

STRIA LITHIUM INC.

Condensed Consolidated Interim Financial Statements

For the three and nine month periods ended June 30, 2018

(Expressed in Canadian dollars)
(Unaudited)

Condensed Consolidated Interim Financial Statements	
Condensed Consolidated Interim Statements of Financial Position	2
Condensed Consolidated Interim Statements of Comprehensive Loss	3
Condensed Consolidated Interim Statements of Changes in Equity	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6 to 17

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements.

Stria Lithium Inc.

Condensed Interim Statements of Financial Position (Unaudited)

(in Canadian dollars)

As at	June 30, 2018	September 30, 2017
	\$	\$
ASSETS		
Current assets		
Cash	166,138	43,060
Amounts receivable (Note 4)	31,448	7,063
Tax credits and credit on duties receivable	77,479	-
Prepaid expenses	23,672	115,904
	<u>298,737</u>	166,027
Mineral exploration properties (Note 6)	352,475	352,475
Exploration and evaluation assets (Note 6)	681,862	361,267
	<u>1,333,074</u>	879,769
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	192,549	253,454
Other current liabilities (Note 11)	8,000	8,000
Amounts due to related parties (Note 11)	5,798	-
	<u>206,347</u>	261,454
Amounts due to related parties (Note 11)	25,508	0
	<u>231,855</u>	261,454
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	3,430,733	2,838,748
Warrants (Note 9)	248,436	159,866
Contributed surplus	373,245	262,041
Deficit	(2,951,195)	(2,642,340)
	<u>1,101,219</u>	618,315
	<u>1,333,074</u>	879,769
Going concern (Note 2)		

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

On behalf of the Board

(signed) "Gary Economo"
Gary Economo, Director

(signed) "Jeffrey York"
Jeffrey York, Director

Stria Lithium Inc.

Condensed Interim Statements of Comprehensive Loss (Unaudited)

(in Canadian dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Expenses				
Consulting fees	9,225	13,600	47,405	39,110
Salaries and benefits	34	28,560	34	102,083
Stock-based compensation	111,204	1,228	111,204	7,695
Travel and promotion	19,509	3,325	49,692	14,783
Professional fees	8,547	5,009	35,806	28,251
Research expenses	-	-	-	31,341
Filing fees	3,038	1,300	10,962	7,827
Insurance	4,745	4,724	14,207	14,002
Agent fees	3,704	5,176	9,868	13,906
Other expenses	9,381	6,490	21,453	19,558
Government assistance		(4,248)	8,246	(4,248)
	(169,387)	(65,164)	(308,877)	(274,308)
Other income				
Interest income	-	-	22	7
Net loss and total comprehensive loss	(169,387)	(65,164)	(308,855)	(274,301)
Basic and diluted loss per common share	(0.003)	(0.002)	(0.005)	(0.007)
Basic and diluted weighted average number of common shares outstanding	62,460,369	42,710,369	62,460,369	38,805,094

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

Stria Lithium Inc.						
Condensed Interim Statements of Changes in Equity (Unaudited)						
<i>(in Canadian dollars)</i>						
	Share Capital		Warrants	Contributed Surplus	Deficit	Total
	Number of shares	\$	\$	\$	\$	\$
Balance, September 30, 2016	33,680,369	2,363,082	128,626	220,408	(2,331,080)	381,036
Shares issued for cash	8,880,000	444,000	-	-	-	444,000
Shares issued on exercise of warrants	150,000	7,500	-	-	-	7,500
Expiry of warrants	-	-	(33,448)	33,448	-	-
Share issuance costs	-	(112,384)	32,307	-	-	(80,077)
Stock-based compensation	-	-	-	7,695	-	7,695
Net loss and total comprehensive loss	-	-	-	-	(274,301)	(274,301)
Balance, June 30, 2017	42,710,369	2,702,198	127,485	261,551	(2,605,381)	485,853
Shares issued for cash	5,000,000	175,000	-	-	-	175,000
Warrants Issued	-	-	25,000	-	-	25,000
Share issuance costs	-	(38,450)	7,381	-	-	(31,069)
Stock-based compensation	-	-	-	490	-	490
Net loss and total comprehensive loss	-	-	-	-	(36,959)	(36,959)
Balance, September 30, 2017	47,710,369	2,838,748	159,866	262,041	(2,642,340)	618,315
Shares issued for cash	14,550,000	678,500	-	-	-	678,500
Warrants Issued	-	-	61,500	-	-	61,500
Shares issued on exercise of warrants	200,000	10,000	-	-	-	10,000
Expiry of warrants	-	-	-	-	-	-
Share issuance costs	-	(96,515)	27,070	-	-	(69,445)
Stock-based compensation	-	-	-	111,204	-	111,204
Net loss and total comprehensive loss	-	-	-	-	(308,855)	(308,855)
Balance, June 30, 2018	62,460,369	3,430,733	248,436	373,245	(2,951,195)	1,101,219
<i>The accompanying notes are an integral part of these condensed consolidated interim financial statements.</i>						

Stria Lithium Inc.				
Condensed Interim Statements of Cash Flows (Unaudited)				
<i>(in Canadian dollars)</i>				
	Three months ended June 30,		Nine months ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(169,387)	(65,164)	(308,855)	(274,301)
Adjustments for:				
Stock-based compensation	111,204	1,228	111,204	7,695
Interest income	-	-	(22)	(7)
Interest received	-	-	22	7
Changes in working capital items	(70,207)	37,862	(123,912)	(139,369)
Cash flows used in operating activities	(128,390)	(26,074)	(321,563)	(405,975)
INVESTING ACTIVITIES				
Exploration and evaluation costs	(31,823)	-	(267,220)	(3,974)
Cash flows used in investing activities	(31,823)	-	(267,220)	(3,974)
FINANCING ACTIVITIES				
Common shares issued	-	-	678,500	444,000
Warrants issued	-	-	61,500	-
Warrants exercised	-	-	10,000	7,500
Share issuance costs	(1,313)	-	(69,445)	(80,077)
Amounts Due to related parties	31,306	-	31,306	-
Cash flows from financing activities	29,993	-	711,861	371,423
Increase (decrease) in cash	(130,220)	(26,074)	123,078	(38,526)
Cash, beginning of the period	296,358	31,138	43,060	43,590
Cash, end of the period	166,138	5,064	166,138	5,064
<i>Supplemental information:</i>				
Changes in working capital items consist of the following:				
Amounts receivable	(16,708)	2,121	(24,386)	7,577
Investment tax credits receivable		12,613	-	12,613
Prepaid expenses	(6,855)	4,379	(7,768)	(20,838)
Accounts payable and accrued liabilities	(46,644)	35,749	(91,758)	(71,721)
Other current liabilities	-	(17,000)	-	(67,000)
	(70,207)	37,862	(123,912)	(139,369)
<i>The accompanying notes are an integral part of these condensed consolidated interim financial statements.</i>				

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(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 condensed consolidated interim 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 nine months ended June 30, 2018, the Company incurred a net loss of \$308,855 and negative cash flows from operating activities of \$321,563. In addition, the Company has a working capital surplus of \$92,390 and a deficit of \$2,951,195.

The above factors indicate material uncertainties, which may cast 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, 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) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”).

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the years ended September 30, 2017 and 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 28, 2018.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis and are expressed in Canadian dollars, which is also the Company's functional currency.

These condensed consolidated interim financial statements have been prepared using accounting policies that are consistent with those used in the preparation of the Company's audited annual consolidated statements for the years ended September 30, 2017 and 2016.

c) 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.

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.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

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.

4. AMOUNTS RECEIVABLE

	June 30, 2018	September 30, 2017
	\$	\$
Sales taxes receivable	31,448	7,063

5. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments at June 30, 2018 consist of cash, accounts payable & accrued liabilities, amounts due to related parties 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

	June 30, 2018	September 30, 2017
	\$	\$
Financial assets		
Loans and receivables		
Cash	166,138	43,060
Financial liabilities		
Measured at amortized cost		
Accounts payable and accrued liabilities	192,549	253,454
Amounts due to related parties	31,306	-
Other current liabilities	8,000	8,000

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.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

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 surplus of \$92,390 at June 30, 2018, including \$166,138 in cash and current liabilities totalling \$206,347, 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.

6. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

		June 30, 2018		September 30, 2017	
		Mineral	Exploration	Mineral	Exploration
		exploration	and	exploration	and
		properties	evaluation	properties	evaluation
			assets		assets
		\$	\$	\$	\$
a) Pontax-Lithium		352,475	681,862	352,475	361,267
TOTAL		352,475	681,862	352,475	361,267

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 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.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

The following table reflects changes to mineral exploration properties between October 1, 2016 and June 30, 2018:

	Nine months ended June 30, 2018	Year ended September 30, 2017
	\$	\$
Balance, beginning and end of the period	352,475	352,475

The following table reflects changes to exploration and evaluation assets between October 1, 2016 and June 30, 2018:

	Nine months ended June 30, 2018	Year ended September 30, 2017
	\$	\$
Balance, beginning of the period	361,267	296,554
Additions		
Drilling	391,398	-
Metallurgical analysis	-	3,941
Property maintenance	6,676	4,550
	398,074	8,491
Tax credits and credit on duties	(77,479)	56,222
Balance, end of the period	681,862	361,267

7. 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.

In April 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. The Company incurred all of the required flow-through expenditures by the December 31, 2017 deadline and incurred an amount of \$1,508 for Part XII.6 tax and tax on deemed expenses in Quebec, which is calculated on the monthly balance of unspent flow through funds.

In November and December 2017 the Company completed flow-through private placements for gross proceeds of \$477,500. In February 2018, the related tax deductions were renounced to investors with an effective date of December 31, 2017. As at June 30, 2018, the Company has incurred \$84,549 of the required flow-through expenditures and has until December 31, 2018 to incur the remaining expenditures of \$392,951.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

8. 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, 2016	33,680,369	2,363,082
Shares issued for cash (1)(2)	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
Shares issued for cash (3)(4)(5)	14,550,000	678,500
Shares issued on exercise of warrants	200,000	10,000
Share issuance costs	-	(96,515)
Balance, June 30, 2018	62,460,369	3,430,733

- (1) 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.
- (2) 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

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

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.

- (3) On Nov 9, 2017, the Company completed a flow-through private placement for gross proceeds of \$307,500. The private placement was comprised of 6,150,000 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 full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until November 9, 2021. The proceeds from the financing (\$307,500) were allocated between share capital (\$246,000) and warrants (\$61,500), 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. Other share issuance costs total \$17,331 and were presented as a reduction of share capital. Directors of the Company participated in the private placement for a total amount of \$150,000.
- (4) On December 8, 2017, the Company completed a flow-through private placement for gross proceeds of \$170,000. The private placement was comprised of 3,400,000 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 full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 until December 9, 2021. 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. The proceeds from the financing (\$170,000) were allocated to share capital (\$170,000), and after which there existed no residual to allocate to warrants or 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 \$6,520 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.05, risk-free interest rate of 1.62%, expected life of warrants of 4 years, annualized volatility of 120% and dividend rate of 0%. 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 \$11,243 and were presented as a reduction of share capital.
- (5) On January 22, 2018, the Company completed a private placement for gross proceeds of \$262,500. The private placement was comprised of 5,000,000 units at a price of \$0.0525 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 January 22, 2022. In connection with the financing, the Company paid cash finders' fees of \$18,375 and issued, as additional consideration, 350,000 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.07 until January 22, 2021. The proceeds from the financing (\$262,500) was allocated entirely to share capital 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 \$20,550 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.075, risk-free interest rate of 1.86%, expected life of warrants of 3 years, annualized volatility of 125.56% 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 \$14,096 and were presented as a reduction of share capital.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

9. 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, 2016	14,996,027	0.09
Expired	(1,010,027)	0.35
Issued	14,835,000	0.05
Exercised	(150,000)	0.05
Balance, September 30, 2017	28,671,000	0.06
Issued	15,068,000	0.06
Exercised	(200,000)	0.05
Balance, June 30, 2018	43,539,000	0.06

As at June 30, 2018, 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
7,100,000	-	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
6,150,000	61,500	0.05	November 9, 2021
3,400,000	-	0.05	December 9, 2021
168,000	6,520	0.05	December 8, 2021
5,000,000	-	0.07	January 22, 2022
350,000	20,550	0.07	January 22, 2021
43,539,000	248,436		

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

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		

10. STOCK OPTIONS

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, 2016	1,678,451	0.10
Expired	(350,000)	0.15
Granted (1)	250,000	0.05
Balance, September 30, 2017	1,578,451	0.08
Expired	(300,000)	0.05
Granted (2)	3,210,000	0.06
Balance, June 30, 2018	4,488,451	0.07

(1) 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.

(2) On April 9, 2018, 3,210,000 stock options were granted to a Directors, Officers, employees and consultants at an exercise price of \$0.06 per share, expiring on April 9, 2022.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

As at June 30, 2018, 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	2.94	\$0.05	550,000	\$0.05
\$0.06	3,210,000	3.78	\$0.06	3,210,000	\$0.06
\$0.10	1,028,451	3.61	\$0.10	1,028,451	\$0.10
	4,788,451	1.11	0.03	4,788,451	0.03

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

The following table reflects the weighted-average fair value of stock options granted between October 1, 2016 and June 30, 2018 and the related Black-Scholes option pricing model inputs that were used in the calculations:

	Nine months ended June 30, 2018	Year ended September 30, 2017
Stock options granted	3,210,000.00	250,000
Weighted average grant-date fair value	0.03	0.03
Weighted-average exercise price	\$0.06	\$0.05
Weighted-average market price at date of grant	\$0.06	\$0.05
Expected life of stock options (years)	4.00	5.00
Expected stock price volatility	126%	100%
Risk-free interest rate	1.97%	0.78%
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, \$111,204 of stock-based payments (all of which relate to equity-settled stock-based payment transactions) were included in profit or loss for the nine months ended June 30, 2018 (2017 - \$7,695) and credited to contributed surplus.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

(in Canadian dollars)

11. 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 nine months ended June 30, 2018, the Company was charged \$Nil for equipment rental (2017 - \$3,000).

Alcereco Inc.

During the nine months ended June 30, 2018, the Company was charged \$Nil by Alcereco Inc., which shares common management, for metallurgical analysis and other research work (2017 - \$31,341). As at June 30, 2018, \$Nil is included in accounts payable and accrued liabilities (\$31,452 as at September 30, 2017).

Grafoid Inc.

As at June 30, 2018, included in accounts payable and accrued liabilities was an amount of \$1,202 (\$5,925 as at September 30, 2017) due to Grafoid Inc., which shares common management, related to general shared costs.

In fiscal 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 September 30, 2017, the agreement was terminated, and the deposit became repayable to Grafoid. As at June 30, 2018, \$8,000 remained payable to Grafoid and is included in other current liabilities (\$8,000 as at September 30, 2017).

Loan from Officer

As at June 30, 2018, included in amounts due to related parties is an amount of \$31,306 due to an Officer of the Company (\$Nil as at September 30, 2017). The loan agreement entered by the Company and the Officer on December 22, 2017 from converting an outstanding balance of consulting fees of \$33,995 as at December 31, 2017 in consulting fees due to the Officer. The loan is repayable on Dec 1, 2022. The loan bears interest at a rate of 10% per annum and one time 2% setup fee due on the inception of the loan agreement. During the quarter ended June 30, 2018, the company has been charged \$2,324 in interest charges (2017 - \$Nil).

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended June 30, 2018

*(in Canadian dollars)*Key management compensation

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

	Three months ended June 30,		Nine months ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries (1)	-	28,560	-	100,490
Stock-based compensation	79,679	-	79,679	-
Consulting fees (2)	9,000	9,000	27,000	27,000
	88,679	37,560	106,679	127,490

1) As at June 30, 2018, \$92,307 is included in accounts payable and accrued liabilities (\$92,307 as at September 30, 2017).

2) As at June 30, 2018, \$Nil is included in accounts payable and accrued liabilities (\$27,196 as at September 30, 2017).

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