

STRIA LITHIUM INC.

Consolidated Financial Statements

For the years ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report	2-5
Consolidated Financial Statements	
Consolidated Statements of Financial Position	6
Consolidated Statements of Comprehensive Loss	7
Consolidated Statements of Changes in Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10- 33

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Stria Lithium Inc.

Opinion

We have audited the consolidated financial statements of Stria Lithium Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023, and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Company for the year ended September 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on January 20, 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

A handwritten signature in black ink that reads "McGovern Hurley LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
December 18, 2023

Stria Lithium Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	September 30, 2023	September 30, 2022
	\$	\$
ASSETS		
Current assets		
Cash	1,689,771	2,734,971
Sales tax receivable	38,109	34,620
Marketable securities (Note 5)	1,274,231	-
Other receivables (Note 7)	-	133,593
Tax credits	79,063	39,685
Prepaid expenses	102,465	36,258
	3,183,639	2,979,127
Mineral exploration properties (Note 7)	513,441	589,975
Exploration and evaluation assets (Note 7)	199,041	1,650,609
Total assets	3,896,121	5,219,711
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	176,387	147,348
Deposits (Note 7)	-	1,350,000
Deferred government grant (Note 8)	41,250	41,250
Total liabilities	217,637	1,538,598
EQUITY		
Share capital (Note 9)	7,803,849	6,747,779
Warrants (Note 10)	2,064	10,092
Contributed surplus (Note 11)	2,106,492	1,917,734
Deficit	(6,233,921)	(4,994,492)
Total equity	3,678,484	3,681,113
Total liabilities and equity	3,896,121	5,219,711

Going concern (Note 2)

On behalf of the Board

(signed) "Dean Hanisch"
Dean Hanisch, Director

(signed) "Jeffrey York"
Jeffrey York, Director

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

Stria Lithium Inc.Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended September 30	2023	2022
	\$	\$
Operating expenses		
Management and consulting fees (Note 13)	937,463	92,488
Professional fees	189,738	219,599
Travel and promotion	210,152	12,481
Insurance	15,360	13,825
Agent fees	26,406	22,783
Stock-based compensation (Note 11)	180,730	916,095
Other	82,261	11,885
Loss before other income (expense)	(1,642,110)	(1,289,156)
Other income (expense)		
Interest income	79,301	13,775
Other income	-	2,500
Gain on option of mineral exploration property (Note 7)	1,049,149	-
Change in fair value of financial assets at FVTPL (Note 5)	(725,769)	-
Accretion expense on amount due to related party (Note 13)	-	(60,616)
Net loss and total comprehensive loss	(1,239,429)	(1,333,497)
Basic and diluted net loss per common share	(0.05)	(0.08)
Basic and diluted weighted average number of common shares outstanding	25,218,447	16,334,519

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

Stria Lithium Inc.Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Warrants	Contributed surplus	Deficit	Total
	# of shares	\$	\$	\$	\$	\$
Balance, September 30, 2021	14,558,037	5,462,511	108,355	630,712	(3,660,995)	2,540,583
Shares issued for cash	4,274,999	641,250	-	-	-	641,250
Shares issued on exercise of warrants	200,000	120,000	(20,000)	-	-	100,000
Expiry of warrants	-	-	(80,327)	80,327	-	-
Share issuance costs	-	(24,382)	2,064	-	-	(22,318)
Shares issued to acquire mineral property (Note 7)	750,000	112,500	-	-	-	112,500
Shares issued in settlement of amount due to related party (Note 13)	1,453,000	435,900	-	290,600	-	726,500
Stock-based compensation (Note 11)	-	-	-	916,095	-	916,095
Net loss	-	-	-	-	(1,333,497)	(1,333,497)
Balance, September 30, 2022	21,236,036	6,747,779	10,092	1,917,734	(4,994,492)	3,681,113
Shares issued for cash	4,085,000	954,125	-	-	-	954,125
Expiry of warrants	-	-	(8,028)	8,028	-	-
Share issuance costs	-	(15,055)	-	-	-	(15,055)
Shares issued to acquire mineral property (Note 7)	600,000	117,000	-	-	-	117,000
Stock-based compensation (Note 11)	-	-	-	180,730	-	180,730
Net loss	-	-	-	-	(1,239,429)	(1,239,429)
Balance, September 30, 2023	25,921,036	7,803,849	2,064	2,106,492	(6,233,921)	3,678,484

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

Stria Lithium Inc.Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended September 30	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1,239,429)	(1,333,497)
Adjustments for:		
Stock-based compensation	180,730	916,095
Other income	-	(2,500)
Gain on option of mineral exploration property	(1,049,149)	-
Change in fair value of financial assets at FVTPL	725,769	-
Accretion expense on amount due to related party	-	60,616
Changes in non-cash working capital items (Note 12)	(30,070)	(186,640)
Net cash flows from operating activities	(1,412,149)	(545,926)
INVESTING ACTIVITIES		
Acquisition of mineral exploration property (Note 7)	(158,941)	(125,000)
Exploration and evaluation costs	(102,865)	(250,614)
Deposit received for option of mineral exploration property (Note 7)	-	1,000,000
Government grant received (Note 8)	-	41,250
Tax credits and mining duties received	39,685	547,618
Net cash flows from investing activities	(222,121)	1,213,254
FINANCING ACTIVITIES		
Proceeds from issuance of shares/units	604,125	641,250
Deposit received for private placement (Note 7)	-	350,000
Repayment on long-term liability	-	(7,500)
Share issuance costs	(15,055)	(22,318)
Net cash flows from financing activities	589,070	961,432
(Decrease) increase in cash	(1,045,200)	1,628,760
Cash, beginning of the year	2,734,971	1,106,211
Cash, end of the year	1,689,771	2,734,971

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

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed 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.

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, 2023, the Company incurred a net loss of \$1,239,429 and had negative cash flows from operations of \$1,412,149. In addition, the Company has a deficit of \$6,233,921.

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 obligations and continue its exploration activities in the 2024 fiscal year, may be 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 favorable to the Company.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and 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 functional currency of the Company. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Board of Directors on December 18, 2023.

(b) Judgments, estimates and assumptions

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

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed 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 consolidated 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.

Tax credits and mining duties

The Company is eligible to claim certain credits on eligible exploration expenditures. Determining the eligibility of the amounts and the credit to be received requires management's judgement.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the 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 or circumstances indicating impairment loss 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 loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

Share-based payments and warrants

The estimation of stock-based compensation and valuation assigned to 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 probable 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.

Allocation of proceeds from unit private placements

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.

(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, 2023 and 2022 were as follows:

Name of subsidiary	Place of incorporation	Ownership interest as at September 30,		Principal activity
		2023	2022	
Pueblo Lithium LLC	United States	100%	100%	Inactive

The functional currency of the Company and its subsidiary is the Canadian dollar. The presentation currency of the Company is also the Canadian dollar.

(d) Financial instruments

Recognition, initial measurement and derecognition

IFRS 9 provides a model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

Measurement – initial recognition

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of financial assets

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. The Company's cash and other receivables fall into this category of financial instruments.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured subsequently at FVTPL

By default, all other financial assets are measured subsequently at FVTPL.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The Company's marketable securities are measured at FVTPL.

Classification of financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method. The Company's financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

(e) 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 other income in the consolidated statements of comprehensive loss.

When government assistance is received which relates to expenditures of future periods, the amount is deferred and either amortized to income as the related expenditures are incurred or recognized as a reduction of an asset to which the grant relates.

(f) Tax credits and credit on duties

The Company is eligible for a refundable credit on mining duties under the Quebec Mining Duties Act. This refundable credit on mining duties is equal to 16% applicable on 50% of the eligible expenses. The accounting treatment for refundable credits on mining duties depends on management's intention to either go into production in the future or to sell its mining properties to a mining company once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property.

In the first case, the credit on mining duties is recorded as an income tax recovery, under IAS 12, Income Taxes, which generates a deferred tax liability and deferred tax expense since the exploration and evaluation assets have no tax basis following the Company's election to claim the refundable credit.

In the second case, it is expected that no mining duties will be paid in the future and, accordingly, the credit on mining duties is recorded against exploration and evaluation assets.

Currently, it is management's intention to have the Company sell its mining properties to a mining company, as such, the credit on mining duties is recorded against exploration and evaluation assets.

The Company is eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred. The refundable tax credit related to resources can represent up to 38.75% for eligible expenses and is recorded as a government grant against exploration and evaluation assets. Credits related to resources and credits for mining duties recognized against exploration and evaluation assets are initially recorded at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

(g) 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 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.

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 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

From time to time, the Company may dispose of mineral assets pursuant to option agreements. The Company credits the fair value of any cash, shares or other consideration received from the acquirer against the carrying amount of the portion of interest in the mineral asset retained with any excess recognized as a gain in the consolidated statements of comprehensive loss. Any amounts received prior to the execution of an option agreement are recorded as deposits in the consolidated statements of financial position.

(h) 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.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

(i) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is a constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

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

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. In a business combination, contingent liabilities are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

(j) Income taxes

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

Current 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 taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

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.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

(k) Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (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. For the years ended September 30, 2023 and 2022, the diluted loss per share is equal to the basic loss per share because the effect of warrants and stock options (Notes 10 and 11) is antidilutive as it would decrease the loss per share.

(l) 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. When shares are issued upon the exercise of stock options or warrants, the proceeds are allocated to share capital and the value previously recorded to contributed surplus or warrants for these stock options or warrants, is transferred to share capital. 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, otherwise they are measured at the fair value of the shares issued according to the quoted price on the day of the conclusion of the agreement.

Flow-through financings

Issuance of flow-through units represents in substance an issue of common shares, warrants (if applicable) and the sale of the right to tax deductions to the investors. When flow-through units are issued, the sale of the right to tax deductions is deferred and included within other current liabilities in the consolidated statements of financial position. The proceeds received from flow-through placements are allocated between share capital, warrants issued (if applicable) 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 (if applicable) 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 as 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.

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. When shares or other equity instruments are issued to a creditor to extinguish all or part of a financial liability and the creditor is considered to be acting in its capacity as a shareholder of the Company, the Company determines the fair value of the consideration paid on extinguishment. If the fair value of consideration paid exceeds the carrying value of the financial liability extinguished, the difference is recorded in contributed surplus.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

Deficit

Deficit includes all current and prior period profits or losses.

(m) Equity-settled stock-based payment transactions

The Company provides an equity-settled stock-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 stock-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 or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees, or consultants providing similar services, are rewarded using stock-based payments, the fair values of the services rendered are determined 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. 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 stock 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 stock options ultimately exercised are different to that estimated on vesting. Stock-based compensation expense incorporates an expected forfeiture rate.

All stock-based payments under the plan (except warrants to brokers) are ultimately recognized as an expense in profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment 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 stock 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 charges related to the warrants recorded in warrants are then transferred to share capital.

(n) Standards, amendments and interpretations

Issued but not yet effective

IAS 1 "Presentation of Financial Statements" ("IAS 1")

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

- Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;
- Clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services;
- Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and
- Clarifying the classification requirements for debt an entity may settle by converting it into equity.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on the Company's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of the COVID-19 pandemic. Early application is permitted. The AcSB endorsed the IASB's amendment to defer the effective date in October 2020.

IAS 1 "Presentation of Financial Statements" ("IAS 1") and IFRS Practice Statement 2 "Making Materiality Judgments"

In February 2021, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments shall be applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once an entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8")

In February 2021, the IASB issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The Company is currently evaluating the impact of the above amendment on its consolidated financial statements. The Company plans to apply the above amendments on the first annual reporting period following the effective date of the respective amendment.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements*. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

4. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk management

The Company thoroughly 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.

(i) 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 financial assets exposed to credit risk include cash and other receivables and maximum exposure is equal to the carrying value of these assets, totalling \$1,689,771 at September 30, 2023 (2022 - \$2,868,564). The Company's cash is held at a Canadian chartered bank with high external credit ratings. The exposure to credit risk for the Company's other receivables is considered immaterial. It is management's opinion that the Company is not exposed to significant credit risk.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) 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 anticipated transactions. As at September 30, 2023, the Company had working capital of \$2,966,002, including \$1,689,771 in cash and current liabilities of \$176,387 due within the next 12 months. There has been no change to management's assessment of liquidity risk compared with the prior year.

(iii) Market risk

The Company holds shares in a publicly listed company in the mineral exploration industry. The Company is exposed to market risk regarding these shares as unfavorable market conditions could result in the disposal at less than their value at September 30, 2023. As at September 30, 2023, the value of these listed shares was \$1,274,231. At September 30, 2023, had the price for these publicly listed shares been 10% lower, the comprehensive loss for the year would have been \$127,423 greater. Conversely, had the price been 10% higher, the comprehensive loss would have been \$127,423 less.

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 with 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. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2023, the Company believes it is compliant with the policies of the TSXV. In

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

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.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended September 30, 2023 and September 30, 2022.

5. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit or loss and are comprised of:

	September 30, 2023	September 30, 2022
	\$	\$
Cygnus Metals Limited (1)	1,274,231	-

(1) In July 2023, the Company received 9,129,825 shares in Cygnus Metals Limited in connection with the optioning of the Company's Pontax Central property (Note 7). On initial recognition, the shares were recorded at a value of \$2,000,000, based on the 10 day VWAP of Cygnus' shares at the time. At September 30, 2023, the Company recognized a decrease in the carrying value of the Cygnus shares in the amount of \$725,769, reflecting a decline in the market price of Cygnus shares. An equivalent amount was recorded in the consolidated statement of comprehensive loss as a change in fair value of financial assets at FVTPL.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2023 and 2022
(Expressed in Canadian dollars)

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, other receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature. The fair value of the Company's marketable securities is based on quoted prices in an active market (Level 1).

The classification of financial instruments is as follows:

As at	September 30, 2023	September 30, 2022
	\$	\$
Financial assets		
Amortized cost		
Cash	1,689,771	2,734,971
Other receivables	-	133,593
Fair value through profit or loss		
Marketable securities	1,274,231	-
Total financial assets	2,964,002	2,868,564
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	(176,387)	(147,348)
Total financial liabilities	(176,387)	(147,348)

7. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

	September 30, 2023		September 30, 2022	
	Mineral exploration properties	Exploration and evaluation assets	Mineral exploration properties	Exploration and evaluation assets
	\$	\$	\$	\$
a) Pontax Central (formerly Pontax-Lithium)	-	-	352,475	1,590,585
b) Romer	237,500	92,037	237,500	60,024
c) Pontax II	275,941	107,004	-	-
	513,441	199,041	589,975	1,650,609

a) Pontax Central (formerly Pontax-Lithium)

On December 6, 2013, the Company acquired a 100% interest in the Pontax Central 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 Central property is comprised of a group of 68 contiguous mining claims located in the James Bay Territory of Northern Quebec.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

On October 17, 2022, the Company announced the execution of a definitive agreement (the "Definitive Agreement") with Cygnus Metals Limited (formerly Cygnus Gold Limited) (ASX: CY5) ("Cygnus") following the execution of a binding term sheet between the parties dated July 26, 2022. Pursuant to the Definitive Agreement, Cygnus has been granted the sole and exclusive option (the "Option") to acquire up to a 70% undivided interest in Stria's Pontax Central property (the "Property") under a two-stage option for total cash payments of \$6,000,000 and exploration expenditure commitments totaling \$10,000,000 (the "Transaction"). Following the exercise of the Option, the parties will form a joint venture (the "Joint Venture") with each of Cygnus and Stria holding an undivided interest of 70% and 30% respectively, with Cygnus acting as operator of the Joint Venture. Stria's interest in the Joint Venture will be free carried until Cygnus delivers a feasibility study on the property.

In consideration for the Option, Cygnus paid cash consideration of \$1,000,000 and subscribed for 1,400,000 common shares of the Company at a price of \$0.25 per common share for aggregate gross proceeds of \$350,000 (Note 9). During the 2022 fiscal year, Stria received a total of \$1,350,000 from Cygnus in respect of these conditions, which was included in deposits in the consolidated statement of financial position at September 30, 2022, pending the execution of the Definitive Agreement and closing of the subscription for shares, both of which occurred in October 2022.

The terms of the two-stage option are as follows:

(1) Option to acquire a 51% undivided interest ("First Option")

Under the First Option, Cygnus is required to incur exploration expenditures on the Property in the amount of \$4,000,000 over a period of 18 months. Following completion of such expenditures, in order to complete the First Option, Cygnus shall pay Stria a cash amount of \$2,000,000.

(2) Option to acquire an additional 19% interest ("Second Option")

Under the Second Option, conditional upon the exercise of the First Option, Cygnus shall incur additional exploration expenditures in the amount of \$6,000,000 over a period of 30 months from the date of exercise of the First Option. Following completion of such expenditures, in order to complete the Second Option, Cygnus shall pay Stria an additional cash amount of \$3,000,000. Upon the exercise of the Second Option, Cygnus shall have acquired a 70% undivided interest in the Property. In the event Cygnus elects not to proceed with, or otherwise fails to exercise the Second Option, the parties will form the Joint Venture with Cygnus automatically transferring a 2% undivided interest back to Stria for a nominal consideration. Each of Cygnus and Stria shall thereafter hold an undivided Joint Venture interest of 49% and 51% respectively, with Stria becoming operator of the Joint Venture

In addition, during the year ended September 30, 2022, Stria incurred exploration expenditures on the Pontax Central property in the amount of \$133,593, which were reimbursed by Cygnus in December 2022. As at September 30, 2022, the amount was included in other receivables in the consolidated statements of financial position.

On July 5, 2023, the Company received the final milestone payment of \$2,000,000 from Cygnus in the form of 9,129,825 shares. The shares were recorded at a value of \$2,000,000, based on the 10 day VWAP of Cygnus shares (\$0.2191 per share). In connection with the milestone payment, the Company recognized a gain on optioning of mineral exploration property in the amount of \$1,049,149, representing the amount by which the \$2,000,000 option payment exceeded the carrying value of the property. Following satisfaction of the \$2,000,000 payment, Cygnus earned a 51% interest in the Pontax Central property, in accordance with the Definitive Agreement.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

b) Romer

On August 11, 2022, the Company completed the acquisition of the Romer property from Braille Energy Systems Inc. (“BESI”), a related party which shares common management, for total consideration of \$237,500, comprised of \$125,000 in cash and 750,000 common shares of Stria with a fair value of \$112,500. The Romer property is an early-stage exploration project located in the Labrador Trough sector of Nunavik, the northern division of the Nord-du-Québec administrative region.

BESI retained a net smelter royalty (“NSR”) of 1.0%, half of which Stria has the option to purchase such that the NSR is reduced from 1.0% to 0.5% (the “Partial NSR Buyout Option”). The Partial NSR Buyout Option may be exercised at any time by Stria for consideration of \$500,000 payable in cash or stock or a combination thereof at Stria’s discretion.

c) Pontax II

(i) In April 2023, the Company entered into two Mineral Property Acquisition Agreements (the “Agreements”) to acquire a 100% interest in two mineral properties close to its Pontax Central property in the James Bay Territory of Northern Quebec, for the following consideration:

- \$125,000 in cash at closing (paid in May 2023)
- 500,000 common shares of the Company at closing (issued in May 2023 at a value of \$95,000)
- a minimum of \$92,000 of exploration work on the properties, to be conducted within 14 months of closing
- \$312,500 in cash, to be paid within 14 months of closing
- 1,875,000 common shares of the Company, to be issued within 14 months of closing

The completion of each agreement is conditional on the completion of the other agreement. The transfer of the properties will not occur until the full consideration has been paid by the Company. In the event that a payment is not made as per the timeline above, the vendors can cancel the transaction and retain all prior payments received.

(ii) In June 2023, the Company entered into an additional Mineral Property Acquisition Agreement (the “VCT Agreement”) to acquire a 100% interest in 24 claims adjacent to the mineral properties to be acquired pursuant to the Agreements, for the following consideration:

- \$25,000 in cash at closing (paid in July 2023)
- 100,000 common shares of the Company at closing (issued in July 2023 at a value of \$22,000)
- \$40,000 in cash, to be paid within 18 months of closing
- 250,000 common shares of the Company, to be issued within 18 months of closing

In the event that a payment is not made as per the timeline above, the vendor can cancel the transaction and retain all prior payments received.

(iii) In June 2023, the Company staked additional claims in the area for \$8,941.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2023 and 2022
(Expressed in Canadian dollars)

The following table reflects changes to mineral exploration properties during the years ended September 30, 2022 and 2023:

Year ended September 30	2023	2022
	\$	\$
Balance, beginning of the year	589,975	352,475
Acquisition of mineral exploration property	275,941	237,500
Option payment received	(352,475)	-
	(76,534)	237,500
Balance, end of the year	513,441	589,975

The following table reflects changes to exploration and evaluation assets during the years ended September 30, 2022 and 2023:

Year ended September 30	2023	2022
	\$	\$
Balance, beginning of the year	1,650,609	1,573,273
Additions		
Drilling	-	9,780
Independent technical studies	2,250	-
Geochemical survey	203,715	97,498
Metallurgical analysis	-	4,145
Property maintenance	19,906	5,598
	225,871	117,021
Option payments received	(1,598,376)	-
Tax credits and credit on duties	(79,063)	(39,685)
Balance, end of the year	199,041	1,650,609

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, Indigenous claims, social license requirements and non-compliance with regulatory requirements.

8. DEFERRED GOVERNMENT GRANT

In July 2022, the Company was awarded a \$275,000 grant by the government of Quebec's Ministry of Energy and Natural Resources (MERN). The grant will be used to finance a geometallurgical study of lithium-bearing spodumene pegmatites at the Company's Pontax Central property.

As at September 30, 2023, \$41,250 was included in deferred government grant in the consolidated statements of financial position (2022 - \$41,250). This amount, representing 15% of the total grant, was received by the Company in September 2022 and has been deferred until the related work has been conducted.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

9. SHARE CAPITAL

Authorized

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

Issued and fully paid

Common shares

Share Consolidation

On May 12, 2022, the Company announced that the TSX-V had approved the consolidation of the Company's common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. The Company's shares began trading on a post-consolidated basis effective at the opening of the market on May 16, 2022. All share capital, warrant and stock option data has been retroactively restated to reflect the share consolidation in these condensed consolidated interim financial statements.

	Number of shares	
		\$
Balance, September 30, 2021	14,558,037	5,462,511
Shares issued for cash (1)	4,274,999	641,250
Shares issued on exercise of warrants	200,000	120,000
Shares issued in settlement of amount due to related party (2)	1,453,000	435,900
Shares issued to acquire mineral exploration property (Note 7)	750,000	112,500
Share issuance costs	-	(24,382)
Balance, September 30, 2022	21,236,036	6,747,779
Shares issued for cash (3)(4)	4,085,000	954,125
Shares issued to acquire mineral exploration property (Note 7)	600,000	117,000
Share issuance costs	-	(15,055)
Balance, September 30, 2023	25,921,036	7,803,849

- (1) On August 19, 2022, the Company completed a private placement for gross proceeds of \$641,250. The private placement was comprised of 4,274,999 units at a price of \$0.15 per unit. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 until August 19, 2024. In connection with the financing, the Company paid cash finders' fees of \$7,200 and issued, as additional consideration, 48,000 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.50 until August 19, 2024. The proceeds from the financing (\$641,250) were allocated entirely to share capital (\$641,250), after which there was no residual amount to allocate to the warrants. The warrants issued as commissions have been recorded at a value of \$2,064 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.16, risk-free interest rate of 3.42%, expected life of warrants of 2 years, annualized volatility of 224% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of the Company's shares over the last two years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

commensurate with the expected life of the warrants. Other share issuance costs total \$15,118. The value of the broker warrants, cash finders' fees and other share issuance costs were presented as a reduction of share capital.

- (2) On January 27, 2022, the Company settled outstanding indebtedness to JJY Holdings Inc., a company controlled by a Director of the Company, in the amount of \$726,500, through the issuance of 1,453,000 common shares of the Company at a deemed price of \$0.50 per share. In connection with the debt settlement, the Company recognized an amount of \$290,600 in contributed surplus, representing the difference between the debt that was settled (\$726,500) and the fair value of the shares issued in settlement of the debt (\$435,900).
- (3) On October 17, 2022, the Company completed a private placement for gross proceeds of \$350,000. The private placement was comprised of 1,400,000 shares at a price of \$0.25 per share.
- (4) On November 7, 2022, the Company completed a private placement for gross proceeds of \$604,125. The private placement was comprised of 2,685,000 units at a price of \$0.225 per unit. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 until November 7, 2024. The proceeds from the financing (\$604,125) were allocated entirely to share capital (\$604,125), after which there was no residual amount to allocate to the warrants. Share issuance costs in the amount of \$15,055 were incurred and presented as a reduction of share capital.

10. WARRANTS

The following table reflects the continuity of warrants outstanding:

	Number of warrants	Weighted average exercise price
		\$
Balance, September 30, 2021	7,671,800	0.51
Issued	2,185,500	0.50
Exercised	(200,000)	0.50
Expired	(2,223,800)	0.54
Balance, September 30, 2022	7,433,500	0.50
Issued	1,342,500	0.50
Expired	(48,000)	0.50
Balance, September 30, 2023	8,728,000	0.50

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2023 and 2022
(Expressed in Canadian dollars)

As at September 30, 2023, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	\$	\$	
5,200,000	-	0.50	June 24, 2025
2,137,500	-	0.50	August 19, 2024
48,000	2,064	0.50	August 19, 2024
1,342,500	-	0.50	November 7, 2024
8,728,000	2,064		

In June 2023, the Company extended the expiry date of 5,200,000 warrants, exercisable at \$0.50, by 24 months. The warrants now have an expiry date of June 24, 2025.

As at September 30, 2022, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	\$	\$	
5,200,000	-	0.50	June 24, 2023
48,000	8,028	0.50	June 24, 2023
2,137,500	-	0.50	August 19, 2024
48,000	2,064	0.50	August 19, 2024
7,433,500	10,092		

11. STOCK OPTIONS

The following table reflects the continuity of stock options outstanding:

	Number of stock options	Weighted average exercise price
		\$
Balance, September 30, 2021	442,868	0.62
Granted (1)(2)(3)	4,345,000	0.24
Expired	(307,118)	0.68
Balance, September 30, 2022	4,480,750	0.25
Granted (4)	530,000	0.35
Balance, September 30, 2023	5,010,750	0.26

(1) On March 8, 2022, 910,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.50 per share, which all vested immediately and expire on March 8, 2027.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

- (2) On August 24, 2022, 2,195,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.17 per share, which all vested immediately and expire on August 24, 2027.
- (3) On August 29, 2022, 1,240,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.175 per share, which all vested immediately and expire on August 29, 2027.
- (4) On November 11, 2022, 530,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.35 per share, which all vested immediately and expire on November 11, 2027.

As at September 30, 2023, the following stock options were outstanding and exercisable:

Exercise price	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price \$	Number exercisable	Weighted average exercisable exercise price \$
\$0.17	2,195,000	3.90	0.17	2,195,000	0.17
\$0.175	1,240,000	3.92	0.175	1,240,000	0.175
\$0.350	530,000	4.12	0.35	530,000	0.35
\$0.50	1,045,750	3.06	0.50	1,045,750	0.50
	5,010,750	3.75	\$0.26	5,010,750	\$0.26

As at September 30, 2022, the following stock options were outstanding and exercisable:

Exercise price	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price \$	Number exercisable	Weighted average exercisable exercise price \$
\$0.17	2,195,000	4.90	0.17	2,195,000	0.17
\$0.175	1,240,000	4.92	0.175	-	-
\$0.50	1,045,750	4.06	0.50	1,045,750	0.50
	4,480,750	4.71	\$0.25	3,240,750	\$0.28

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

The following table reflects the weighted-average fair value of stock options granted during the years ended September 30, 2022 and 2023 and the related Black-Scholes option pricing model inputs that were used in the calculations:

Year ended September 30	2023	2022
Stock options granted	530,000	4,345,000
Weighted average fair value	0.34	0.21
Weighted-average exercise price	0.35	0.24
Weighted-average market price at date of grant	0.345	0.21
Expected life of stock options (years)	5	5
Expected stock price volatility	224%	224%
Risk-free interest rate	3.31%	2.93%
Expected dividend yield	0%	0%

The underlying expected stock price volatility is based on historical data of the Company's shares over a period commensurate with the expected life of the options.

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.

Stock-based compensation of \$180,730 (all of which relate to equity-settled stock-based payment transactions) was included in the statement of comprehensive loss for the year ended September 30, 2023 (2022 - \$916,095) and credited to contributed surplus.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	2023	2022
	\$	\$
Changes in non-cash working capital are as follows:		
Sales taxes receivable	(3,489)	44,516
Other receivables	133,593	-
Prepaid expenses	(66,207)	(34,958)
Accounts payable and accrued liabilities	(93,967)	(196,198)
	(30,070)	(186,640)
Supplemental non-cash disclosures:		
Shares issued to acquire mineral property	117,000	112,500
Option payment received in shares	2,000,000	-
Warrants issued as share issuance costs	-	2,064
Shares issued in settlement of amount due to related party	-	726,500

Stria Lithium Inc.

Notes to the Consolidated Financial Statements
September 30, 2023 and 2022
(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

Transactions with related parties 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.

Loan from JJJY Holdings Inc. ("JJJY")

On March 26, 2021, the Company received a \$750,000 loan from JJJY, for general working capital purposes. The loan was non-interest bearing, included a lender fee in the amount of \$125,000 and was payable on maturity or earlier with no early payment penalty. During the year ended September 30, 2021, JJJY exercised 97,000 warrants at \$0.50 per warrant for total proceeds to the Company of \$48,500 and during the year ended September 30, 2022, JJJY exercised 200,000 warrants at \$0.50 per warrant for total proceeds to the Company of \$100,000. In lieu of paying the Company \$48,500 and \$100,000, respectively, for the exercise of these warrants, both parties agreed to instead reduce the balance of the loan by these amounts. On January 27, 2022, the Company issued 1,453,000 common shares at a deemed price of \$0.50 per share in settlement of the balance of the loan (\$726,500). In connection with the debt settlement, the Company recognized an amount of \$290,600 in contributed surplus, representing the difference between the debt that was settled (\$726,500) and the fair value of the shares issued in settlement of the debt (\$435,900). During the year ended September 30, 2023, the Company recorded accretion expense in the amount of \$Nil (2022 - \$60,616), related to the \$750,000 loan. As at September 30, 2023 and 2022, there are no amounts owing to JJJY.

Key management compensation

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

Year ended September 30	2023	2022
	\$	\$
Consulting fees	661,750	35,000
Stock-based compensation	180,730	700,352
	842,480	735,352

As at September 30, 2023, consulting fees in the amount of \$10,000 were owed to an Officer of the Company (2022 - \$Nil).

14. CONTINGENCIES

The Company may, from time to time, be involved in various claims, legal proceedings or complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of any such actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

As at September 30, 2023, a legal claim brought against the Company in fiscal 2021 by a former officer of the Company remains ongoing. Pleadings are closed but the exchange of productions are ongoing and examinations for discovery have not been completed. As such, it is too early to evaluate this claim.

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

15. COMPARATIVE FIGURES

Certain comparative figures in the consolidated statements of comprehensive loss have been reclassified to conform to the current year presentation. The reclassification had no impact on the net loss of the Company.

16. INCOME TAXES

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense (recovery) based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statements of comprehensive loss can be reconciled as follows:

Year ended September 30	2023	2022
	\$	\$
Net loss before income tax	(1,239,429)	(1,333,497)
Expected tax (recovery) expense calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2022)	(328,000)	(353,377)
Adjustments for the following items:		
Tax impact of temporary difference for which no deferred tax asset was recorded	60,000	17,184
Expenses not deductible for tax purposes	192,000	-
Stock-based compensation	48,000	242,765
Other	28,000	93,428
Income tax expense (recovery)	-	-

Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The Company has recognized the following deferred tax assets and liabilities:

	2023	2022
	\$	\$
Mineral exploration properties and exploration and evaluation assets	(178,000)	(188,059)
Non-capital losses	178,000	188,059
	-	-

Stria Lithium Inc.

Notes to the Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars)

The Company has not recognized deferred tax assets in respect of the following items because it is not probable that future taxable income will be available against which the Company can use the benefits.

	2023	2022
	\$	\$
Share issuance costs	45,000	53,061
Property and equipment	121,000	121,402
Investments	726,000	-
Research and development expenses deducted for accounting purposes in excess of tax, net of investment tax credits	191,000	191,349
Mineral exploration properties and exploration and evaluation assets	-	176,303
Non-capital losses	2,419,000	3,668,497
	3,502,000	4,210,612

As at September 30, 2023, the Company has the following non-capital losses for which no deferred tax asset was recorded. These carryforward balances expire as follows:

	\$
2036	522,000
2037	367,000
2038	320,000
2039	173,000
2040	229,000
2041	324,000
2042	484,000
	2,419,000