

VIA ONLINE PORTAL & BY EMAIL

Montreal, June 22, 2022

IMPACT ASSESSMENT AGENCY OF CANADA

901-1550 Avenue d'Estimauville

Quebec (Qc)

G1J 0C1

Subject: James Bay lithium mine project - Request for extension of time to submit studies and information required under the IAA

Dear Sir:

Pursuant to correspondence from the Impact Assessment Agency of Canada (IAAC) dated August 23, 2019, April 15, 2021, and March 7, 2022, regarding the three-year deadline for submitting studies as part of the environmental assessment of the James Bay Lithium Mine project, the developer Galaxy Lithium (Canada) Inc. (GLCI) wishes to request an extension of that deadline and communicate the information that led to the time overrun.

The environmental assessment of the project being advanced, the representatives of the IAAC indicated to us that the request for an extension would be acceptable. On this basis, we hope, given the advanced stage of the assessment of this project, that this assessment will remain under the Canadian Environmental Assessment Act, 2012 (CEAA 2012) process.

The environmental assessment formally commenced on December 14, 2017, under CEAA 2012, with the Notice of Decision regarding an environmental assessment.

The Impact Assessment Act (IAA) prescribes that the IAAC has 3 years after the date of entry into force of the IAA to submit the information and studies required as part of the assessment started under CEAA 2012.

In the case of the James Bay lithium mine project, this 3-year period will likely be exceeded, mainly for the following reasons:

First, as the technical-economic feasibility and environmental and social assessment processes are carried out in parallel, GLCI modified its project mid-term to increase the technical-economic feasibility of the project while reducing the environmental footprint.

In early July 2020, immediately after receiving the non-concordance for the answers relating to the second request for information - 1st part, and before having received the second request for information - 2nd part, the decision to integrate the optimization proposals made by the engineers was taken. These proposals, however, involved reviewing the environmental impact models. Modeling of hydrogeological environments, surface water quality, air quality and noise had to be taken. The new location of the components as well as the results of the second modeling were presented to the Cree families impacted by the project (Weapenicappo family, February 4, the Mayappo family on February 8, and the representatives of the Waswanipi community on

February 9, 2021). Because of the COVID health crisis, these presentations were made by video conference. Representatives of the Waskaganish community declined the meeting because it was not essential in their opinion.

In July 2021, a new version of the impact study was submitted to the Joint Assessment Committee (JAC), composed of the IAAC and the Cree Nation Government. Even if this version integrated all the answers to the questions and comments of CCE-1 and CCE-2 parts one and two, several important components of the project had been modified as well as the results of the modeling. The second version of the impact study therefore had to be reassessed almost entirely by the JAC. Even if the final result was beneficial at the environmental level, the fact remains that each change required additional time for analysis by the JAC, the IAAC and the developer.

Also, the amendment to the Metal and Diamond Mining Effluent Regulations (MDMER) concerning the acceptable concentration of arsenic in the final effluent came into effect in the summer of 2021. GLCI had planned to develop the circuit of this factory after the construction works but was required to add this component earlier than expected, i.e., from the start of the construction period.

CEAA 2012 requires the IAAC to complete the assessments in 365 days. To complete the environmental assessment, IAAC plans to request a 90-day extension to this 365-day timeline, thus extending the 3-year period.

In November 2021, the second version of the ESIA was found to be concordant. Following the partial lifting of health constraints, on November 8, 2021, a meeting was held in Montreal with 3 members of the Weapenicappo family, which is the family holding the most impacted trapline, and the Chief of the Eastmain Nation to discuss the IBA.

On December 1, young people from the Weapenicappo family were met in Eastmain, as suggested at the November meeting. On December 2, the local group from the Cree Women's Association was met and the local group from the Cree Trappers Association was met on December 3. Following these meetings, it was decided to redo a presentation of the project to the entire Eastmain community. This meeting was held in Eastmain on December 13. GLCI also did another presentation followed by a discussion to more members of the Weapenicappo family on December 14.

In addition, GLCI contacted the Director of Mining Projects for the Nation of Waswanipi in December to arrange a meeting, and a virtual meeting took place on February 2, 2022, during which the new design and the results of the second modeling were presented.

These regular consultations demonstrate GLCI's interest in the community participation in the project.

Along with the environmental assessment made under CEAA 2012, the project and its impacts were also assessed by provincial authorities under the Environment Quality Act (EQA).

In early February 2022, feedback received from provincial and federal stakeholders led to a significant change in the design of haulage roads. The new concept integrating a geomembrane to protect groundwater was presented to the JAC in a technical note complementary to the responses to the 3rd information request, in March 2022. Afterwards, to respond to a request for more details on the type of cut presented, a second version of this technical note on the roads was filed on April 1, 2022. This second version was also the subject of a second appraisal by engineers not yet involved in the project. This document has been filed with the IAAC in draft form, on May 11, 2022.

To ensure optimal construction of the road, GLCI will present its commitment to the recommendations of the second opinion in a letter that will be submitted to the IAAC shortly.

Finally, as the COVID-19 health crisis began during the analysis of responses to the first round of questions and comments, all workers, developers, and analysts had to adapt to new ways of working. A major geotechnical campaign was underway to support the new design during the winter of 2020 when COVID-19 hit Canada. GLCI complied with the March 2020 government notices to close the work sites and demobilized. Unfortunately, the property around the site is composed of bog, so drilling is only possible during the winter months, when the ground is frozen. We therefore had to wait until winter 2021 to complete the drilling campaign.

A feasibility study in accordance with the National Instrument 43-101, was filed on SEDAR Canada (System for Electronic Document Analysis and Retrieval) in January 2022. GLCI is working to finalize this project as quickly as possible, in all professionalism, and wishes to build the infrastructure and exploit this spodumene deposit as soon as possible.

For these reasons, we are asking the IAAC to extend the analysis period by 180 days to submit the studies and information required by the JAC.

GLCI would use this time to answer any additional questions relating to haulage roads, as well as comments that may arise during the consultation period, if applicable. If the design of the haulage roads cannot be retained following the second appraisal, this period of 180 days would be sufficient to establish an alternative solution.

The attached figure presents the documentary interactions between the IAAC and GLCI since the filing of the first version of the impact study report in October 2018 and presents the interactions projected by GLCI until the signing of the ministerial authorization.

<Original signed by>

Denis Couture

Chief of Canadian Operations
Galaxy Lithium (Canada) Inc.

Encl. Timeline

ESIA Governmental Documented Interactions

