

PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON SEPTEMBER 21, 2018.

This rights offering circular (this “Circular”) has been prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.

This is the Circular we referred to in the August 22, 2018 rights offering notice (the “Notice”). Your rights certificate and relevant forms were enclosed with the Notice. This Circular should be read in conjunction with the Notice and our continuous disclosure prior to making an investment decision.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. This Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.

Rights Offering Circular

August 22, 2018

LSC LITHIUM CORPORATION

Offering of Rights to Acquire up to 22,988,000 Units at a Subscription Price of C\$0.40 per Unit for aggregate gross proceeds of up to C\$9.2 million

The rights offering is being undertaken to raise additional working capital and to provide additional sources of financing for potential business development initiatives. While the rights offering is not being conducted to raise financing for any specific transaction, LSC believes that it is in the best interests of LSC and its shareholders for LSC to have sources of capital available to capitalize on potential transactions that may arise as a result of LSC’s ongoing evaluation.

OFFERING OF RIGHTS TO SUBSCRIBE FOR UNITS AT A PRICE OF \$0.40 PER UNIT

References in this Circular to “we”, “our”, “us” and similar terms are to LSC Lithium Corporation (“LSC” or the “Company”). References in this Circular to “you”, “your” and similar terms are to holders of LSC’s common shares. Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

SUMMARY OF THE RIGHTS OFFERING

Why are you reading this Circular?

We are issuing to the holders of our outstanding common shares (“Common Shares”) of record at the close of business on August 27, 2018 (the “Record Date”) and who are resident in any province or territory of Canada (the “Eligible Jurisdictions”), rights to subscribe for Units of LSC (“Units”) on the terms described in this Circular. The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of the rights offering (the “Rights Offering”). This Circular should be read in conjunction with the Notice.

What is being offered?	Each holder of Common Shares on the Record Date who is resident in an Eligible Jurisdiction will be offered 0.16142 of one right (each whole right, a “ Right ”) for each one Common Share held.
Who is eligible to receive Rights?	The Rights are being offered only to shareholders resident in Eligible Jurisdictions (“ Eligible Holders ”). Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the Notice nor this Circular is to be construed as an offering of the Rights, nor are the Units issuable upon exercise of the Rights offered for sale, in any jurisdiction outside of Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“ Ineligible Holders ”). Ineligible Holders will not be offered Rights. Instead, subject to limited exceptions set out in this Circular, Ineligible Holders will be sent a letter advising them that their Rights will be held on their behalf by TSX Trust Company (the “ Depository ”), who will hold such Rights as agent for the benefit of all such Ineligible Holders. See “ <i>How to Exercise the Rights - Who is eligible to receive the Rights?</i> ”
What does one Right entitle you to receive?	<p>You are entitled to subscribe for one Unit for every one Right held upon payment of the Subscription Price (as defined herein) per Unit (the “Basic Subscription Privilege”).</p> <p>Each Unit consists of one Common Share and half of one share purchase warrant entitling the holder thereof to purchase one Common Share for each one whole warrant held at an exercise price of \$0.55 (a “Warrant”). The Warrants will be exercisable for a period of 18 months from the date of issuance.</p> <p>No fractional Rights will be issued. Fractional amounts of Rights will be rounded down to next lowest whole number of Rights, with no additional compensation. Where the exercise of Rights would entitle the holder of Rights to fractional Warrants, the holder’s entitlement will be rounded down to the next lowest whole number of Warrants, with no additional compensation.</p> <p>If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata for Units (the “Additional Units”) not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (the “Additional Subscription Privilege”).</p>
What is the subscription price?	Eligible holders must pay \$0.40 per Unit to exercise the Rights (the “ Subscription Price ”).
When does the offer expire?	5:00 p.m. (Toronto time) on September 21, 2018 (the “ Expiry Date ”).
What are the significant attributes of the Rights	You are entitled to subscribe for one Unit for every one Right held upon payment of the Subscription Price per Unit. Each Unit consists

issued under the Rights Offering and the securities to be issued upon the exercise of the Rights?

of one Common Share and half of one Warrant.

Each whole Warrant entitles the holder thereof to purchase one Common Share for at an exercise price of \$0.55 anytime during the 18 month period following the date the Units are issued. The Warrants will be issued pursuant to an indenture entered into between LSC and TSX Trust Company. Holders of Warrants do not have any rights as a shareholder of LSC, unless and until such time as such Warrants are exercised for Common Shares.

We are authorized to issue an unlimited number of Common Shares, of which, as at the date hereof, 142,403,974 are issued and outstanding. Holders of Common Shares are entitled to dividends if, as and when declared by our directors, to one vote per share at meetings of our shareholders and, upon liquidation, to receive such assets of LSC as are distributable to the holders of the Common Shares.

What are the minimum and maximum number of Units that may be issued under the Rights Offering?

There is no minimum number of Units that may be issued under the Rights Offering. However, LSC has obtained standby commitments from certain shareholders to subscribe for a number of Units that will ensure minimum aggregate gross proceeds from the Rights Offering of \$5,200,000. See “*Standby Commitments*” below.

A maximum of 22,988,000 Units (the “**Maximum Offering**”) will be issued under the Rights Offering. A maximum of 22,988,000 Common Shares and 11,494,000 Warrants will also be issued pursuant to the Rights Offering (one Common Share and one half of one Warrant for each Unit issued).

Where will the Rights and the securities issuable upon the exercise of the Rights be listed for trading?

The Rights will be listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “LSC.RT”. The Rights will trade on the TSXV until 12:00 p.m. (Toronto time) on September 21, 2018.

The Units issuable upon the exercise of the Rights will not be listed on the TSXV, and no certificates representing the Units will be issued. **There is no market through which the Units may be sold.**

The Warrants will not be listed on the TSXV. **There is no market through which the Warrants may be sold.**

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Forward-looking statements in this Circular include, without limitation, statements with respect to: the timing for the expected completion of the Rights Offering; the listing of the Rights on the TSXV; our expectations regarding the estimated costs of the Rights Offering and the net proceeds to be available upon completion; the use of proceeds from the

Rights Offering and the availability of funds from sources other than the Rights Offering; the impact of the Rights Offering on the control of LSC; our expectations regarding insider participation in the Rights Offering; the anticipated dilution to shareholders who do not participate in the Rights Offering; the irrevocable commitments of certain shareholders to exercise Rights under the Rights Offering; and our ability to continue as a going concern.

Forward-looking statements are subject to a number of risks and uncertainties that may cause our actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, us. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to the availability and cost of funds; closing the Rights Offering; delays in obtaining or failure to obtain required approvals to complete the Rights Offering, and the Standby Commitments; the uncertainty associated with estimating costs to complete the Rights Offering, including those yet to be incurred; and other risks related to our business and the Rights Offering and the Standby Commitments.

The information contained herein and any forward-looking statement speaks only as of the date on which it is made and is subject to change. We disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise, except as may be required by applicable securities laws. Although we believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Rights Offering?

If all Rights are exercised, we will have approximately \$9,195,200 in available funds. If no Rights are exercised by any shareholder other than the Standby Purchasers (as defined herein), we will raise \$5,200,000 (see “*Standby Commitments*”). The funds from the Standby Purchasers will be advanced as part of the Rights Offering. We expect the proceeds raised under the Standby Agreements from the Rights Offering will be sufficient to meet our working capital requirements for the 12 months from the date of this Circular. The following table sets forth the available funds to LSC following the Rights Offering.

		Assuming Stand-By Purchasers Only (\$) ⁽²⁾	Assuming 15% of Rights Offering (\$)	Assuming 50% of Rights Offering (\$)	Assuming 75% of Rights Offering (\$)	Assuming 100% of Rights Offering (\$)
A	Gross Amount to be raised by the Rights Offering ⁽¹⁾	5,200,000 ⁽³⁾	5,200,000 ⁽⁴⁾	5,200,000 ⁽⁴⁾	6,896,400	9,195,200
B	Selling commissions and fees	Nil	Nil	Nil	Nil	Nil
C	Estimated Rights Offering costs (e.g., legal, accounting, TSX-V fees)	130,000	130,000	130,000	130,000	130,000
D	Available funds: D = A – (B+C)	5,070,000	5,070,000	5,070,000	6,766,400	9,065,200
E	Additional sources of funding required	Nil	Nil	Nil	Nil	Nil

F	Working capital deficiency	Nil	Nil	Nil	Nil	Nil
G	TOTAL: G = (D+E) – F	5,070,000	5,070,000	5,070,000	6,766,400	9,065,200

- (1) Rounded down to the nearest whole dollar.
- (2) See “Standby Commitments” below.
- (3) If only the Standby Commitments are exercised, the Standby Purchasers will subscribe for an aggregate of 13,000,000 Units at the Subscription Price for aggregate gross proceeds of \$5,200,000. See “Standby Commitments” below.
- (4) See note 3 above. The Standby Commitments represent, collectively, 57% of the Rights Offering, so there is no scenario where less than that portion of the Rights Offering will be taken up. See “Standby Commitments” below.

How will we use the available funds?

Description of intended use of available fund listed in order of priority	Assuming Stand-By Commitments Only (\$)	Assuming 50% of Rights Offering (\$)	Assuming 75% of Rights Offering (\$)	Assuming 100% of Rights Offering (\$)
Expenditures to advance resource projects	2,000,000	1,147,000	3,110,000	5,170,000
Engineering expenditures	502,000	705,000	897,000	1,117,000
Commitments relating to tenement acquisitions	1,923,000	1,923,000	1,923,000	1,923,000
General corporate purposes	775,000	775,000	895,000	990,000
Total	5,200,000	4,550,000	6,825,000	9,200,000

The net proceeds of the Offering will be used to support ongoing development activities at the Company’s major projects, Pozuelos-Pastos Grandes Project, Rio Grande Project and Salinas Grandes Project. A comprehensive development and engineering program on the Pozuelos-Pastos Grandes Project is currently underway in support of completing a Preliminary Economic Assessment by the end of Q4 2018. This program includes geophysics, drilling, pump tests, the completion of the Environmental Baseline Study in Q4 2018 and identifying means to optimise process recovery, operating costs, capital costs and implementation schedule. The work program is in place to fast-track the Pre-Feasibility Study on the Pozuelos-Pastos Grandes Project by mid-2019. Funds will also be allocated to an exploration program on the Salar de Rio Grande for the purpose of delivering an updated resource statement and further exploration work on LSC’s Salar de Salinas Grandes with a view of completing a maiden mineral resource.

The allocation of the net proceeds of the Offering may be adjusted within the stated categories of expenditures above depending on, among other things, the amount raised under the Offering, timing of receipt of required governmental approvals, availability of equipment and services, and general market conditions. Furthermore, although the Company intends to use the net proceeds from the Offering as set forth above, there may be circumstances where for sound business reasons that are dependent on a number of factors, a reallocation of funds may be deemed prudent or necessary and may vary from that set forth above.

The Company had negative cash flow from operating activities for the three and nine months ended May 31, 2018 that was not sufficient to cover its exploration, development and overhead expenditures. If the Company does not achieve positive cash flow, it will be necessary for the Company to raise additional

equity or debt. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable to the Company.

How long will the available funds last?

In addition to current liquidity, we estimate that the funds raised under the Stand-By Agreement will provide sufficient funds of \$5.2 million to last at least 12 months.

INSIDER PARTICIPATION

Will insiders be participating?

LSC has been advised that certain of its directors and senior officers, as of the date hereof, intend to exercise the Rights they are issued in connection with the Rights Offering.

Who are the holders of 10% or more of our securities before and after the Rights Offering?

To our knowledge, there are no persons who currently hold 10% or more of our Common Shares or who would hold 10% or more upon completion of the Rights Offering except as indicated below:

Name	Holdings of Common Shares before the Rights Offering (non-diluted)⁽¹⁾	Holdings after the Rights Offering
Sentient Group of Global Resource Funds ⁽²⁾	24,199,892	24,199,892
Ho Sok Lim ⁽³⁾	26,022,008	32,522,008 ⁽⁴⁾

- (1) LSC and its directors and officers do not warrant the accuracy of third party share ownership information.
- (2) The Sentient Group of Global Resource Funds beneficially controls, owns, or directs 24,199,892 Common Shares through: Rincon Ltd. (formerly Enirgi Group Corporation) (“Rincon”) a privately held company, which holds 20,599,892 Common Shares, and Sentient Executive GP IV, Limited (on behalf of Sentient Global Resources Fund IV, L.P.) which holds 3,600,000 Common Shares.
- (3) Mr. Lim holds 3,112,033 Common Shares directly and 22,909,975 Common Shares through BMC Global Limited, a company beneficially owned and controlled by Mr. Lim.
- (4) See “Standby Commitments”.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

Assuming that all of the Rights are exercised (either pursuant to the Basic Subscription Privilege or Additional Subscription Privilege), then your shareholdings will be diluted by approximately 16% (24% assuming full exercise of the Warrants comprising part of the Units) if you do not exercise any Rights.

STANDBY COMMITMENTS

Who are the Standby Purchasers and what are the fees?

We have entered into two standby purchase agreements (the “Standby Agreements” and each a “Standby Agreement”). One Standby Agreement is with Regent Mercantile Holdings Limited, a corporation controlled by Stephen Dattels, Chairman and Founder of LSC, and the other is with BMC Global Limited (“BMC”), a significant shareholder of LSC (see “Insider Participation – Who are the holders of 10% or more of our securities before and after the Rights Offering?” above) (collectively, the “Standby Purchasers”). None of the Standby Purchasers have acted or are acting jointly or in concert with one another.

Pursuant to the Standby Agreements, each Standby Purchaser has agreed, subject to certain terms, conditions and limitations contained within each Standby Agreement, to subscribe for up to 6,500,000 Units, for a total of 13,000,000 Units by both Standby Purchasers. The number of Units that each Standby Purchaser will be required to subscribe for under the applicable Standby Agreement will be 50% of the difference between 13,000,000 Units and the number of Units actually subscribed for under the Basic Subscription Privilege and the Additional Subscription Privilege (see “*What is the Additional Subscription Privilege and how can you exercise this privilege?*”), provided that this difference is a positive number (the “**Standby Commitments**”). The Standby Commitments ensure that a minimum of 13,000,000 Units will be subscribed for and minimum gross proceeds of \$5,200,000 will be raised under the Rights Offering.

The Standby Agreements contain certain conditions precedent that must be satisfied by the closing date for the Rights Offering, and if any such conditions precedent are not satisfied (or waived by the party for whose benefit the condition precedent exists), the Standby Agreement may be terminated. The Standby Agreements contain provisions customary in a transaction of this nature. No fees are being paid to any of the Standby Purchasers under the Standby Agreements.

Have we confirmed that each Standby Purchaser has the financial ability to carry out its Standby Commitment?

To the knowledge of LSC, after reasonable inquiry, each of the Standby Purchaser has the financial ability to carry out its Standby Commitment.

What are the security holdings of the Standby Purchasers before and after the offering?

Name	Holdings of Common Shares before the offering (non-diluted)	Holdings of Common Shares after the offering if the Standby Purchaser takes up its entire Standby Commitment ⁽¹⁾
	Number	Number
Regent Mercantile Holdings Limited	7,006,913	13,506,913
BMC Global Limited	22,909,975	29,409,975

(1) Does not include Common Shares issuable pursuant to the Warrants included in the Units issuable upon the exercise of Rights.

HOW TO EXERCISE THE RIGHTS

How does a security holder that is a registered holder participate in the Rights Offering?

If you are a registered holder of common shares in an Eligible Jurisdiction, a certificate (the “**Rights Certificate**”) representing the total number of transferable Rights to which you are entitled as of the Record Date has been mailed to you with a copy of the Notice. To exercise the Rights represented by the Rights Certificate, you must complete and deliver the Rights Certificate in accordance with the instructions set out below. Rights not exercised at or prior to 5:00 p.m. (Toronto time) on the Expiry Date (the “**Expiry Time**”) will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights Certificate and delivery to the Depository will only be effective when actually received by the Depository at its office. See “*Appointment of Depository – Who is the Depository?*” Rights Certificates and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights, you must:

1. ***Complete and sign Form 1 on the Rights Certificate.*** The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown in the box on the upper right hand corner of the face of the Rights Certificate. If you complete Form 1 so as to exercise some but not all of the Rights evidenced by the Rights Certificate, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Depository at the time the Rights Certificate is surrendered to the Depository.
2. ***Additional Subscription Privilege.*** Complete and sign Form 2 on the Rights Certificate only if you also wish to participate in the Additional Subscription Privilege. You must exercise the Basic Subscription Privilege in full to be eligible to exercise the Additional Subscription Privilege. See “*How to Exercise the Rights? – What is the Additional Subscription Privilege and how can you exercise this privilege?*”
3. ***Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of TSX Trust Company.*** To exercise the Rights, you must pay \$0.40 per Unit, and you may purchase one Unit for every one Right you hold. In addition to the amount payable for any Units you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Units subscribed for under the Additional Subscription Privilege. Amounts paid in respect of the Additional Subscription Privilege not ultimately used to acquire Rights will be returned to you. See “*How to Exercise the Rights? - What is the Additional Subscription Privilege and how can you exercise this privilege?*”
4. ***Delivery.*** Deliver or mail the completed Rights Certificate and payment in the enclosed return envelope addressed to the Depository at the address below so that it is received before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

TSX Trust Company
301 – 100 Adelaide St. West
Toronto, ON M5H 4H1

Attention: Corporate Actions

The signature of the Rights Certificate holder must correspond in every particular with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Depository. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Units pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Depository is under any duty to give any notice of any defect or irregularity in any subscription, nor will we or the Depository be liable for the failure to give any such notice.

How does a security holder that is not a registered holder participate in the Rights Offering?

You are a beneficial Eligible Holder if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as of the Record Date are entitled will be issued to CDS and will be

deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Depositary will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Unit that you wish to subscribe for; and
2. you may subscribe for Additional Units pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Units you wish to subscribe for, and forwarding to such Participant the Subscription Price for such Additional Units requested.

Any excess funds will be returned to the applicable Participant for the account of the beneficial holder, without interest or deduction.

Can I combine, exchange or divide my Rights Certificate?

Rights Certificates may be combined, divided or exchanged by delivering such Rights Certificates, accompanied by appropriate instructions or a completed Form 4 on the Rights Certificate, to the office listed under the heading “*Appointment of Depositary – Who is the Depositary?*” Rights Certificates must be surrendered for division, combination or exchange by such date as will permit new Rights Certificates to be issued and used by the holder thereof prior to the Expiry Time.

Who is eligible to receive Rights?

No offering outside of Eligible Jurisdictions. The Rights Offering is made only to Eligible Shareholders. Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of LSC. This Circular is not to be construed as an offering of a Rights Certificate, nor the Units issuable upon exercise of the Rights, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions.

Ineligible Holders may not acquire Rights Certificates or the Units issuable upon exercise of the Rights. We will not issue or forward Rights Certificates to Ineligible Holders. Ineligible Holders will be presumed to be resident in the place of their registered address.

Ineligible Holders will be sent a letter advising them that, subject to the exceptions set out in (a) and (b), below, Rights Certificates will be issued to and held on their behalf by the Depositary until 5:00 p.m. (Toronto Time) on September 11, 2018, after which time and prior to the Expiry Time, the Depositary shall attempt to sell the Rights of such Ineligible Holders represented by Rights Certificates in the possession of the Depositary on such date(s) and at such price(s) as the Depositary determines in its sole discretion.

Notwithstanding the foregoing paragraph:

- (a) if a registered shareholder that is an Ineligible Holder holds Common Shares for the benefit of a beneficial owner resident in an Eligible Jurisdiction, the Ineligible Holder may be able to exercise the Rights issued in respect of such Common Shares for the benefit of the beneficial owner provided that the Ineligible Holder notifies the Depositary of their desire to exercise such Rights and delivers to the Depositary, prior to 5:00 p.m. (Toronto time) on September 11, 2018, evidence satisfactory to LSC, in its sole discretion, that the beneficial owner is resident in an Eligible Jurisdiction and satisfying LSC that such subscription is lawful and in compliance with all securities and other applicable laws; and
- (b) a registered shareholder that is an Ineligible Holder may be able to exercise the Rights issued in respect of the Common Shares held by such Ineligible Holder provided that the Ineligible Holder notifies the Depositary of their desire to exercise such Rights and delivers to the Depositary prior to prior to 5:00 p.m. (Toronto time) on September 11, 2018, evidence satisfactory to LSC, in its sole discretion, that such Ineligible Holder is entitled to receive, own and exercise the Rights and that the distribution to, and exercise by, such person of such Rights is not unlawful and is exempt from any prospectus or similar filing requirement under the laws applicable to such person or the laws of such person's place of residence and does not require obtaining any approvals of a regulatory authority in such person's place of residence.

No charge will be made for the sale of Rights by the Depositary except for a proportionate share of any brokerage commissions incurred by the Depositary and costs incurred by the Depositary in connection with the sale of the Rights. Ineligible Holders will not be entitled to instruct the Depositary in respect of the price or the time at which the Rights are to be sold. The Depositary will endeavour to effect sales of Rights on the open market and any proceeds received by the Depositary with respect to the sale of Rights, net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such Ineligible Holders and delivered by mailing cheques (in Canadian funds) of the Depositary therefor as soon as practicable to such Ineligible Holders at their addresses recorded on LSC's books. Amounts of less than \$10.00 will not be remitted. The Depositary will act in its capacity as agent of the Ineligible Holders on a best efforts basis only and we and the Depositary do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any Ineligible Holder. Neither we nor the Depositary will be subject to any liability for the failure to sell any Rights of Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day. ***There is a risk that the proceeds received from the sale of Rights will not exceed the costs incurred by the Depositary in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.***

Holders of Rights who are not resident in Canada should be aware that the acquisition and disposition of Rights or Units may have tax consequences in the jurisdiction where they reside, which are not described herein. Accordingly, such holders should consult their own tax advisors about the specific tax consequences in the jurisdiction where they reside of acquiring, holding and disposing of Rights or Units.

What is the Additional Subscription Privilege and how can you exercise this privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for Additional Units that have not been subscribed and paid for by other Rights holders pursuant to the Basic Subscription Privilege pursuant to the Additional Subscription Privilege.

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Privilege in full by completing Form 1 on the Rights Certificate for the maximum number of Units that you may subscribe for and also complete Form 2 on the Rights Certificate, specifying the number of Additional Units desired. Send the purchase price for the Additional Units under the Additional Subscription Privilege with your Rights Certificate to the Depository. The purchase price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of TSX Trust Company. These funds will be placed in a segregated account pending allocation of the Additional Units, with any excess funds being returned by mail without interest or deduction. CDS, as a holder of Rights, will not be required to fully exercise all of its Rights pursuant to the Basic Subscription Privilege in order to subscribe for additional Units pursuant to the Additional Subscription Privilege.

If the aggregate number of Additional Units subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Units, each such holder of Rights will be allotted the number of Additional Units subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Units subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Units, each such holder of Rights will be entitled to receive the number of Additional Units equal to the lesser of:

1. the number of Additional Units subscribed for by the holder under the Additional Subscription Privilege; and
2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Units available through unexercised Rights by a fraction, the numerator of which is the number of Rights previously exercised by the holder and the denominator of which is the aggregate number of Rights previously exercised by all holders of Rights who have subscribed for Additional Units under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Depository will mail to each holder of Rights who completed Form 2 on the Rights Certificate, a certificate for the Additional Units which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Units by such holder under the Additional Subscription Privilege, without interest or deduction.

Beneficial holders of Rights

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf, in each case in accordance with the instructions provided to you by your Participant.

How does a Rights holder sell or transfer Rights?

The Rights will trade on the TSXV under the trading symbol “LSC.RT” until 12:00 p.m. (Toronto time) on September 21, 2018. Holders of Rights Certificates not wishing to exercise their Rights may sell or transfer them directly or through their securities broker or dealer at the shareholder’s expense, subject to any applicable resale restrictions. Rights Certificates will not be registered in the name of an Ineligible Shareholder. Holders of Rights Certificates may elect to exercise only a part of their Rights and dispose of the remainder, or dispose of all of their Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Depositary as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your Rights, complete Form 3 (the “**Transfer Form**”) on the Rights Certificate, have the signature guaranteed by an “eligible institution” to the satisfaction of the Depositary and deliver the Rights Certificate to the transferee. For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), or a member of the Stock Exchange Medallion Program (SEMP). Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

It is not necessary for a transferee to obtain a new Rights Certificate to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular with the name of the transferee shown on the Transfer Form. If the Transfer Form is properly completed, LSC and the Depositary will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the Rights Certificate for all purposes and will not be affected by notice to the contrary. A Rights Certificate so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the transfer of Rights through that Participant by contacting your Participant.

When can you trade securities issuable upon the exercise of your Rights?

The Units issuable upon the exercise of the Rights will not be listed on the TSXV, and no certificates representing the Units will be issued. ***There is no market through which the Units may be sold.*** The Warrants will not be listed on the TSXV. ***There is no market through which the Warrants may be sold.***

Common Shares are listed on the TSXV under the symbol “LSC”.

Are there restrictions on the resale of securities?

The Units issuable upon exercise of Rights distributed to shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of LSC; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of LSC, the selling security holder has no reasonable grounds to believe that LSC is in default of securities legislation.

The Rights and the Units issuable upon the exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person.

Will we issue fractional underlying securities upon exercise of the Rights?

No. Where the exercise of Rights would appear to entitle the holder of Rights to fractional Warrants, the holder's entitlement will be rounded down to the next lowest whole number of Warrants, with no additional compensation.

APPOINTMENT OF DEPOSITARY

Who is the Depositary?

TSX Trust Company is the depositary for the Rights Offering. The Depositary has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

ADDITIONAL INFORMATION

Where can you find more information about us?

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedar.com.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about LSC that has not been generally disclosed.