

STRIA LITHIUM INC.

Consolidated Financial Statements

September 30, 2017 and September 30, 2016

(in Canadian dollars)

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Independent Auditors' Report

To the Shareholders of Stria Lithium Inc.:

We have audited the accompanying financial statements of Stria Lithium Inc., which comprise the statement of financial position as at September 30, 2017 and September 30, 2016, and the statements of earnings, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Stria Lithium Inc. as at September 30, 2017, September 30, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which indicated that Stria Lithium Inc. incurred a net loss of \$311,260 during the year ended September 30, 2017 and as of that date has an accumulated deficit of \$2,642,340. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable level of operations. These conditions, as described in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Ottawa, Ontario

December 18, 2017



Chartered Professional Accountants

Licensed Public Accountants

Stria Lithium Inc.

Consolidated Statements of Financial Position

As at September 30

(in Canadian dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
ASSETS		
Current assets		
Cash	43,060	43,590
Amounts receivable (Note 5)	7,063	21,776
Tax credits and credit on duties receivable	-	56,222
Investment tax credits receivable	-	12,613
Prepaid expenses	115,904	7,429
	166,027	141,630
Mineral exploration properties (Note 7)	352,475	352,475
Exploration and evaluation assets (Note 7)	361,267	296,554
	879,769	790,659
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	253,454	334,623
Other current liabilities (Note 12)	8,000	75,000
	261,454	409,623
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	2,838,748	2,363,082
Warrants (Note 10)	159,866	128,626
Contributed surplus	262,041	220,408
Deficit	(2,642,340)	(2,331,080)
	618,315	381,036
	879,769	790,659

Going concern (Note 2)

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

On behalf of the Board

(signed) "Gary Economo"
Gary Economo, Director

(signed) "Jeffrey York"
Jeffrey York, Director

Stria Lithium Inc.

Consolidated Statements of Comprehensive Loss
For the years ended September 30
(in Canadian dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Expenses		
Consulting fees	50,619	79,262
Salaries and benefits	102,117	131,942
Stock-based compensation	8,185	6,023
Travel and promotion	17,783	82,469
Professional fees	28,251	57,302
Research expenses	31,341	56,605
Filing fees	10,934	12,328
Insurance	18,725	18,387
Agent fees	17,755	16,195
Other expenses	29,810	36,158
Government assistance	(4,248)	(15,411)
	<u>(311,272)</u>	<u>(481,260)</u>
Other income		
Interest income	<u>12</u>	<u>204</u>
Net loss and total comprehensive loss	<u>(311,260)</u>	<u>(481,056)</u>
Basic and diluted loss per common share	<u>(0.01)</u>	<u>(0.02)</u>
Basic and diluted weighted average number of common shares outstanding	<u>40,789,437</u>	<u>27,843,682</u>

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

Stria Lithium Inc.

Consolidated Statements of Changes in Equity

(in Canadian dollars)

	Share Capital		Warrants	Contributed Surplus	Deficit	Total
	Number of shares	\$	\$	\$	\$	\$
Balance, September 30, 2015	21,363,409	1,849,034	90,826	214,385	(1,850,024)	304,221
Shares issued for cash	11,890,000	556,700	-	-	-	556,700
Shares issued on exercise of warrants	426,960	68,245	(46,897)	-	-	21,348
Warrants issued	-	-	37,800	-	-	37,800
Share issuance costs	-	(110,897)	46,897	-	-	(64,000)
Stock-based compensation	-	-	-	6,023	-	6,023
Net loss and total comprehensive loss	-	-	-	-	(481,056)	(481,056)
Balance, September 30, 2016	33,680,369	2,363,082	128,626	220,408	(2,331,080)	381,036
Shares issued for cash	13,880,000	619,000	-	-	-	619,000
Shares issued on exercise of warrants	150,000	7,500	-	-	-	7,500
Warrants issued	-	-	25,000	-	-	25,000
Expiry of warrants	-	-	(33,448)	33,448	-	-
Share issuance costs	-	(150,834)	39,688	-	-	(111,146)
Stock-based compensation	-	-	-	8,185	-	8,185
Net loss and total comprehensive loss	-	-	-	-	(311,260)	(311,260)
Balance, September 30, 2017	47,710,369	2,838,748	159,866	262,041	(2,642,340)	618,315

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

Stria Lithium Inc.

Consolidated Statements of Cash Flows

For the years ended September 30

(in Canadian dollars)

	<u>2017</u>	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss	(311,260)	(481,056)
Adjustments for:		
Stock-based compensation	8,185	6,023
Interest income	(12)	(204)
Interest received	12	204
Changes in non-cash working capital items	(229,318)	107,091
Cash flows used in operating activities	(532,393)	(367,942)
INVESTING ACTIVITIES		
Exploration advances	-	10,867
Exploration and evaluation costs	(8,491)	(190,149)
Tax credits received	-	27,286
Cash flows used in investing activities	(8,491)	(151,996)
FINANCING ACTIVITIES		
Common shares issued	619,000	556,700
Warrants issued	25,000	37,800
Warrants exercised	7,500	21,348
Share issuance costs	(111,146)	(64,000)
Cash flows from financing activities	540,354	551,848
(Decrease) increase in cash	(530)	31,910
Cash, beginning of the year	43,590	11,680
Cash, end of the year	43,060	43,590
<i>Supplemental information:</i>		
Changes in non-cash working capital items consist of the following:		
Amounts receivable	14,713	(5,761)
Deferred financing costs	-	15,504
Investment tax credits receivable	12,613	7,120
Prepaid expenses	(108,475)	-
Accounts payable and accrued liabilities	(81,169)	65,228
Amounts due to related parties	-	(50,000)
Other current liabilities	(67,000)	75,000
	(229,318)	107,091

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

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2017 and 2016

(in Canadian dollars)

1. NATURE OF OPERATIONS

Stria Lithium Inc. (the “Company” or “Stria”) was incorporated on May 24, 2011 under the Canada Business Corporations Act. The Company’s shares are listed on the TSX Venture Exchange under the symbol SRA. The head office of the Company is located at 945 Princess Street, Kingston, Ontario.

The Company is engaged in the acquisition, exploration and development of mineral properties in Quebec, Canada, as well as the development of processes to purify and recover lithium metal directly from ore and from brine liquids.

2. GOING CONCERN ASSUMPTION

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not earned revenue from operations. During the year ended September 30, 2017, the Company incurred a net loss of \$311,260 and negative cash flows from operating activities of \$532,393. In addition, the Company has a working capital deficiency of \$95,427 and a deficit of \$2,642,340.

The above factors indicate material uncertainties, which may case significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration and research activities in fiscal 2018, is dependent upon Management’s ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available or that it can be obtained on terms favourable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amount of assets and liabilities, the reported expenses, and the statement of financial position classifications used.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation and statement of compliance with IFRS

These consolidated financial statements have been prepared on a historical cost basis and are expressed in Canadian dollars, which is also the Company’s functional currency. The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on December 18, 2017.

b) Judgments, estimates and assumptions

When preparing the financial statements, Management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2017 and 2016
(in Canadian dollars)

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires Management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, Management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of mineral exploration properties and exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and exploration and evaluation assets requires Management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment or a reversal of an impairment loss exists, the recoverable amount of the individual asset or cash-generating units must be estimated.

Share based payments

The estimation of stock-based compensation and warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the estimated life of stock options and warrants granted and the time of exercise of those stock options and warrants. The valuation model used by the Company is the Black-Scholes model.

The Company allocates values to share capital and to warrants on the residual basis when the two are issued together as a unit. As this allocation is based upon the share price at the time of issuance and the stock is thinly-traded, the actual value of the components may differ from this allocation.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2017 and 2016
(in Canadian dollars)

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Stria Lithium Inc. is the ultimate parent company of the consolidated group. Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Company. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany transactions and balances are eliminated in full upon consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, any losses of that subsidiary are attributed to the non-controlling interest even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of the Company and their principal activities as at September 30, 2017 were as follows:

Name of subsidiary	Place of incorporation	Ownership interest as at		Principal activity
		2017	2016	
Pueblo Lithium LLC	United States	100%	100%	Inactive

d) Financial assets and liabilities

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets:

For the purpose of subsequent measurement, the Company's financial assets are classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Cash and amounts receivable are classified as loans and receivables.

Financial liabilities:

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, amounts due to related parties and other current liabilities.

Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2017 and 2016

(in Canadian dollars)

Fair value hierarchy

Financial instruments measured at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices unadjusted in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company currently has no financial instruments measured at fair value on the statements of financial position.

e) Cash

Cash is comprised of cash balances held at a major financial institution.

f) Government assistance

Government grants and assistance are recognized when there is reasonable assurance that the grant or assistance will be received and all attached conditions will be complied with. Government grants or assistance relating to an expense item are recognized within Government assistance in the consolidated statements of comprehensive loss.

When government assistance is received which relates to expenses of future periods, the amount is deferred and amortized to income as the related expenditures are incurred.

g) Investment tax credits

Refundable investment tax credits related to eligible research and development are recognized within Government assistance in the consolidated statements of comprehensive loss. Refundable investment tax credits are accrued in the year the eligible expenditure is incurred provided receipt of such claims is reasonably assured.

h) Interest income

Interest income is reported on an accrual basis using the effective interest method.

i) Research expenses

Costs related to research activities are expensed as incurred. Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet the following recognition requirements: (i) the development costs can be measured reliably; (ii) the project is technically and commercially feasible; (iii) the Company intends to and has sufficient resources to complete the project; (iv) the Company has the ability to use or sell the product or equipment; and (v) it is probable that the product, equipment or process will generate future economic benefits. Development cost not meeting all these criteria are expensed as incurred. To date, no development costs have been capitalized.

j) Mineral exploration properties and exploration and evaluation assets

Mineral exploration properties include the cost of acquiring mining rights. Exploration and evaluation assets include expenses directly related to the exploration and evaluation activities. These costs are capitalized as intangible assets and are carried at cost less any impairment loss recognized. Costs incurred before the legal right to undertake exploration and evaluation activities on a project is acquired, are expensed in the statement of comprehensive loss.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2017 and 2016

(in Canadian dollars)

Mining rights and expenses related to exploration and evaluation activities are capitalized on a property by property basis pending determination of the technical feasibility and commercial viability of the project. No amortization is recognized during the exploration and evaluation phase. Costs capitalized may include drilling, project consulting, geophysical, geological and geochemical studies, as well as other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, mining rights and expenses related to exploration and evaluation activities of the related mining property are transferred to mining assets under construction. Before the reclassification, mineral exploration properties and exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Upon transfer of exploration and evaluation assets into mining assets under construction, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized with mining assets under construction. After the development stage, all assets included in mining assets under construction are transferred to mining assets and amortized over the expected productive lives of the assets.

k) Impairment of non-financial assets

Impairment assessment and testing is done at the level of a cash generating unit ("CGU"). The Company considers each mineral property to be a separate CGU, and therefore assesses for indicators of impairment individually for each mineral property.

The Company assesses non-financial assets including mineral exploration properties and exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the asset may not exceed its recoverable amount, being the higher of the value in use and the fair value less costs of disposal. Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the assets of the mineral property are tested for impairment before these items are transferred to mining assets under construction. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized immediately in profit or loss.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in profit or loss.

l) Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

At September 30, 2017 and September 30, 2016, there were no provisions in the consolidated statements of financial position.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2017 and 2016

(in Canadian dollars)

m) Equity-settled share-based payment transactions

The Company provides an equity-settled share-based remuneration plan (stock option plan) for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement. Occasionally, the Company may issue warrants to brokers.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period, based on the best available estimate of the number of share options expected to vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are different to that estimated on vesting. Share-based payment expense incorporates an expected forfeiture rate.

All share-based payments under the plan (except warrants issued to agents or brokers) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a stock option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as issuance costs of equity instruments with a corresponding credit to warrants, in equity. Upon exercise, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the warrants recorded in warrants are then transferred to share capital.

n) Equity

Share capital

Share capital represents the amount received on the issue of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus. In addition, if shares are issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at the fair value of the assets or services received, if such fair value is determinable.

Flow-through financings

Issuance of flow-through units represents in substance an issue of ordinary shares, warrants (if applicable) and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital, warrants issued and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants according to the fair value of the warrants at the time of issuance and any residual in the proceeds is allocated to the liability. The fair value of the warrants is estimated using the Black-Scholes valuation model. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred, and recognized in profit or loss in other income related to flow-through shares.

Unit placements

Under the residual method, proceeds are first allocated to shares according to the quoted prices of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2017 and 2016

(in Canadian dollars)

Warrants

Warrants include charges related to the issuance of warrants until such equity instruments are exercised, expire or are forfeited.

Contributed surplus

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

Deficit

Deficit includes all current and prior period profits or losses.

o) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax basis.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

p) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The diluted loss per share is equal to the basic loss per share because the effect of warrants and stock options described in Notes 10 and 11 is antidilutive.

Shares held in escrow, other than where their release is subject only to the passage of time, have not been included in the calculation of the weighted average number of common shares outstanding for basic or diluted loss per share.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
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(in Canadian dollars)

4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

Issued but not yet effective

The IASB has issued the following new and revised standards and amendments, which are not yet effective which may have future applicability to the Company.

IFRS 9, Financial Instruments (“IFRS 9”)

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)). IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new “expected credit loss” model for calculating impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. IFRS 9 (2014) is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company’s Management have yet to assess the impact of this new standard.

5. AMOUNTS RECEIVABLE

	<u>September 30, 2017</u>	<u>September 30, 2016</u>
	\$	\$
Sales taxes receivable	7,063	17,977
Other	-	3,799
	<u>7,063</u>	<u>21,776</u>

6. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company’s financial instruments at September 30, 2017 consist of cash, amounts receivable (net of sales taxes receivable), accounts payable and accrued liabilities and other current liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

Carrying amounts of financial assets and liabilities

	<u>September 30, 2017</u>	<u>September 30, 2016</u>
	\$	\$
Financial assets		
Loans and receivables		
Cash	43,060	43,590
Amounts receivable (net of sales taxes receivable)	-	3,799
Financial liabilities		
Measured at amortized cost		
Accounts payable and accrued liabilities	253,454	334,623
Other current liabilities	8,000	75,000

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
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(in Canadian dollars)

Risk management

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's only significant financial asset exposed to credit risk is cash and maximum exposure is equal to the carrying value of this asset. The Company's cash is held at a Canadian chartered bank. It is Management's opinion that the Company is not exposed to significant credit risk. There has been no change to Management's assessment of credit risk compared with the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business as well as any anticipated transactions. The Company has a working capital deficit of \$95,427 at September 30, 2017, including \$43,060 in cash and current liabilities totalling \$261,454, due within the next 12 months. There has been no change to Management's assessment of liquidity risk compared with the prior year.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. The Company is not subject to any external capital requirements, neither regulatory nor contractual. In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

7. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

	September 30, 2017		September 30, 2016	
	Mineral exploration properties	and evaluation assets	Mineral exploration properties	and evaluation assets
	\$	\$	\$	\$
a) Pontax-Lithium	352,475	361,267	352,475	296,554
TOTAL	352,475	361,267	352,475	296,554

a) Pontax-Lithium

On December 6, 2013, the Company acquired a 100% interest in the Pontax-Lithium property from Khalkos Exploration Inc. ("Khalkos") in consideration for a cash payment of \$100,000 and the issuance of 833,333 common shares. The property was recorded at a value of \$350,000 upon initial recognition, based on the fair value of the property received and consideration paid. The Pontax-Lithium property is comprised of a group

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of 82 contiguous mining claims located in the James Bay Territory of Northern Quebec. Other acquisition costs of \$2,475 have been included in the cost of the property.

The following table reflects changes to mineral exploration properties between October 1, 2016 and September 30, 2017:

	Year ended September 30, 2017	Year ended September 30, 2016
	\$	\$
Balance, beginning of the year	352,475	352,475
Writedown of mineral exploration properties	-	-
Balance, end of the year	352,475	352,475

The following table reflects changes to exploration and evaluation assets between October 1, 2015 and September 30, 2017:

	Year ended September 30, 2017	Year ended September 30, 2016
	\$	\$
Balance, beginning of the year	296,554	162,627
Additions		
Geochemical survey	-	3,071
Metallurgical analysis	3,941	184,137
Property maintenance	4,550	2,941
	8,491	190,149
Tax credits and credit on duties	56,222	(56,222)
Balance, end of the year	361,267	296,554

8. FLOW-THROUGH INTEREST AND TAX EXPENSE

The Company is permitted, under Canadian income tax legislation, to renounce flow-through related resources expenditures to investors in advance of the Company incurring all of the expenditures. In accordance with this legislation, the Company has twelve months following the effective date of renunciation to incur the remaining expenditures. The Company begins incurring interest charges for unspent funds after two months following renunciation.

On April 13, 2016, the Company completed a flow-through private placement for gross proceeds of \$250,000. In February 2017, the related tax deductions were renounced to investors with an effective date of December 31, 2016. As at September 30, 2017, the Company has incurred \$3,071 of the required flow-through expenditures and has until December 31, 2017 to incur the remaining expenditures of \$246,929.

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9. SHARE CAPITAL

Unlimited number of common shares, voting, participating and without par value

Issued and fully paid

Common shares

	Number of shares	\$
Balance, September 30, 2015	21,363,409	1,849,034
Shares issued for cash (1)(2)(3)	11,890,000	556,700
Shares issued on exercise of warrants	426,960	68,245
Share issuance costs	-	(110,897)
Balance, September 30, 2016	33,680,369	2,363,082
Shares issued for cash (4)(5)	13,880,000	619,000
Shares issued on exercise of warrants	150,000	7,500
Share issuance costs	-	(150,834)
Balance, September 30, 2017	47,710,369	2,838,748

- (1) On October 23, 2015, the Company completed a private placement for gross proceeds of \$94,500. The private placement was comprised of 1,890,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.07 until October 23, 2019. The proceeds from the financing (\$94,500) were allocated between share capital (\$56,700) and warrants (\$37,800) using the residual method. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. Other share issuance costs total \$19,728 and were presented as a reduction of share capital. An Officer of the Company participated in the private placement for an amount of \$50,000.
- (2) On April 13, 2016, the Company completed a private placement for gross proceeds of \$250,000. The private placement was comprised of 5,000,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until April 13, 2021. In connection with the financing, the Company paid cash finders' fees of \$10,608 and issued, as additional consideration, 212,160 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until April 13, 2021. The proceeds from the financing (\$250,000) were allocated between share capital (\$250,000) and warrants (\$Nil) using the residual method. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. The warrants issued as commissions have been recorded at a value of \$26,394 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.145, risk-free interest rate of 0.73%, expected life of warrants of 5 years, annualized volatility of 100% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the warrants. Other share issuance costs total \$12,712 and were presented as a reduction of share capital. Directors and officers of the Company, including immediate family members, participated in the private placement for an aggregate amount of \$73,900.
- (3) On April 13, 2016, the Company completed a flow-through private placement for gross proceeds of \$250,000. The private placement was comprised of 5,000,000 flow-through units at a price of \$0.05 per

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unit. Each flow-through unit consists of one flow-through common share and one half of a common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until April 13, 2021. In connection with the financing, the Company paid cash finders' fees of \$8,240 and issued, as additional consideration, 164,800 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until April 13, 2021. The proceeds from the financing (\$250,000) were allocated between share capital (\$250,000) and warrants (\$Nil), after which there existed no residual to allocate to the flow-through liability. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. The warrants issued as commissions have been recorded at a value of \$20,503 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.145, risk-free interest rate of 0.73%, expected life of warrants of 5 years, annualized volatility of 100% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the warrants. Other share issuance costs total \$12,712 and were presented as a reduction of share capital. A Director of the Company participated in the private placement for an amount of \$97,000.

- (4) On January 27, 2017, the Company completed a private placement for gross proceeds of \$444,000. The private placement was comprised of 8,880,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until January 27, 2022. In connection with the financing, the Company paid cash finders' fees of \$32,000 and issued, as additional consideration, 640,000 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until January 27, 2022. The proceeds from the financing (\$440,000) were allocated between share capital (\$444,000) and warrants (\$Nil) using the residual method. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. The warrants issued as commissions have been recorded at a value of \$32,307 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.065, risk-free interest rate of 1.14%, expected life of warrants of 5 years, annualized volatility of 100% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the warrants. Other share issuance costs total \$48,077 and were presented as a reduction of share capital.
- (5) On July 20, 2017, the Company completed a private placement for gross proceeds of \$200,000. The private placement was comprised of 5,000,000 units at a price of \$0.04 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until July 20, 2020. In connection with the financing, the Company paid cash finders' fees of \$12,600 and issued, as additional consideration, 315,000 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until July 20, 2020. The proceeds from the financing (\$200,000) were allocated between share capital (\$175,000) and warrants (\$25,000) using the residual method. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. The warrants issued as commissions have been recorded at a value of \$7,381 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.035, risk-free interest rate of 1.30%, expected life of warrants of 3 years, annualized volatility of 123% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the warrants. Other share issuance costs total \$18,469 and were presented as a reduction of share capital.

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10. WARRANTS

Outstanding warrants entitle the holders thereof to subscribe to an equivalent number of common shares.

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price
		\$
Balance, September 30, 2015	5,656,027	0.14
Issued	9,766,960	0.05
Exercised	(426,960)	0.05
Balance, September 30, 2016	14,996,027	0.09
Issued	14,835,000	0.05
Exercised	(150,000)	0.05
Expired	(1,010,027)	0.35
Balance, September 30, 2017	28,671,000	0.06

As at September 30, 2017, the following warrants were issued and outstanding:

Number of warrants	Issue date fair value	Exercise price	Expiry date
	\$	\$	
4,646,000	57,378	0.10	March 20, 2019
1,890,000	37,800	0.07	October 23, 2019
7,300,000	-	0.05	April 13, 2021
8,880,000	-	0.05	January 27, 2022
640,000	32,307	0.05	January 27, 2022
5,000,000	25,000	0.05	July 20, 2020
315,000	7,381	0.05	July 20, 2020
28,671,000	159,866		

As at September 30, 2016, the following warrants were issued and outstanding:

Number of warrants	Issue date fair value	Exercise price	Expiry date
	\$	\$	
1,010,027	33,448	0.35	October 29, 2016
4,646,000	57,378	0.10	March 20, 2019
1,890,000	37,800	0.07	October 23, 2019
7,450,000	-	0.05	April 13, 2021
14,996,027	128,626		

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11. STOCK OPTION PLAN

On November 7, 2011, the Company adopted an incentive stock option plan in accordance with the policies of the TSX Venture Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares, which are exercisable for a period to be determined by the Board at the time the option is granted. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted.

The following table reflects the continuity of stock options:

	Number of options	Weighted average exercise price \$
Balance, September 30, 2015	1,678,451	0.12
Granted (1)	300,000	0.05
Expired	(300,000)	0.15
Balance, September 30, 2016	1,678,451	0.10
Granted (2)	250,000	0.05
Expired	(350,000)	0.15
Balance, September 30, 2017	1,578,451	0.08

(1) On February 22, 2016, 300,000 stock options were granted to an Officer at an exercise price of \$0.05 per share, expiring on February 22, 2021.

(2) On October 14, 2016, 250,000 stock options were granted to a consultant at an exercise price of \$0.05 per share, expiring on October 14, 2021.

As at September 30, 2017, the following stock options were outstanding and exercisable:

Exercise prices	Outstanding			Exercisable		
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price	
\$0.05	550,000	3.69	\$0.05	550,000	\$0.05	
\$0.10	1,028,451	4.36	\$0.10	1,028,451	\$0.10	
	1,578,451	4.12	0.08	1,578,451	0.08	

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As at September 30, 2016, the following stock options were outstanding and exercisable:

Exercise prices	Outstanding			Exercisable		
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price	
\$0.05	300,000	4.40	\$0.05	300,000	\$0.05	
\$0.10	1,028,451	5.36	\$0.10	1,028,451	\$0.10	
\$0.15	350,000	3.26	\$0.15	350,000	\$0.15	
	1,678,451	4.75	0.10	1,678,451	0.10	

The following table reflects the weighted-average fair value of stock options granted between October 1, 2015 and September 30, 2017 and the related Black-Scholes option pricing model inputs that were used in the calculations:

	Year ended September 30, 2017	Year ended September 30, 2016
Stock options granted	250,000	300,000
Weighted average grant-date fair value	0.03	0.02
Weighted-average exercise price	\$0.05	\$0.05
Weighted-average market price at date of grant	\$0.05	\$0.03
Expected life of stock options (years)	5.00	5.00
Expected stock price volatility	100%	100%
Risk-free interest rate	0.78%	0.60%
Expected dividend yield	-	-

The underlying expected stock price volatility is based on historical data of similar companies, as the Company has limited historical data itself on which it could be based.

The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the options.

In total, \$8,185 of stock-based payments (all of which relate to equity-settled stock-based payment transactions) were included in profit or loss for the year ended September 30, 2017 (2016 - \$6,023) and credited to contributed surplus.

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12. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these financial statements are as follows:

Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

JAG Equipment Leasing Inc. (formerly 2395141 Ontario Inc.)

Effective April 1, 2015, under an equipment rental agreement between the Company and JAG Equipment Leasing Inc. (formerly 2395141 Ontario Inc.), a privately-held company owned by two Directors of Stria, the Company leased equipment for an amount of \$1,000 per month. During the year ended September 30, 2017, the Company was charged \$3,000 for equipment rental (2016 - \$12,000). As at September 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$3,390).

Alcereco Inc.

During the year ended September 30, 2017, the Company was charged \$31,341 by Alcereco Inc., which shares common management, for metallurgical analysis and other research work (2016 - \$56,605). As at September 30, 2017, \$31,452 is included in accounts payable and accrued liabilities (2016 - \$63,370).

Focus Graphite Inc.

During the year ended September 30, 2017, the Company was charged \$5,000 by Focus Graphite Inc. ("Focus"), which shares common management, for accounting and administrative services and other administrative expenses (2016 - \$5,000). As at September 30, 2017, \$5,000 is included in accounts payable and accrued liabilities (2016 - \$5,000).

As at September 30, 2017, included in accounts payable and accrued liabilities was an additional amount of \$1,475 due to Focus, related to other general shared costs (2016 - \$Nil).

Grafoid Inc.

As at September 30, 2017, included in accounts payable and accrued liabilities was an amount of \$5,952 (2016 - \$5,199) due to Grafoid Inc., which shares common management, related to general shared costs.

During the year ended September 30, 2016, the Company executed a research and development agreement with Grafoid whereby Stria was engaged to conduct research work on behalf of Grafoid. In accordance with the agreement, Stria received a deposit of \$75,000. During the year, the agreement was terminated and the deposit became repayable to Grafoid. As at September 30, 2017, \$8,000 remained payable to Grafoid and is included in other current liabilities (2016 - \$75,000).

JAG Sky Inc.

During the year ended September 30, 2017, the Company was charged \$Nil (2016 - \$8,400) by JAG Sky Inc., a private air charter services company wholly-owned by two Directors of Stria, for air travel.

As at September 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$4,492).

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Key management compensation

The following table reflects compensation of key management personnel (Directors and Officers of the Company):

	Year ended September 30, 2017	Year ended September 30, 2016
	\$	\$
Salaries (1)	87,691	73,845
Stock-based compensation	-	6,023
Consulting fees (2)	36,000	36,000
	123,691	115,868

(1) As at September 30, 2017, \$92,307 is included in accounts payable and accrued liabilities (\$4,615 as at September 30, 2016).

(2) As at September 30, 2017, \$27,196 is included in accounts payable and accrued liabilities (\$99,000 as at September 30, 2016).

The shared costs noted above include an allocation of salaries and short-term benefit compensation paid to key management personnel.

13. INCOME TAXES

A reconciliation of the combined Canadian federal and provincial income tax with the Company's effective tax rate is as follows:

	2017	2016
	\$	\$
Net loss	(311,260)	(481,056)
Statutory rate	26.80%	26.90%
Expected recovery of income tax	(83,418)	(129,404)
Tax impact of temporary differences for which no deferred tax asset was recorded	122,726	129,849
Tax effect of issuance of flow-through shares	(41,069)	-
Stock-based compensation	2,194	1,620
Other	(433)	(2,065)
Provision for income taxes	-	-

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The following differences between the carrying amounts and tax bases from timing differences and unused tax losses give rise to the following recognized and unrecognized deferred taxes, and the following unrecognized timing differences and unused tax losses:

	Balance September 30, 2016	Recognized in profit or loss	Recognized in equity	Balance September 30, 2017
	\$	\$	\$	\$
Mineral exploration properties and exploration and evaluation assets	(78,946)	(17,874)	-	(96,820)
Non-capital losses	78,946	17,874	-	96,820
	-	-	-	-

	Balance September 30, 2015	Recognized in profit or loss	Recognized in equity	Balance September 30, 2016
	\$	\$	\$	\$
Mineral exploration properties and exploration and evaluation assets	(62,796)	(16,150)	-	(78,946)
Non-capital losses	62,796	16,150	-	78,946
	-	-	-	-

As at September 30, 2017 and 2016, the Company had the following temporary differences. No deferred tax assets were recorded for these temporary differences.

	2017	2016
	\$	\$
Share issue costs	213,603	126,027
Research and development expenditures deducted for accounting purposes in excess of tax, net of investment tax credits	320,737	296,388
Mineral exploration properties and exploration and evaluation assets	298,682	290,192
Non-capital losses	1,886,329	1,620,130
	2,719,351	2,332,737

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As at September 30, 2017, the Company's unrecognized non-capital loss carryforward balances expire as follows:

<u>Year of Expiry</u>	<u>Amount</u>
	\$
2034	566,385
2035	531,293
2036	423,805
2037	364,846
	<u>1,886,329</u>

The Company claims research and development deductions and related investment tax credits for income tax purposes, based on Management's interpretation of applicable legislation in the Income Tax Act of Canada. These claims are subject to review by the Canada Revenue Agency. During the year, the Company recognized refundable investment tax credits of \$4,248 (2016 - \$12,613), which are included in Government assistance in the consolidated statements of comprehensive loss.

The Company has unclaimed scientific research and experimental development expenditures of \$320,737 (2016 - \$296,388) that are available to reduce future years' taxable income. These unclaimed expenditures can be carried forward indefinitely.

The Company has unused investment tax credits of \$69,249 (2016 - \$60,153) and \$15,821 (2016 - \$13,097) to offset against future federal and provincial income taxes, respectively. The credits begin to expire in 2034.

14. SUBSEQUENT EVENTS

Closing of Flow-Through Private Placement

On November 9, 2017 and December 8, 2017, the Company closed tranches of a flow-through private placement for gross proceeds of \$477,500. The private placement was comprised of 9,550,000 flow-through units at a price of \$0.05 per unit. Each flow-through unit consists of one flow-through common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 for a period of four years from the closing date. In connection with the financing, the Company paid cash finders' fees of \$8,400 and issued, as additional consideration, 168,000 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until December 8, 2021. A Director and an Officer of the Company participated in the private placement for a total amount of \$150,000.