



STRIA ANNOUNCES OPTION AND JOINT VENTURE WITH CYGNUS GOLD ON ITS PONTAX-LITHIUM PROPERTY AND PRIVATE PLACEMENT

OTTAWA, ONTARIO – JULY 28, 2022 - Stria Lithium Inc. (TSXV:SRA) (“Stria” or the “Company”) is pleased to announce the execution of a binding term sheet (the “**Term Sheet**”) with Cygnus Gold Limited (ASX: CY5) (“**Cygnus**”) pursuant to which Cygnus has been granted the sole and exclusive option (the “**Option**”) to acquire up to a 70 % undivided interest in Stria’s Pontax-Lithium property (the “**Property**”) under a two-stage option for total cash payments of \$6 million and exploration expenditure commitments totalling \$10 million (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 will pay Stria a cash consideration of \$1 million within 10 business days following the receipt by Stria of all the required corporate and regulatory approvals to complete the Transaction. Furthermore, as a condition precedent to the Transaction, Cygnus has accepted to participate in Stria’s concurrent Offering (as defined below) in the amount of \$350,000. Cygnus’ participation in the Offering is conditional upon Stria first obtaining all required regulatory and shareholder approvals in connection with the Transaction (as further detailed below).

The terms of the two-stage option can be summarized as follows:

*1st 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 million 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 million.

*2nd 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 million 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 million. 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 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.

“We are excited to enter into an agreement with Cygnus Gold and will work diligently to finalize this transaction,” said Dean Hanisch, Chief Executive Officer of Stria. “Their management team has had great success in the past and we look forward to working alongside them to advance our flagship Pontax lithium deposit. We are also very grateful to be located in a jurisdiction that offers so much support to help companies in the critical minerals space. The Quebec government’s initiatives continue to help in attracting foreign investment and interest in the region.”

The Transaction constitutes an arm's length transaction within the meaning of the policies of the TSX Venture Exchange (the “TSXV”) and constitutes a “Reviewable Transaction” in accordance with TSXV *Policy 5.3 – Acquisitions and Dispositions of Non-Cash Assets*, and therefore remains subject to the review and approval of the TSXV. Moreover, as the Transaction constitutes the sale of more than 50% of Stria’s assets, business or undertaking, it is subject to shareholder approval. Accordingly, and as permitted by the policies of the TSXV, Stria will obtain such shareholder approval by way of written consent of shareholders holding over 50% of its issued and outstanding shares. It should be noted that there are no finders fee payable in connection with the Transaction.

The Transaction is subject to conditions customary for this type of transaction including, notably, Stria having obtained all required corporate and regulatory approvals within a delay of 60 days from the execution of the Term Sheet, failing which any party may terminate the Transaction.

Following the closing of the Transaction, Stria plans to devote its resources to the exploration of the Romer property which is located in the Labrador Trough sector of Nunavik, the northern division of the Nord-du-Québec administrative region. The property straddles the junction between NTS 1:50,000-scale topographic sheets 24K-03 (Lac Géridot) and 24K-04 (Lac Thévenet), and covers portions of unpatented townships 5051, 5052 and 5151. It is bound by latitudes 58°06’30” and 58°12’30” North and longitudes 69°29’00” and 69°38’00” West. The property is an early-stage exploration project where previous prospecting programs unearthed hundreds of outcrop samples anomalous in platinum, palladium or gold, associated with reef type PGM or orogenic gold occurrences. The property also has the proper geological setting to host zinc or nickel mineral occurrences, which could be associated with currently untested VTEM anomalies.

On March 4, 2022, Stria announced that it had entered into an agreement with Braille Energy Systems Inc. for the acquisition of this property, the completion of which remains subject to the final approval of the TSXV (see news release of Stria dated March 4, 2022 for more details on the terms of the transaction). Over the next few months, Stria plans to conduct a property scale glacial sediment survey using the state of the art ARTGold technology for PGM and gold grain counting, in order to assess the distribution of these occurrences and the overall endowment of the property.

Stria Financing

Stria is also pleased to announce a non-brokered private placement for total gross proceeds of up to \$1.5 million. Stria shall raise up to (i) \$1,150,000 at a price of \$0.15 per unit of Stria from investors pursuant to prospectus exemptions (which price is subject to review by the TSXV and confirmation via subsequent news release) and (ii) \$350,000 at a price of \$0.25 per common share

of Stria from Cygnus (the “**Offering**”). Each unit so issued shall be comprised of one common share of Stria and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of Stria for \$0.50 per common share for a period of 24 months following the closing. As detailed above, in connection with the Transaction, Cygnus has accepted to participate in the Offering in the amount of \$350,000, subject to Stria having received TSXV approval and the approval of its shareholders to complete the Transaction. The securities issued under the Offering will be subject to a 4-month hold period under applicable Canadian securities regulations. The Offering remains subject to the approval of the TSXV.

About Stria Lithium Inc.

Stria Lithium is a Canadian junior mineral exploration company with an expanding technology focus and has a 100% interest in the Pontax spodumene lithium project in Northern Québec.

Lithium is a critical metal in the universal fight against global warming. It is a core component of Lithium-ion batteries used for powering electric vehicles and for industrial scale energy storage.

For more information about Stria Lithium and the Pontax Lithium project, please visit <https://strialithium.com>.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the accuracy or adequacy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. The information in this news release about the closing of the Transaction and the Offering; the approval of the TSXV relating to the Transaction and the Offering; and any other information herein that is not a historical fact may be "forward-looking information".

Any statement that involves discussions with respect to predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "interpreted",

"management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This forward-looking information is based on reasonable assumptions and estimates of management of Stria at the time such assumptions and estimates were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Stria to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Such factors include, but are not limited to, Stria's ability to complete the Transaction and Offering; delays in obtaining or failures to obtain required governmental, shareholder, environmental or other project approvals; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets; inflation; fluctuations in commodity prices; delays in the development of projects; other risks involved in the mineral exploration and development industry; and those risks set out in Stria's public documents filed on SEDAR (www.sedar.com) under Stria's issuer profile.

Although Stria believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed timeframes or at all. Stria disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.