TSX-V: SRA

Corporate Presentation

2014-Q2

Stria LITHIUM

A New **Source**, a New **Process** for **Green Technology Lithium**

Disclaimer

This presentation contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits; (v) the risk associated with establishing title to mineral properties and assets; (vi) the risks associated with entering into joint ventures; (vii) fluctuations in commodity prices; (viii) the risks associated with uninsurable risks arising during the course of exploration, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support mining, processing, development and exploration activities; (xi) the risks associated with changes in the mining regulatory regime governing the resulting issuer; (xii) the risks associated with the various environmental regulations the resulting issuer is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) risks related to potential conflicts of interest; (xv) the reliance on key personnel; (xvi) liquidity risks; (xvii) the risk of potential dilution through the issue of common shares; (xviii) the Company does not anticipate declaring dividends in the near term; (xix) the risk of litigation; and (xx) risk management. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

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Stria Lithium Inc.

- On May 5, 2014 Stria Capital shareholders approved a proposal to change the company's name to **Stria Lithium Inc.** to more accurately reflect and promote the company's core activities
- Stria is the sole owner of the Pontax spodumene lithium property in Northern Quebec, and the Willcox brine lithium property in Arizona
- Stria has embarked on a strategically sound, technology-oriented business path to develop a proprietary, upstream processing technology for the Pontax resource, and; to further refine an existing, proven brine processing technology for the Willcox project
- On May 20, 2014 Stria announce the **successful completion of its Phase 1** "proof of principle" development of a novel hard rock ore-to-lithium chloride process
- Stria intends to employ these proprietary technologies to create a competitive advantage by dramatically reducing mining production costs

Overview

1. Lithium
- Facts
- Applications

2. Market
- Demand
- Supply
- Prices
- Production

3. Stria
- Strategic Alliances
- Exploration properties
- Proprietary Process
- Team

The Facts

- **Lithium** is the **green** mineral of the future
- Lithium batteries comprise **30%** of the market
- But hold the **largest** growth potential
- **No substitute** for lithium in portable devices
- Historically controlled prices
- Stria owns a **Proprietary Process** to produce **High Purity Li-Metal** from Spodumene
- **Strategically positioned and aligned** with technology **partners**

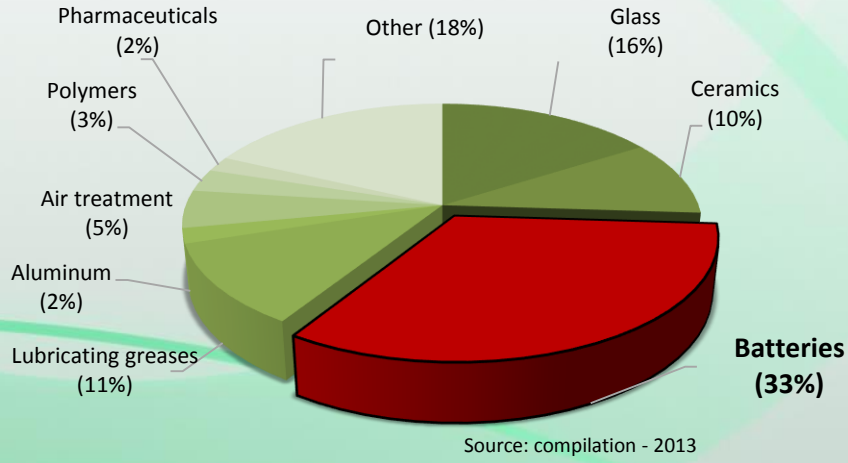
Industrial Applications

1. Chemical Application
   - **Energy** storage (rechargeable, grid storage)
   - Lubricant grease
   - Aluminium smelting, polymers
   - Air treatment
   - Medical applications

2. Technical Application (low impurities)
   - Glass products (containers, bottles, fiberglass)
   - Ceramics (glazes, porcelain enamels)
   - Specialty Applications

*Lithium is a soft metal, the **lightest** in the periodic table*

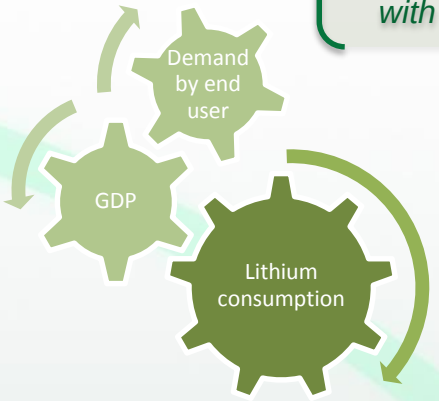
*Discovered in **1817** by Swiss chemist,*
Johan August Arfvedson



Demand

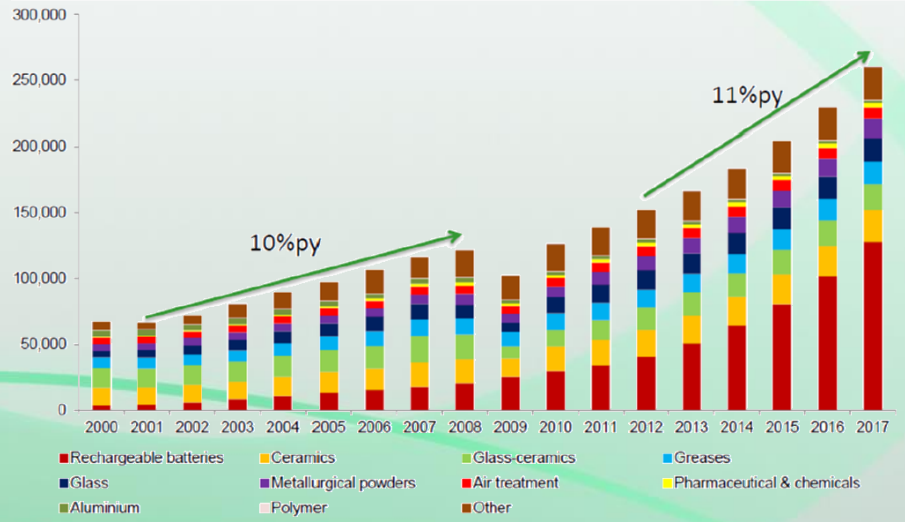
- Between 2000 and 2012 **Li consumption ↗ 5.6%**
- **China (30%)** is the largest consumer of Li, followed by EU, Japan
- **Li batteries** are the fastest growing use: 65% GLC[1] by 2025
- **Grid Storage** is taking a growing place
- New entrant is changing the actual demand picture of GLC[1]

Direct ***relationship*** *with GDP*



Consumption by End-Use (modified from Fox-Davies, 2013)

Battery Uses	Li contents	CAGR[2] 2011-25
Pure Electric Vehicles (EV)	8-40 kg	
Plug-in Electric Vehicles (PHEV)	1-10 kg	27.3%
Hybrid Electric Vehicles (HEV)	0.8-2 kg	
Grid Storage	kilos	21.3%
Power tools Batteries	40-60 g	4.7%
Laptop Batteries	30-40 g	
Tablet Batteries	20-30 g	9.7%
Mobile Phones	8-25 g	



[1] GLC: Global Lithium Consumption

[2] CAGR: Compound Annual Growth Rate

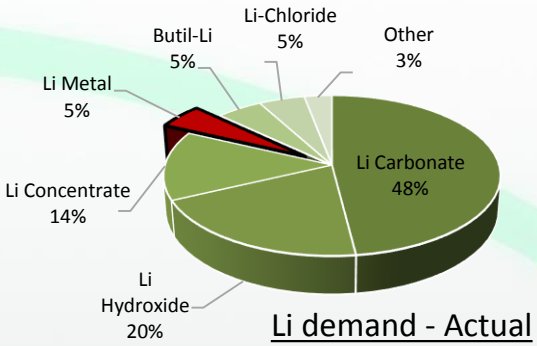
Source: Fox-Davies, 2013

Demand

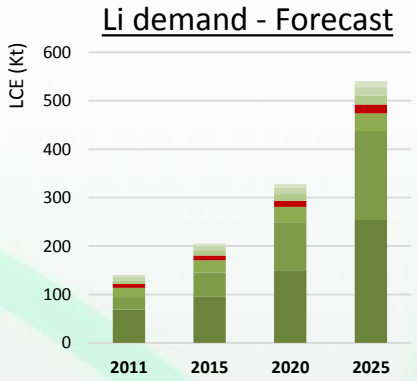
Li Batteries

- **Store 3x more energy**
- Environmentally friendly
- Consumption of LCE[2] in 2013: 55,000t
- By 2021: 240,000t
  - Rechargeables accounted for **27% GLC[1] in 2012**
  - Estimated **65% by 2025**
  - Batteries in mobile phones alone hold 8-25 g
  - 1.75-1.93B mobile devices were sold in 2012
- By 2025, 50% of the Li requirements for hybrid electric cars will be in the form of lithium hydroxide

By Compound

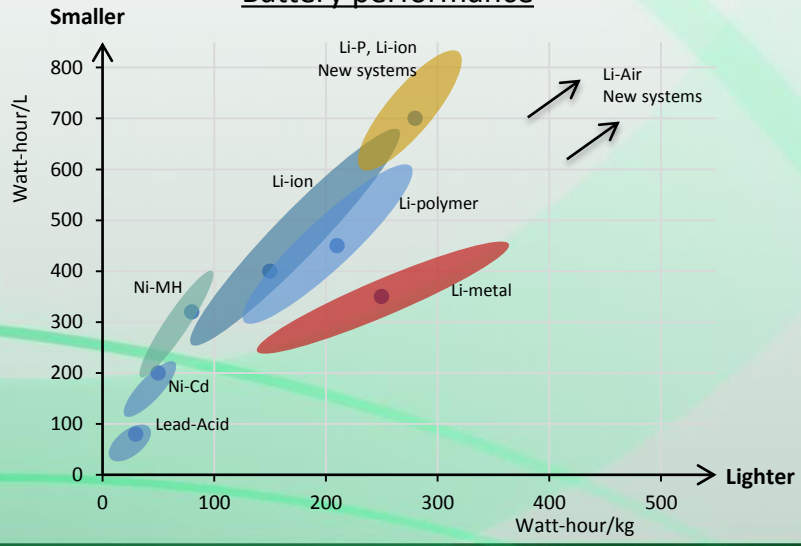


Li demand - Actual



Source: MAXWELL, 2013

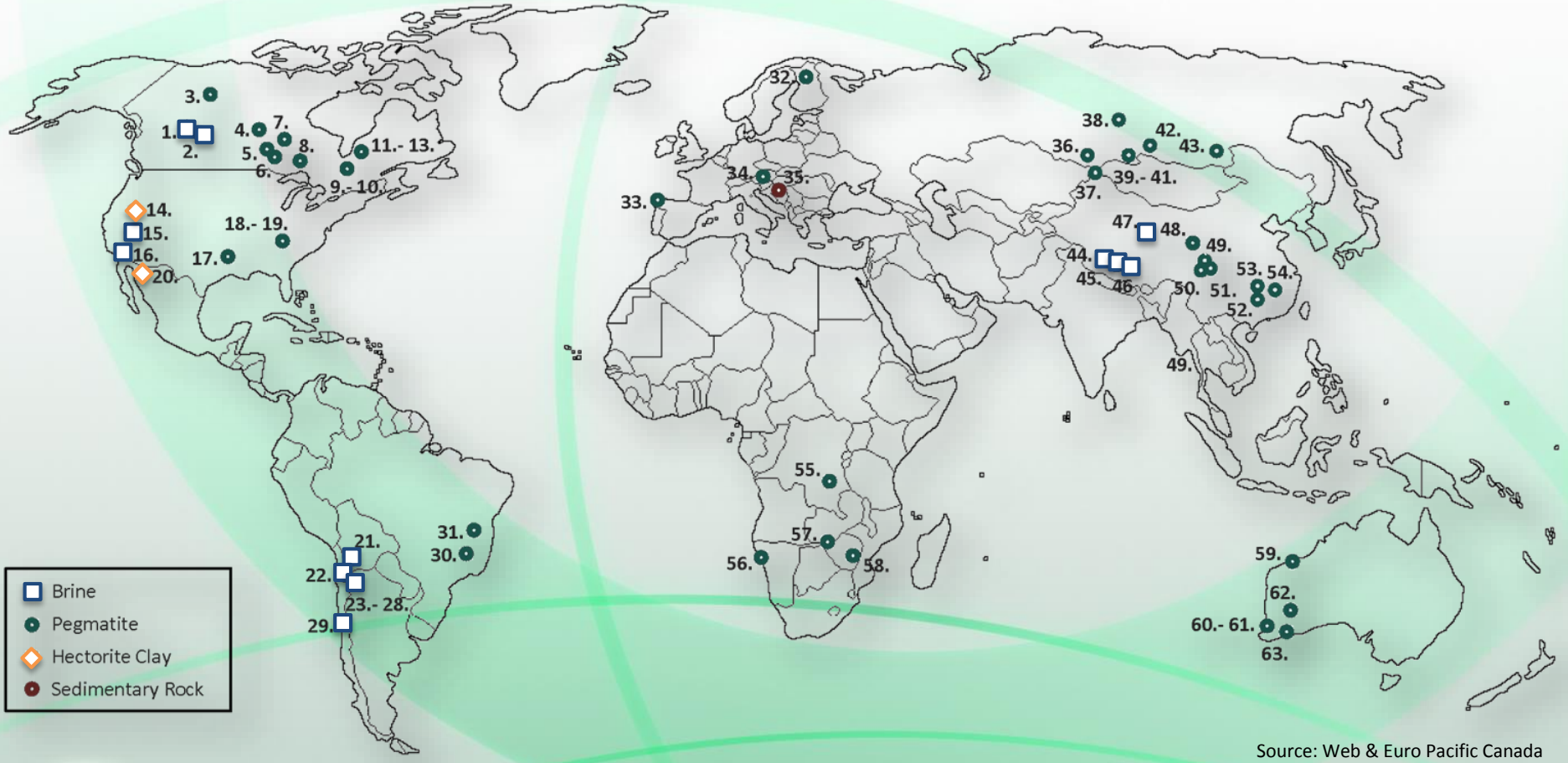
Battery performance



[1] GLC: Global Lithium Consumption
[2] LCE: Lithium Carbonate Equivalent

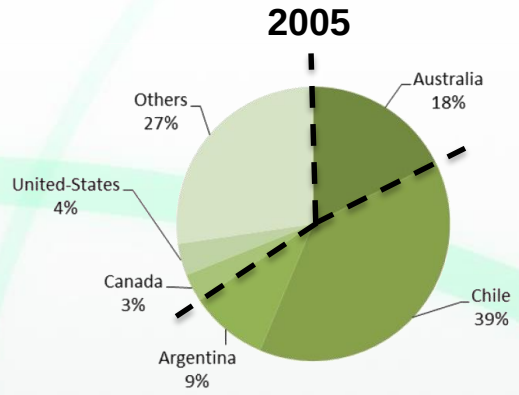
Supply

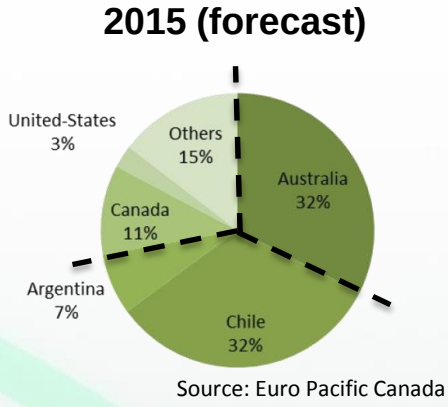
- Global Li resources: 30M t (not all viable)
- **Global Li reserves**: **~13M t**



Source: Web & Euro Pacific Canada

Supply

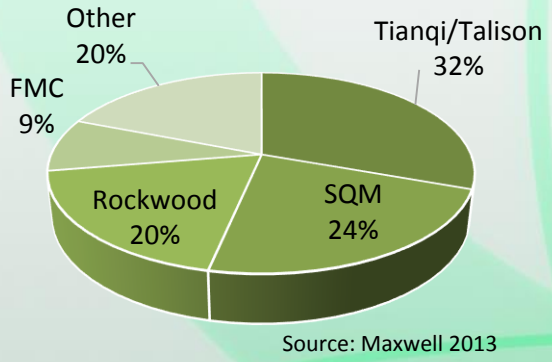




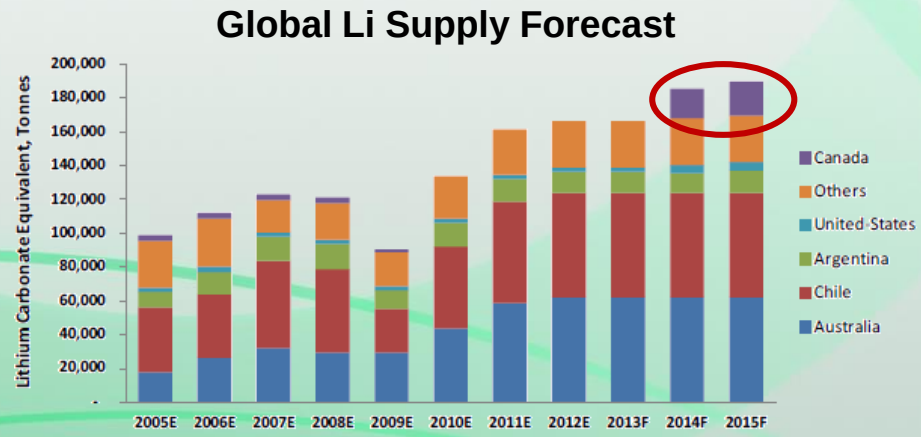
Source: Euro Pacific Canada

- **4** Major Companies
  - **80%** world's production
  - **>$1G/year**

➡ **New producers entering**



Source: Maxwell 2013



Supply

The battery industry requires higher purities at lower costs

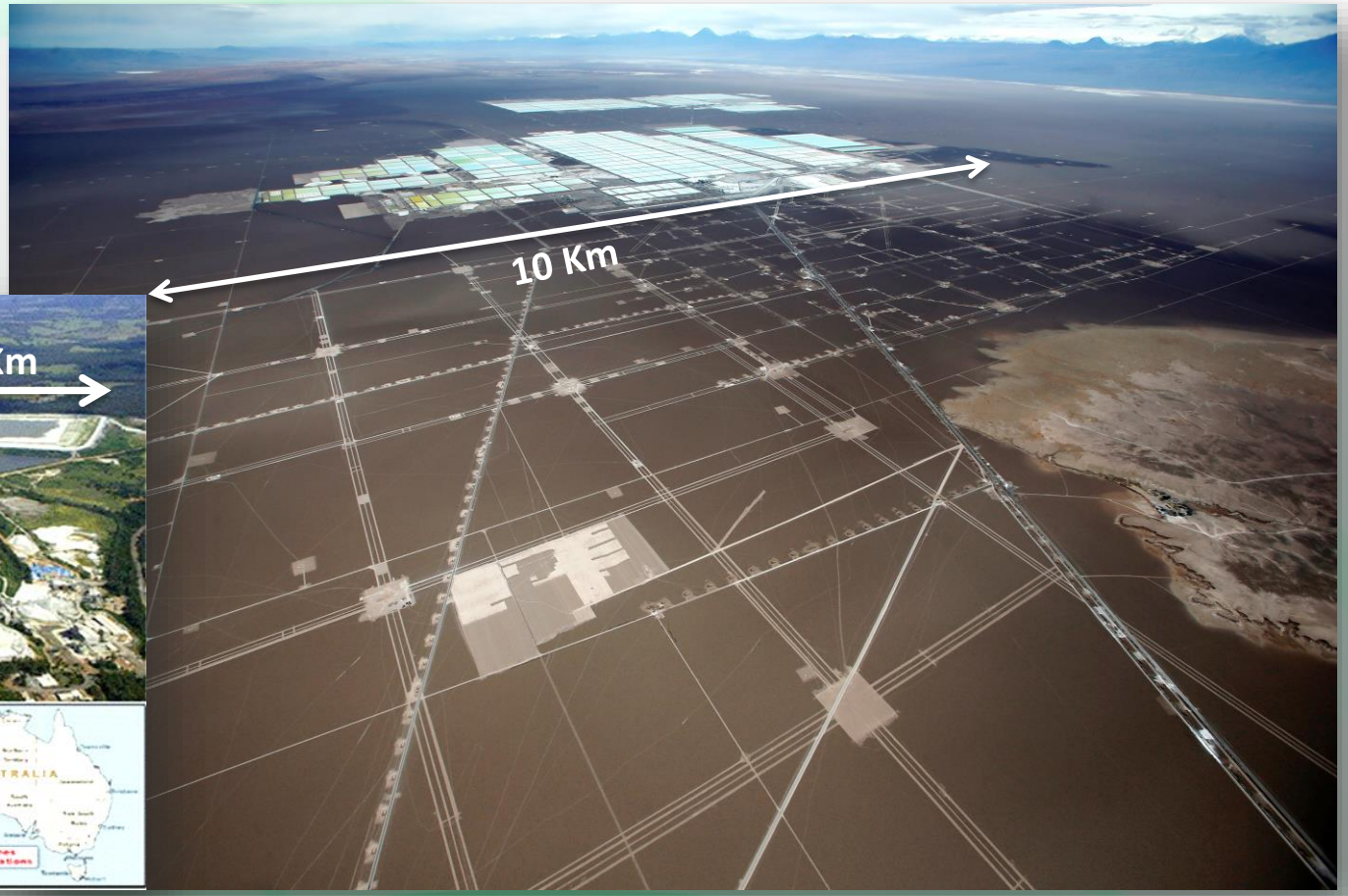
Lithium Battery Grade and Price

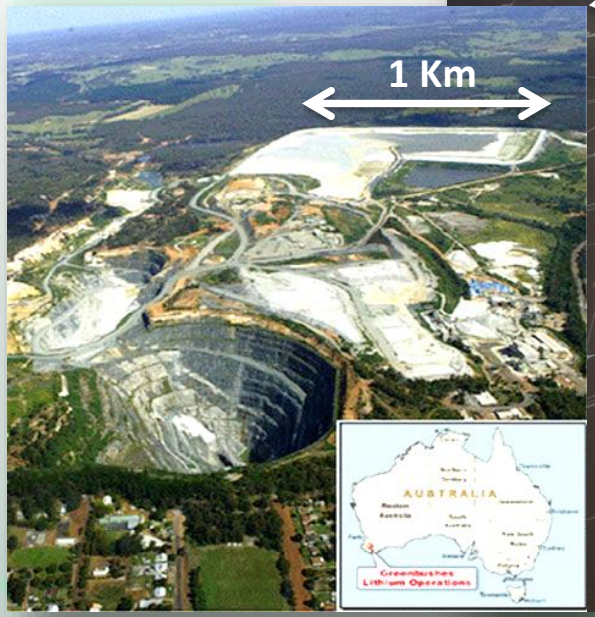
	Industrial Grade	Technical Grade	Battery Grade	EV Grade	EV Plus Grade	Future demand
Purity of Li_2CO_3	**<99.0%**	**99.0%**	**99.5%**	**99.9%**	**99.99%**	**99.9999%**
Price (US$/t)			6,500	8,500	15,500	
Battery Market %			75%	15%	10%	

Stria's High Purity New Process

Source: modify from Seymor Pierce research and Fox-Davies

Production – 2 major sources





Greenbushes operation, Australia

Salar de Atacama, Chile

Production

Brines

- Large global suppliers: **~ 70%** world's Li production (2011 & 2012)
- Playas, Li-rich salt
- **Low grade** (200 – 1,400 mg/l Li)
  - ⇨ **Large Volume**
  - ⇨ **Large Footprint**
- **Time**: pumped and concentrated by evaporation (18-24 months), lithium recoveries are typically 40-50%
- Evaporation and production rates are **sensitive** to elevation and climate conditions

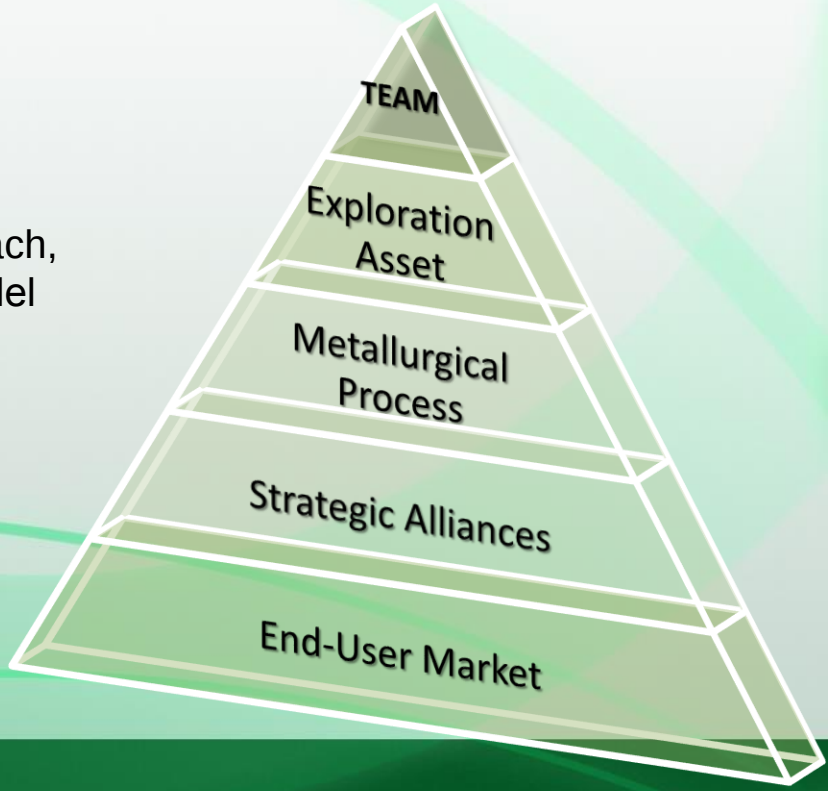
Hard Rock

- Most hard rock Li processing is from **pegmatite** ore bodies
- Spodumene-rich pegmatites
- Higher grades
  - ⇨ **Smaller Volume**
  - ⇨ **Smaller Footprint**
- Conventional mining, recovery involves concentration by flotation, followed by hydrometallurgy and precipitation
- Processing recoveries for **battery-grade Li** are on average 50%
- **Quebec** and **Ontario** known for their spodumene-rich pegmatites

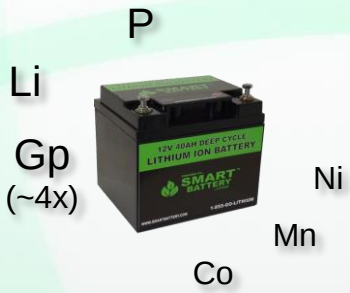
Why Stria Lithium?

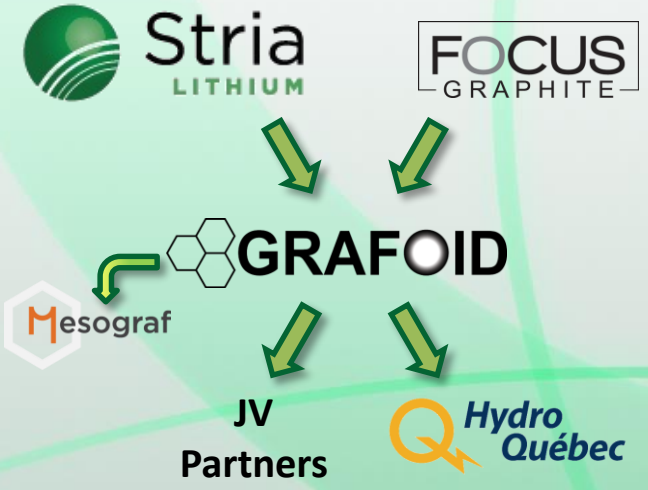
- New **TSX-V** exploration company listed since December 2013
- Focused on the **GREEN** Energy Revolution
- New **LITHIUM** Source
- New **PROCESSES**
- Strategic **ALLIANCES**

End-User approach,
≠ Business Model



Strategic Alliances

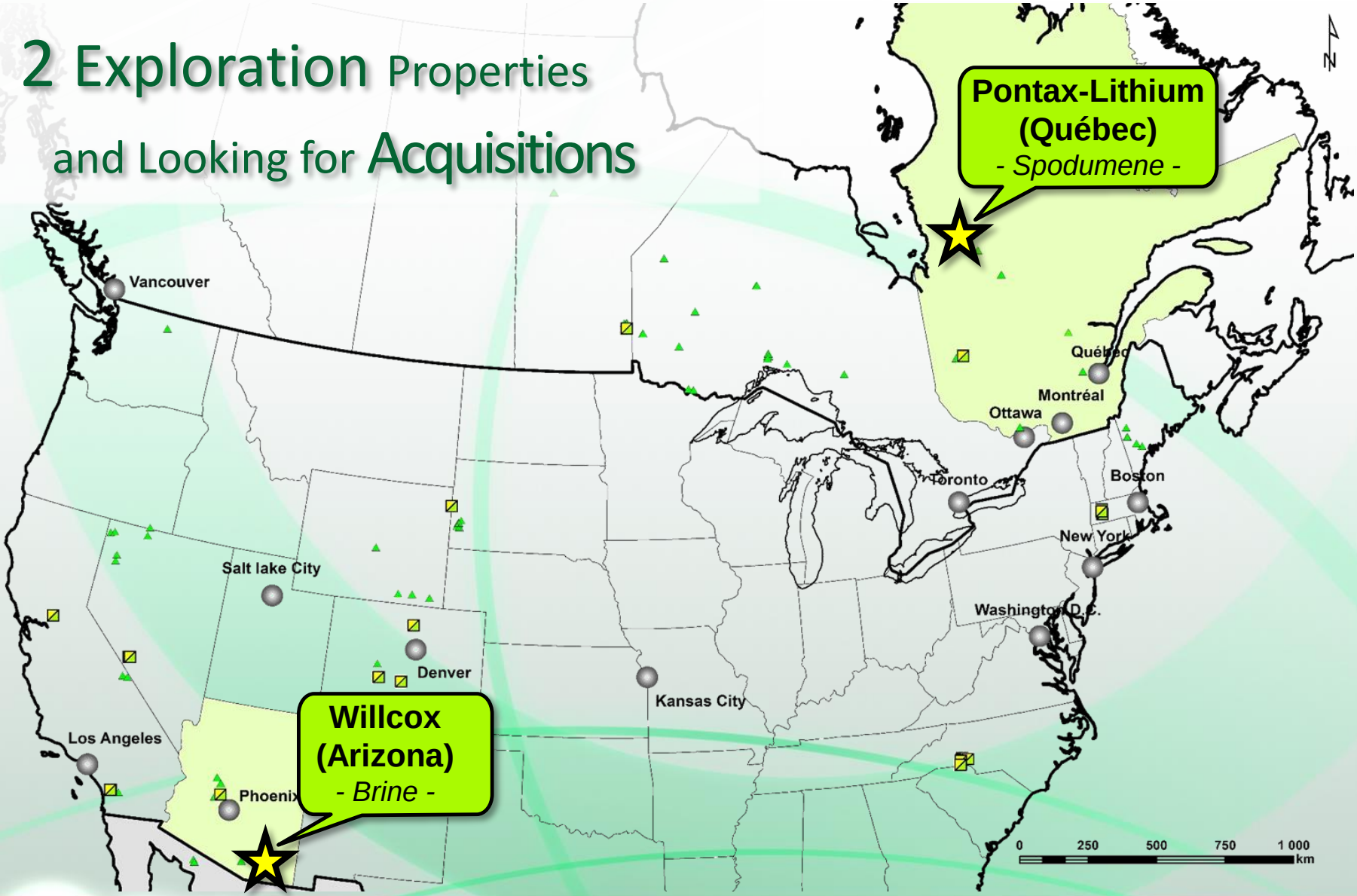




Grafoid – Hydro-Quebec JV
MLFP Battery

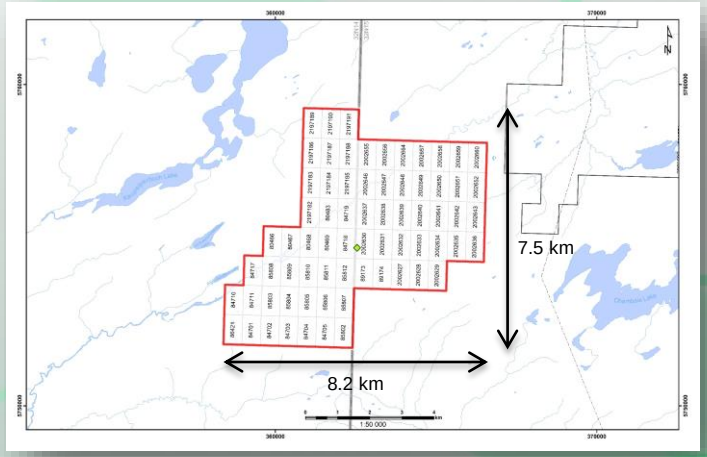
- *November 2012, **Grafoid** entered into a 50/50% long-term agreement with Hydro-Quebec's research institute IREQ to develop a quick-charge, long-life **MesoGraf**™ lithium iron phosphate (MLFP) battery for the consumer electronics and electric vehicle markets.*
- *Given that lithium iron phosphate appears to offer the best safety, lifespan and cost balance at a reasonable performance, it is believed that LFP will set the global standard.*
- *These batteries require higher amounts of lithium than traditional Li-ion batteries*
- *Patents are currently being filed*

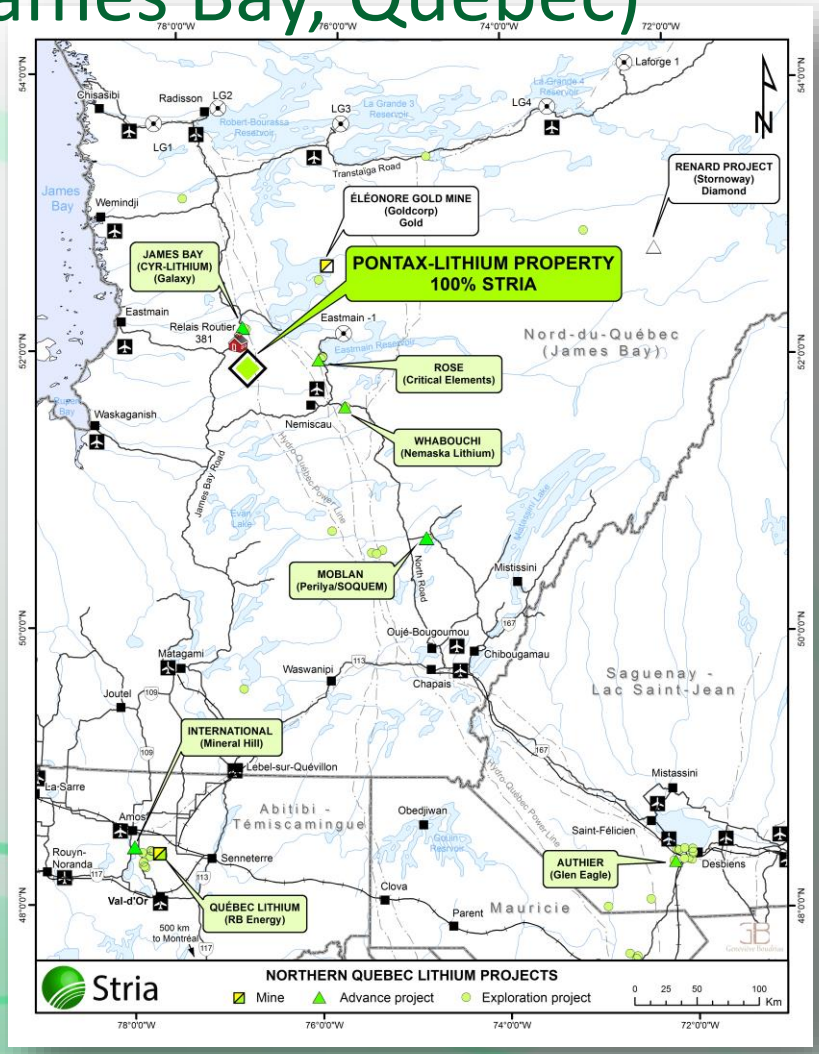
2 Exploration Properties and Looking for Acquisitions



1. Pontax-Lithium (James Bay, Québec)

- Acquired in 2013, **100% ownership**
- **No Royalties** attached to the property
- The project currently encompasses a contiguous group of **70 map designated cells**, for an area of 3,718.84 hectares.





1. Pontax-Lithium (James Bay, Québec)

- A total of 198.28 m of **channel samples** were cut on the surface (2009 & 2012), plus
- 864 m of drill core were recovered from **7 holes** (2009)

Trenching program (2009)

Drill program (2009)

2009 Drill program Best Assays

Hole	From	To	Length	Grade Li_2O
09-555-01	46.85 m	65.85 m	19.0 m	0.91%
09-555-02	98.50 m	111.50 m	13.00 m	1.10%
09-555-03	83.00 m	95.00 m	12.00 m	1.38%
09-555-04	78.00 m	90.00 m	12.00 m	0.55%
09-555-05	36.00 m	57.00 m	21.00 m	0.97%

1. Pontax-Lithium (James Bay, Québec)

Exploration Work Summary
(2009-2012)

Over 10m width ddh best intersects (% Li_2O /m):

0.91/ 19

Surface trenching best intersects (% Li_2O /m):

1.95 / 5

1. Pontax-Lithium (James Bay, Québec)

1. Pontax-Lithium (James Bay, Québec)

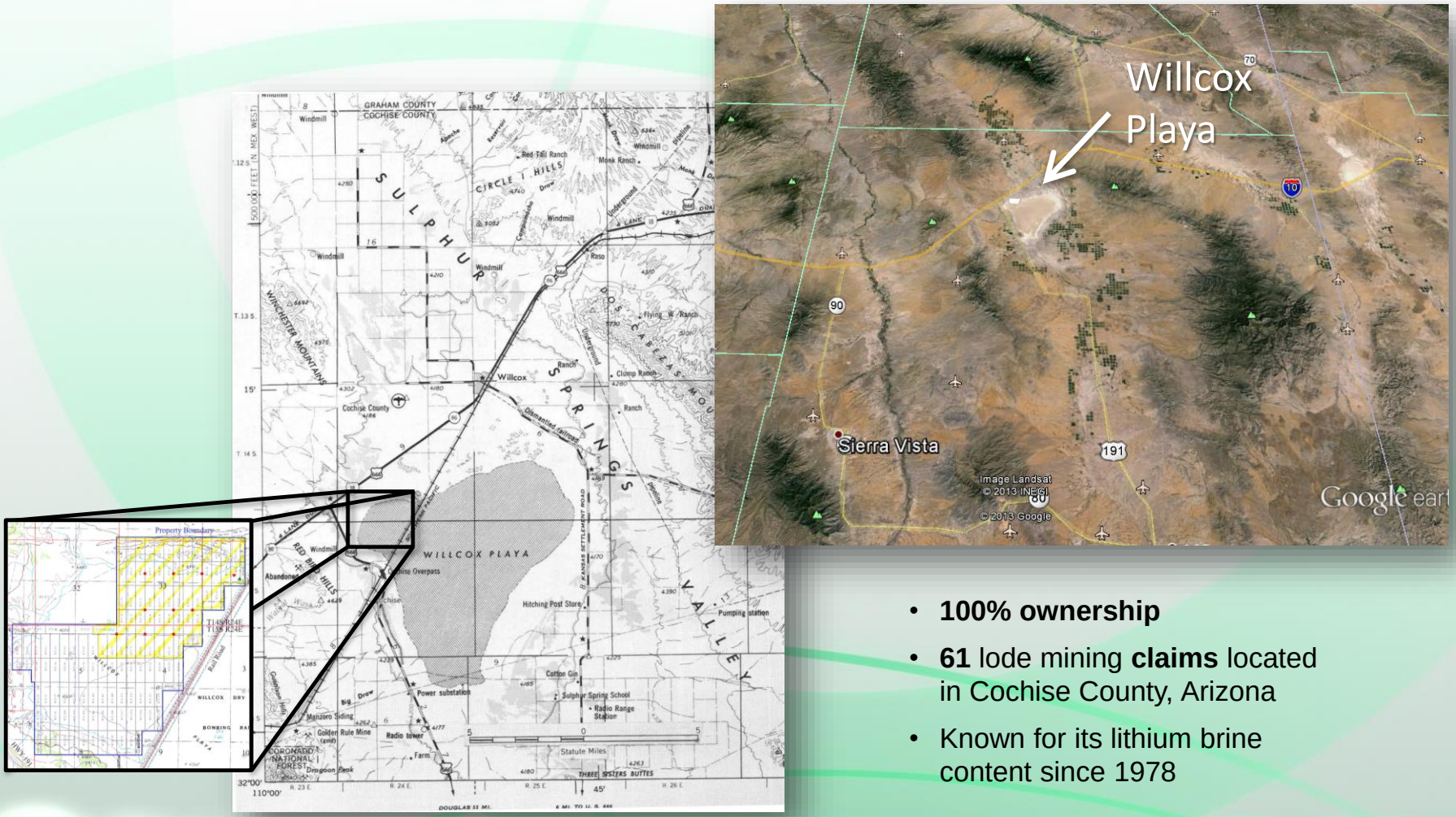
2014-15

1. (Done) Sampling Program (5 samples of 20kg each)
2. (Q2-14) Ongoing work in KIC[1]:
   - **a) Mineralogical** Study and
   - **b) Metallurgical testing** program:
     - Phase I (Q2-14): Validation **COMPLETED**
     - Phase II (Q3+Q4-14): Pilot Plant testing
     - (Q3-14): Follow-up exploration program by: **Phases and Next Step Decisions**

Abundant Spodumene in a pegmatite dike on Pontax

[1] KIC: Kingston Innovation Center

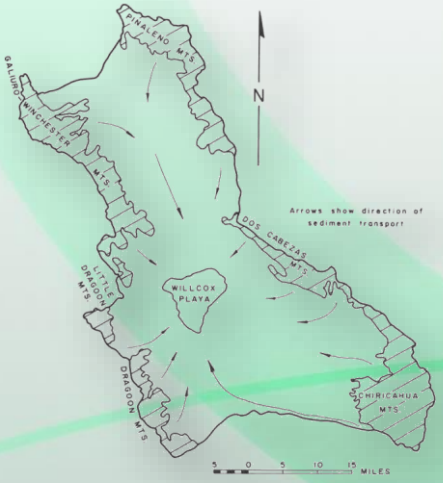
2. Willcox (Arizona)



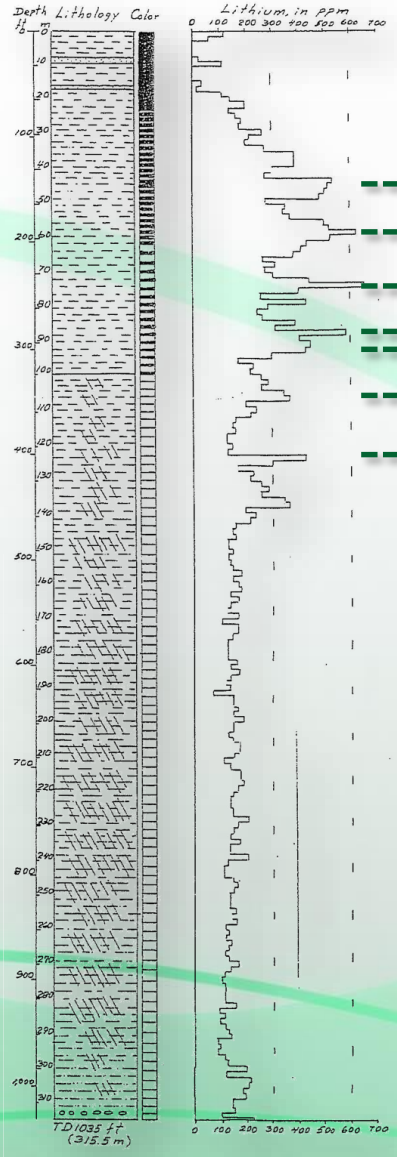
- **100% ownership**
- **61** lode mining **claims** located in Cochise County, Arizona
- Known for its lithium brine content since 1978

2. Willcox (Arizona)

- Pleistocene Epoch lake within the Bassin and Range province
- Surrounded mountain ranges = large-scale faulting, large erosion and filling of the valley with alluvial deposits
- USGS 1978 drill test hole



Willcox basin drainage area
(1978, J.F. Schreiber)



Li (ppm/m)	Li (mg/l)
505 / 6	
540 / 6	
650 / 2	
580 / 1	
505 / 3	
555 / 2	
515 / 3	
	0.42
	0.48
	0.48
	0.88

7 stratigraphic intervals
> 500 ppm Li
within rock sample

4 water samples
> 0.40 mg/l

Log of test boring USGS W-1, 1978
Source: 1979, J.D. Vine *et al.*

2. Willcox (Arizona)

2014 - 15

1. Q2: Validate USGS hole:
2. Q2-3: Test Proprietary process for recovering Li from solvent (underground water)
3. Q3-4: Subsequent Exploration program by **Phases and Next Step Decisions**

Source: web

2 Proprietary Processes

1. « **Hard Rock** » (spodumene)

Spodumene Ore → Crushing & Grinding → **Proprietary Process** → **High Purity Li-Metal** → Other Li Compounds

Novel Process:

- More efficient,
- Fewer controls, and
- Less chemistry

- Li-Chloride,
- Li-Carbonate or
- Li-Hydroxide

- **By-Products**:
  - White cement (pure Aluminum Silicate, cement industry)
  - Ferric-Chloride (water treatment purification)

Reducing costs

Environmentally sustainable

A Typical Pilot Plant
Note the complexity
of the various unit operations

Source: D. Johnson

2 Proprietary Processes

2. « **Brine** » type

Brine Deposit → Pumping & Membrane → **Proprietary Process** → **High Purity Li-Metal** → Other Li Compounds

Novel Process using :

- Solvent extraction,
- Ion exchange, and
- Membrane technologies

- Li-Chloride,
- Li-Carbonate or
- Li-Hydroxide

Solvent exchange Pilot Plant

Source: D. Johnson

Process – Hard Rock

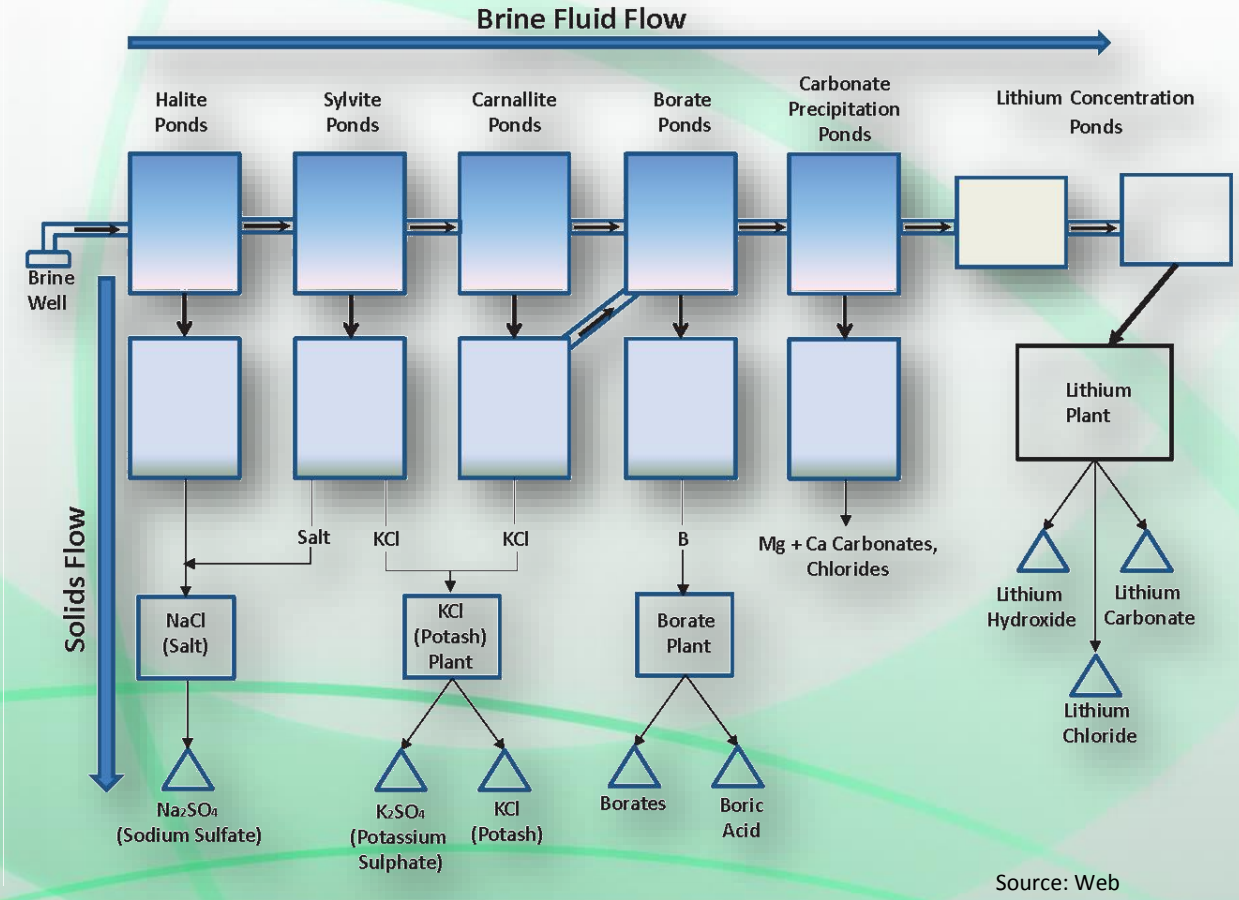
- Results in **Li-Metal** but modified, can produce **high purity**:
  - Li-Chloride,
  - Li-Carbonate or
  - Li-Hydroxide
- **By-Products**:
  - White cement (pure Aluminum Silicate, cement industry)
  - Ferric-Chloride (water treatment purification)

Source: EuroPacific 2013

Process – «Brine Type»

Existing Technology

- Large evaporation ponds
  - Long “fill” time
  - Large footprint



Source: Web

Our Team, *our Strength*

Key Management

- **Gary Economo**, CEO & Co-Founder

  Over 30 years high tech experience, including as President and CEO of SPI technologies selling graphite products

- **Julien Davy**, President & COO - Qualified Person under NI 43-101

  Geologist and MBA with 18 years experience in mid tier exploration companies

- **Judith Mazvihwa-MacLean**, CFO & Secretary

  CFO, CMA and geologist with eight years accounting experience in the mining sector

- **David Johnson**, P.Eng., Chief Technology Officer

  Over 30 years in metal process development and design, including former Alcan engineer for 13 years; founder, VP of Technology, and Director of Cobatec Ltd., Argento Plata Metals Ltd. (now a part of Molycorp) and Quantoxbury Technology Group Ltd. and; founder and principal of ALCERECO Inc.

Our Team, *our Strength*

Board of Directors

- **Jeffrey York**, Chairman of the Board

  Former President and COO of Giant Tiger stores, currently CEO of Farm Boy stores.

- **Gary Economo**, CEO & Director

- **Marc-André Bernier**, M.Sc., P.Geo., Director and technical adviser

  Geologist with 30 years of experience, he is a director of Focus Graphite Inc., Mincom Capital Inc., and Majescor Resources Inc. and VP of the Board of Directors of the SADC de Chibougamau-Chapais

- **Chester Burtt**, Director

  President of Chester Burtt & Associates Ltd. (“CBAL), a corporate and public affairs advisory firm.

- **Robin B. Dow**, HBA, MBA, FCSI, Director

  Raised more than $150 M with 35 years experience in financing public resource companies. Currently Chairman and CEO of Galahad Metals Inc., and private companies Pueblo Potash Inc. and Desiree Resources Inc. He is also a director of Mincom Capital Inc.

- **Lindsay Weatherdon**, Director

  President and owner of Premcorp Sales & Marketing

Corporate Structure

Stria Capital Inc.

912-130 Albert Street,
Ottawa, Ontario, K1P 5G4

Symbol :	SRA
Exchange :	TSX-V

Shares issued and outstanding :	15,971,123
Warrants outstanding :	0
Options outstanding :	1,563,300
Shares outstanding fully diluted :	**17,534,423**

(as of March 31st, 2014)

Major Shareholder	Ownership
Management & Directors	28.4 %
Funds & Institutions	68.1 %
Other	3.5 %

6 months chart

Conclusion

- **Stria Lithium** is a vertically integrated lithium company building a competitive market advantage
- Battery sector will drive growth the Lithium market
- Green Technology
- New Source, lower environmental impact
- New Process with fewer steps

Gary Economo – CEO & Co-Founder
geconomo@strialithium.com

Julien Davy – President & COO
jdavy@strialithium.com

Appendix – conversion sheet

- **Li volume** can be presented in different **compounds**:
  - Lithium carbonate (Li_2CO_3),
  - Lithium Hydroxide (LiOH),
  - Lithium Metal (Li)
- **Li grades** may be shown as
  - Lithium Oxide (Li_2O), or
  - Li content (Li) ex: 1% Li_2O = 0.465% Li
- **LCE** (Lithium Carbonate Equivalent)

Table 1: Conversion factors for Lithium compounds (source: Euro Pacific Canada)

To Convert	To Li	To LiOH	To LiOH-H_2O	To Li_2O	To Li_2CO_3	To $LiAlSi_2O_6$
Li	**1.000**	3.448	6.061	2.153	5.324	26.455
LiOH	0.290	1.000	1.751	0.624	1.543	7.770
LiOH-H_20	0.165	0.571	1.000	0.356	0.880	4.435
Li_2O	**0.465**	1.603	2.809	**1.000**	2.476	12.500
Li_2CO_3	0.188	0.648	1.136	0.404	1.000	5.025
$LiAlSi_2O_6$	0.038	0.129	0.225	0.080	0.199	1.000

Table 2: Natural concentrations Li occurrences (source: Web)

Location	Ppb by weight	Ppb by atoms
Universe	6	1
Sun	0.06	0.01
Meteorite	1 700	4 600
Crustal rocks	**17 000**	**50 000**
Sea water	180	160
Stream	3 000	430
Human	30	27

Table 5: Types of Electric Cars (Source Euro Pacific Canada

Type	Ab	Engine	Description
Hybrid Electric Vehicles	HEV	Combustion & Electric motor	Start/stop system and a regenerating braking energy system to charge the battery; in some hybrid models the combustion engine is used to charge the electric motors that drive the vehicles;
Plug-in hybrids	PHEV	Electric Motor	hybrid vehicles with a rechargeable battery charged using electricity from the grid
"Pure" Electric Vehicles	EV	Electric Motor	battery-powered electric propulsion systems whose battery is charged with electricity from the grid. Electric buses, trucks and bicycles are also available