

RIGHTS OFFERING NOTICE

Filed pursuant to National Instrument 45-106

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” (as defined in Regulation S under the U.S. Securities Act). This right offering notice 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 1933 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 1933 Act.

LSC LITHIUM CORPORATION

Notice to security holders – August 22, 2018

The purpose of this notice is to advise holders of common shares (the “**Common Shares**”) of LSC Lithium Corporation (“**LSC**”) of a proposed offering of rights (the “**Rights**”) of LSC (the “**Rights Offering**”).

References in this notice to **we**, **our**, **us** and similar terms mean to LSC. References in this notice to **you**, **your** and similar terms mean to LSC shareholders.

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.

1. Who can participate in the Rights Offering?

We are issuing to the holders of our outstanding Common Shares of record at the close of business on August 27, 2018 (the “**Record Date**”) Rights to subscribe for units of LSC (“**Units**”) on the terms described in our Rights Offering circular (the “**Circular**”). Each holder of Common Shares of record at the close of business on the Record Date who is resident in a province or territory of Canada (the “**Eligible Jurisdictions**”) may participate in the Rights Offering.

2. Who is eligible to receive Rights?

The Rights Offering is made only to shareholders resident in the Eligible Jurisdictions (the “**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. This notice is not to be construed as an offering of Rights Certificates (as defined herein), nor the Common Shares issuable upon exercise of the Rights, in any jurisdiction outside of the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the “**Ineligible Holders**”). Instead, subject to limited exceptions set out in our 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.

3. How many Rights are we offering?

We are issuing a total of 22,988,000 Rights pursuant to the Rights Offering.

4. How many Rights will you receive?

We are issuing 0.16142 of one Right for every Common Share of LSC held.

5. What does one Right entitle you to receive?

Eligible Holders are entitled to subscribe for one Unit for every one Right held upon payment of a subscription price of \$0.40 per Unit (the “**Basic Subscription Privilege**”) until 5:00 p.m. (Toronto time) on September 21, 2018 (the “**Expiry Time**”).

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.

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.

If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe for Units (the “**Additional Units**”), if any, not purchased pursuant to the Basic Subscription Privilege (the “**Additional Subscription Privilege**”). The Units available under the Additional Subscription Privilege will be those Units issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by the Expiry Time.

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.

Eligible Holders who exercise their Rights must enclose payment in full for all Units subscribed for (including any subscription pursuant to the Additional Subscription Privileged) in Canadian funds by certified cheque, bank draft or money order payable to the order of the Depositary.

6. How will you receive your Rights?

Eligible Holders – If you are an Eligible Holder, a certificate (the “**Rights Certificate**”) representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this notice.

Beneficial Holders – You are a beneficial holder of Common Shares if you hold your 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 holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date. If you are a beneficial holder, we expect you will receive a confirmation of the number of Rights issued to you 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.

7. When and how can you exercise your Rights?

If you are an Eligible Holder, you must complete and deliver your Rights Certificate on or before the Expiry Time.

If you hold your Common Shares through a Participant:

- (a) 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
- (b) 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,

in each case in accordance with the instructions provided to you by or on behalf of your Participant. Your Participant may have a deadline for receiving such instructions and the Subscription Price that is earlier than the Expiry Time. You should follow the instructions provided to you by your Participant carefully and contact your Participant immediately if you have any questions.

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

8. What are the next steps?

This document contains key information that you should know about the Rights Offering. You can find more details in our Circular. To obtain a copy, visit LSC’s profile at www.sedar.com, visit www.lslithium.com, ask LSC at info@lslithium.com. You should read Circular, along with LSC’s continuous disclosure record, to make an informed decision.

DATED August 22, 2018

“Stephen Dattels”

Stephen Dattels
Chairman of the Board of Directors
LSC Lithium Corporation