000
		5,688	5,270	60,387	59,844

The Corporation's financial liabilities are measured at amortized cost. The estimated fair value of the Corporation's financial liabilities has been calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The inputs used to measure fair value are classified into the following hierarchy:

Level 1: Inputs used to measure fair value are unadjusted quoted prices available in active markets for the identical assets or liabilities.

Level 2: Inputs used to measure fair value, other than quoted prices included in Level 1, are either directly or indirectly observable through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in inactive markets. Level 2 also includes assets and liabilities valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

Level 3: Inputs used to measure fair value are unobservable inputs.

Credit risk

Credit risk is the risk of a financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Corporation's cash and restricted cash. The carrying amount of these financial assets represents the Corporation's maximum exposure to credit risk as at the date of the financial statements. The credit risk on cash is limited because the

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counterparties are banks with high credit ratings assigned by international credit-rating agencies. The credit risk on restricted cash is also limited as the counterparty is the provincial government.

12. Related party transactions

Management fees amounting to \$2,590 were paid to TPG in connection with their role as initial manager following the CCAA restructuring in 2022 (2021 – \$2,522). The transactions were conducted at the exchange amount, which is the amount determined by the parties.

13. Subsequent Events

The Corporation has evaluated subsequent events through the date these financial statements were issued. Except as noted below, the Corporation concluded that no additional subsequent events have occurred that require disclosure.

In May 2023, the Corporation entered into a long-term agreement with a customer for the supply of lithium products, over an 11-year period. The agreement calls for the delivery of up to 13,000 tons of lithium hydroxide per year. The agreement also provides that prior to commencing delivery of lithium hydroxide produced in Bécancour, Nemaska will supply spodumene concentrate from its Whabouchi Project.

In October 2023, the Corporation entered into a non-interest bearing debt agreement. The principal is repayable in quarterly instalments beginning in January 2027 and ending in October 2031. Through the date at which these financial statements were approved for issuance, US\$75,000 were drawn.

On January 4, 2024, Livent and Alkem Limited completed their merger of equals transaction and began operating under the name Arcadium Lithium plc (NYSE:ALTM) (ASX:LTM).

Up to the issuance date of these financial statements, the Corporation issued 15,712,944 common shares for \$21.32 each for a total amount of \$335,000. These shares were issued 50-50 in favor of IQ and QLP.

