

STRIA LITHIUM INC.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended June 30, 2021

(Expressed in Canadian dollars)
(Unaudited)

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Stria Lithium Inc.Unaudited Condensed Consolidated Interim Statements of Financial Position
(in Canadian dollars)

As at		June 30, 2021	September 30, 2020
ASSETS		\$	\$
Current assets			
Cash		1,335,816	194,130
Sales tax recoverable		80,024	107,921
Tax credits and credits on duties receivable		251,875	251,875
Prepaid expenses		1,300	1,300
		<u>1,669,015</u>	<u>555,226</u>
Non-Current assets			
Mineral exploration properties	Note 5	352,475	352,475
Exploration and evaluation assets	Note 5	1,869,016	1,868,091
		<u>3,890,506</u>	<u>2,775,792</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	Note 9	486,417	1,086,992
Amounts due to related parties	Note 9	752,800	518,442
		<u>1,239,217</u>	<u>1,605,434</u>
Non-Current liabilities			
Long term liability	Note 10	10,000	10,000
		<u>1,249,217</u>	<u>1,615,434</u>
SHAREHOLDERS' EQUITY			
Share capital	Note 6	5,485,481	3,648,682
Warrants	Note 7	108,355	192,052
Contributed surplus		630,711	541,424
Deficit		(3,583,258)	(3,221,800)
		<u>2,641,289</u>	<u>1,160,358</u>
		<u>3,890,506</u>	<u>2,775,792</u>

Going concern (Note 2)

Subsequent Event (Note 13)

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

On behalf of the Board

(signed) "Robin Dow"

Robin Dow, Director

(signed) "Jeffrey York"

Jeffrey York, Director

Stria Lithium Inc.

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(in Canadian dollars)

	Three months ended, June 30		Nine months ended, June 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Expenses				
Travel and promotion	-	-	-	2,276
Professional fees	60,444	31,552	278,271	73,390
Filing fees	13,818	1,300	20,405	18,619
Insurance	-	8,806	4,500	19,941
Agent fees	3,252	3,345	14,024	9,415
Supplies expense	548	-	1,663	2,124
Rent expense	3,600	-	9,600	3,600
Other expenses	105	2,937	208	3,564
	(81,767)	(47,940)	(328,671)	(132,929)
Other income				
Other income related to flow-through shares	-	-	-	180,798
Interest and other income	90	-	90	-
Finance expense	(32,877)	-	(32,877)	-
Net income (loss) and total comprehensive income (loss)	(114,554)	(47,940)	(361,458)	47,869
Basic and diluted income (loss) per common share	(0.001)	(0.001)	(0.005)	0.001
Basic and diluted weighted average number of common shares outstanding	80,450,809	72,460,369	75,130,442	72,460,369

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

Stria Lithium Inc.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity *(in Canadian dollars)*

	Share capital		Warrants	Contributed Surplus	Deficit	Total
	Number of shares	\$	\$	\$	\$	\$
Balance, September 30, 2019	72,460,369	3,648,682	262,233	471,243	(3,241,295)	1,140,863
Expiry of warrants	-	-	(37,800)	37,800	-	-
Net income and total comprehensive income	-	-	-	-	47,869	47,869
Balance, June 30, 2020	72,460,369	3,648,682	224,433	509,043	(3,193,426)	1,188,732
Expiry of warrants	-	-	(32,381)	32,381	-	-
Net loss and total comprehensive loss	-	-	-	-	(28,374)	(28,374)
Balance, September 30, 2020	72,460,369	3,648,682	192,052	541,424	(3,221,800)	1,160,358
Shares issued for cash	52,000,000	1,300,010	-	-	-	1,300,010
Options exercised	150,000	9,938	-	(2,438)	-	7,500
Warrants exercised	970,000	48,500	-	-	-	48,500
Broker warrants issued	-	-	8,028	-	-	8,028
Expiry of warrants	-	-	(91,725)	91,725	-	-
Share issuance costs	-	(21,649)	-	-	-	(21,649)
Shares issued in settlement of amount due to related party	20,000,000	500,000	-	-	-	500,000
Net loss and total comprehensive loss	-	-	-	-	(361,458)	(361,458)
Balance, June 30, 2021	145,580,369	5,485,481	108,355	630,711	(3,583,258)	2,641,289

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

Stria Lithium Inc.

Unaudited Condensed Consolidated Interim Statements of Cash
Flow
(in Canadian dollars)

	Nine months ended June 30,	
	2021	2020
		(As restated – Note 12)
OPERATING ACTIVITIES	\$	\$
Net (loss) income	(361,458)	47,869
Adjustment for:		
Other Income related to flow-through shares	-	(180,798)
Finance expense	32,877	500
Interest on long term debt	-	1,055
Changes in working capital items	81,358	(1,479)
Net cash flows from (used in) operating activities	(247,223)	(132,853)
INVESTING ACTIVITIES		
Exploration and evaluation costs	(654,980)	(104,507)
Net cash flows from (used in) investing activities	(654,980)	(104,507)
FINANCING ACTIVITIES		
Proceeds from issuance of units	1,300,010	-
Proceeds from exercise of options	7,500	-
Share issuance costs	(13,621)	-
Interest paid on long term debt	-	(2,336)
Amounts received from related parties	750,000	505,000
Amounts paid to related parties	-	(43,479)
Net cash flows from (used in) financing activities	2,043,889	459,185
Increase in cash	1,141,686	221,825
Cash, beginning of the period	194,130	533
Cash, end of the period	1,335,816	222,358

Supplemental information

Changes in working capital items consist of the following:

Sales tax recoverable	27,897	(4,526)
Prepaid expenses	-	8,545
Accounts payable and accrued liabilities	53,480	51,882
Amounts due to related parties	(19)	(57,380)
	81,358	(1,479)

Non-cash investing activities are as follows:

Exploration and evaluation assets included in accounts payable and accrued liabilities	-	603,194
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Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(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, Box # 118, 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 month period ended June 30, 2021, the Company incurred a net loss of \$361,458 and had negative cash flows from operations of \$247,223. In addition, the Company has a deficit of \$3,583,258.

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 over the next 12 months, 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 and loans from related and unrelated parties. 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 condensed consolidated interim 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 condensed consolidated interim 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. SUMMARY OF 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 financial statements for the years ended September 30, 2020 and 2019, 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 30th, 2021.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 functional currency of the parent company.

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 financial statements for the years ended September 30, 2020 and 2019.

c) Judgments, estimates and assumptions

In preparing these unaudited condensed consolidated interim financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the for the year ended September 30, 2020.

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

Financial instruments

The Company's financial instruments at June 30, 2021 consist of cash, accounts payable and accrued liabilities, amounts due to related parties and long-term liability. The fair value of these financial instruments approximates their carrying value due to their short-term nature and related market terms.

Carrying amounts of financial assets and liabilities

Financial assets

	<u>June 30 2021</u>	<u>September 30, 2020</u>
Measured at amortized cost		
Cash	1,335,816	194,130

Financial liabilities

Measured at amortized cost		
Accounts payable and accrued liabilities	486,417	1,086,992
Amounts due to related parties	752,800	518,442
Long-term liability	10,000	10,000

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, 2021

(In Canadian dollars)

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

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 of \$429,798 at June 30, 2021, including \$1,335,816 in cash and current liabilities totalling \$1,239,217 due within the next 12 months. There has been no change to Management's assessment of liquidity risk compared with the prior year.

	LIABILITIES			
	Within 1 year	1 to 3 years	4 to 5 years	Total
June 30, 2021	1,239,217	10,000	-	1,249,217
September 30, 2020	1,605,434	10,000	-	1,615,434

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 as well as ensuring that all flow-through monies obtained are utilized in exploration activities and spent by the required deadline. In the management of capital, the Company includes the components of shareholders' equity and loans from related parties. As long as the Company is in the exploration stage of its mining properties, it is not the intention of the Company to contract additional debt obligations to finance its work programs. 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. When financing conditions are not optimal, the Company may enter into option agreements or find other solutions to continue its activities or may slow its activities until conditions improve. While the Company is not subject to any external capital requirements, neither regulatory nor contractual, funds from flow-through financings to be spent on the Company's exploration properties are restricted for this use. 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.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

*(In Canadian dollars)***5. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS**

	June 30, 2021		September 30, 2020	
	Mineral exploration properties	Exploration and evaluation assets	Mineral exploration properties	Exploration and evaluation assets
	\$	\$	\$	\$
Pontax-Lithium	352,475	1,869,016	352,475	1,868,091

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 68 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 and exploration and evaluation assets between October 1, 2019 to June 30, 2021:

	Nine months ended June 30, 2021	Year ended September 30, 2020
	\$	\$
Balance, beginning and end of period	352,475	352,475
Balance, beginning of period	1,868,091	1,067,859
Additions		
Drilling	-	700,000
Geochemical Survey	-	-
Property maintenance	925	7,928
	925	707,928
Tax credits and duties	-	92,305
Balance, end of period	1,869,016	1,868,091

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

6. 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, 2019, and September 30, 2020	72,460,369	3,648,682
Shares issued for cash (1)	52,000,000	1,300,010
Warrants exercised	970,000	48,500
Options exercised	150,000	9,938
Share issuance costs	-	(21,649)
Shares issued in settlement of amounts due to related party (2)	20,000,000	500,000
Balance at June 30, 2021	145,580,369	5,485,481

- (1) On June 24, 2021, the Company completed a non-brokered private placement for gross proceeds of \$1,300,010. The private placement was comprised of 52,000,000 units at a price of \$0.025 per unit. Each unit consists of one 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 June 24, 2023. In connection with the financing, the Company paid cash finders' fees of \$13,621 and issued, as additional consideration, 480,000 non-transferable finder's warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 until June 24, 2023. The Company applied the residual method in valuing the share capital and related warrants. The proceeds from the financing (\$1,300,010) were allocated to share capital with the residual value of \$Nil allocated to the warrants. The fair value of the shares was determined based on the trading price of the Company's shares on the TSX-V. The fair value of the warrants issued as a part of the commissions have been recorded at a value of \$8,028. This is based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.025, risk-free interest rate of 0.42%, expected life of warrants of 2 years, annualized volatility of 165.86% 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. Two Directors of the Company participated in the private placement and subscribed for an aggregate of 7,000,000 Units representing an aggregate amount of \$175,000.
- (2) On June 14, 2021, the Company settled outstanding indebtedness to JJJY Holdings Inc., a company controlled by a Director of the Company, in the amount of \$500,000, through the issuance of 20,000,000 common shares of the Company at a deemed price of \$0.025 per share. The common shares issued in connection with the debt settlement are subject to a hold period what will expire on October 15, 2021.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

*(In Canadian dollars)***7. 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, 2019	49,173,000	0.06
Expired	(7,205,000)	0.06
Balance, September 30, 2020	41,968,000	0.06
Issued	52,480,000	0.05
Exercised	(970,000)	0.05
Expired	(16,760,000)	0.06
Balance, June 30, 2021	76,718,000	0.05

As at June 30, 2021, the following warrants were issued and outstanding:

Number of Warrants	Issue date fair value \$	Exercise price \$	Expiry date
8,880,000	-	0.05	January 27, 2022
640,000	32,307	0.05	January 27, 2022
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
52,000,000	-	0.05	June 24, 2023
480,000	8,028	0.05	June 24, 2023
76,718,000	108,355		

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

*(In Canadian dollars)***7. WARRANTS** *(continued)*

As at September 30, 2020, the following warrants were issued and outstanding:

Number of Warrants	Issue date fair value \$	Exercise price \$	Expiry date
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
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
3,000,000	19,875	0.055	December 12, 2020
280,000	1,973	0.055	December 27, 2020
7,000,000	49,327	0.055	December 27, 2020
41,968,000	192,052		

8. STOCK OPTIONS

The Company's incentive stock option plan is 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 twenty percent (20%) 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. Options are subject to a vesting schedule at the discretion of the Board of Directors at the time of grant.

The following table reflects the continuity of stock options:

	Number outstanding	Weighted average outstanding exercise price \$
Balance, September 30, 2019	6,928,451	0.06
Expired	(70,000)	0.055
Balance, September 30, 2020	6,858,451	0.06
Exercised	(150,000)	0.05
Expired	(459,849)	0.08
Balance, June 30, 2021	6,248,602	0.06

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

8. STOCK OPTIONS (continued)

As at June 30, 2021, 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 \$
\$ 0.06	2,895,000	0.78	0.06	2,895,000	0.06
\$ 0.10	793,602	0.61	0.10	793,602	0.10
\$ 0.05	2,560,000	2.55	0.05	2,560,000	0.05
	6,248,602	1.48	0.06	6,248,602	0.06

As at September 30, 2020, 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 \$
\$ 0.06	3,120,000	1.53	0.06	3,120,000	0.06
\$ 0.10	1,028,451	1.36	0.10	1,028,451	0.10
\$ 0.05	2,710,000	3.30	0.05	2,710,000	0.05
	6,858,451	2.21	0.06	6,858,451	0.06

9. 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.

Focus Graphite Inc.

As at June 30, 2021, \$5,000 (\$5,000 as at September 30, 2020) is included in amounts due to related parties owing to Focus Graphite Inc., which shares common management. The balance owing is due to recharged operating expenses between the related parties. The amount owing is unsecured, non-interest bearing and due on demand.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Grafoid Inc.

As at June 30, 2021, \$6,867 (\$Nil as at September 30, 2020) is included in amounts due to related parties owing to Grafoid Inc., which shares common management. The balance owing is due to recharged operating expenses between the related parties. The amount owing is unsecured, non-interest bearing and due on demand.

MuAnalysis

During the three and nine months ended June 30, 2021, the Company was charged \$3,600 and \$9,600 (2020 - \$Nil and \$3,600), respectively, by MuAnalysis Inc, which shares common management, for rent expenses. As at June 30, 2021, \$Nil (\$6,312 as at September 30, 2020) is included in amounts due to related parties owing to MuAnalysis Inc. As at June 30, 2021, an amount owing of \$16,962 (\$Nil as at September 30, 2020) is included in accounts payable and accrued liabilities.

Due to an Officer

As at June 30, 2021, included in amounts due to related parties is an amount of \$1,055 due to a former Officer of the Company (\$1,055 as at September 30, 2020). The amount owing is unsecured, non-interest bearing and due on demand.

Loan from 9174893 Canada Inc.

As at June 30, 2021, included in amounts due to related parties is an amount of \$5,500 due to 9174893 Canada Inc., a company controlled by a former officer of Stria (\$5,500 as at September 30, 2020).

Loans from JJJY Holdings Inc.

During the year ended September 30, 2020, the Company received a \$500,000 loan from JJJY Holdings Inc. ("JJJY"), an entity controlled by a director of the Company, for general operations. On June 1, 2021, the Company issued 20,000,000 common shares at a deemed price of \$0.025 per share, in settlement of the \$500,000 debt. The common shares issued in connection with the debt settlement are subject to a hold period that will expire on October 15, 2021.

On March 26, 2021, the Company received a \$750,000 loan from JJJY, for general operations. The loan is non-interest bearing, includes a lender fee in the amount of \$125,000 and is payable on maturity or earlier with no early payment penalty. During the period ended June 30, 2021, JJJY exercised 970,000 warrants at \$0.05 per warrant for total proceeds to the Company of \$48,500. In lieu of paying the Company \$48,500 for the exercise of these warrants, it was agreed to reduce the balance of the loan by this amount.

During the three and nine months ended June 30, 2021, \$32,877 and \$32,877 was recognized as an accretion expense (2020 - \$Nil and \$Nil). As at June 30, 2021, included in amounts due to related parties is \$734,377 owing to JJJY (\$500,000 as at September 30, 2020).

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

10. LONG-TERM LIABILITY

During the year ended September 30, 2020, the Company received a \$10,000 loan in connection with the Regional Relief and Recovery Fund (RRRF). The loan bears 0% interest until January 1, 2023. If the balance is not paid by December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. No principal payments are required until December 31, 2022. Principal repayments can be voluntarily made at any time without fees or penalties. An amount of \$2,500 is forgivable, provided the Company is able to repay \$7,500 by December 31, 2022.

11. UNCERTAINTY DUE TO COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected.

The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its mineral exploration properties and evaluations assets, including the assessment for impairment and impairment reversal, and going concern as the volatility of commodity prices has created uncertainty in the markets and could potentially impact the Company's ability to raise sufficient funds. Actual results may differ materially from these estimates.

12. RESTATEMENT

The Company has restated the unaudited condensed consolidated interim statements of cash flow for the nine months ended June 30, 2020. During the course for the preparation of the unaudited condensed consolidated interim financial statements for the three and nine months ended June 30, 2021, an error was discovered in presenting cash outflows in exploration and evaluation costs and changes in working capital items for the 9 month period ended June 30, 2020. The effects of the restatement on the unaudited condensed consolidated interim statements of cash flow for the nine months ended June 30, 2020 are summarized below. There is no impact on the unaudited condensed consolidated interim statements of financial position as at June 30, 2020 and the unaudited condensed consolidated interim statements of comprehensive income (loss) for the three month and nine month period ended June 30, 2020 or the unaudited condensed consolidated interim statements of cash flow for the three month period ended June 30, 2020.

Stria Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended June 30, 2021

(In Canadian dollars)

12. RESTATEMENT (continued)

Unaudited Condensed Consolidated Interim Statements of Cash Flow

Nine months ended,
June 30 2020

	Previously reported \$	Adjustments \$	Restated \$
OPERATING ACTIVITIES			
Changes in working capital items	596,572	(598,051)	(1,479)
Net cash flows from (used in) operating activities	465,198	(598,051)	(132,853)
INVESTING ACTIVITIES			
Exploration and evaluation costs	(702,558)	598,051	(104,507)
Net cash flows from (used in) investing activities	(702,558)	598,051	(104,507)
Supplemental information			
Accounts payable and accrued liabilities	649,933	(598,051)	51,882

13. SUBSEQUENT EVENT

Signing of Letter of Intent

On July 7, 2021, the Company announced the signing of a letter of intent dated July 6, 2021 (the "LOI") with Grafoid Inc. ("Grafoid"), a private corporation incorporated under the laws of the Province of Ontario, which sets forth the general terms and conditions of a proposed licensing agreement that will result in a Change of Business pursuant to *Change of Business and Reverse Takeovers* of the TSXV Exchange (the "Exchange"). The proposed licensing agreement is subject to several conditions including, but not limited to, the approval of the Company's shareholders, approval of the Exchange and raising of equity financing.

Subject to the conditions set forth in the LOI, Stria and Grafoid would enter into a license agreement whereby Grafoid will grant Stria an exclusive, world-wide license to all its intellectual property and technology related to water purification. Upon the completion of the change of business transaction (the "Proposed Transaction") Stria will change its name to Purafy Clean Technologies Inc. (the "Resulting Issuer" and common shares of the Resulting Issuer are referred to herein as the "Resulting Issuer Shares") and the Resulting Issuer will be a Tier 2 Technology issuer.