



**Rock Tech Lithium Inc.**  
**Consolidated Interim Financial Statements**  
**Three and Nine Months Ended September 30, 2011**

**Expressed in Canadian Dollars**

**Consolidated Statements of Financial Position as at September 30, 2011, December 31, 2010 and January 1, 2010**

**Consolidated Statements of Comprehensive loss for the 3 and 9 months ended September 30, 2011 and 2010**

**Consolidated Statements of Changes in Equity for the 3 and 9 months ended September 30, 2011 and 2010**

**Consolidated Statements of Cash Flows for the 3 and 9 months ended September 30, 2011 and 2010**

Rock Tech Lithium Inc.  
Consolidated Statements of Financial Position  
(Expressed in Canadian dollars – unaudited)

	Notes	September 30, 2011	December 31, 2010 (Note 13)	January 1, 2010 (Note 13)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	3	\$ 4,029,365	\$ 2,098,038	\$ 97,413
Receivables	4	108,225	132,565	38,993
Prepaid expenses and deposits		432,862	64,868	8,321
		4,570,452	2,295,471	144,727
<b>Non-current assets</b>				
Reclamation bond		-	-	6,803
Property, plant and equipment	5	112,010	53,561	6,972
Investment		-	-	1
Exploration and evaluation assets	6	9,964,223	6,337,666	3,973,524
		10,076,233	6,391,227	3,987,300
<b>TOTAL ASSETS</b>		<b>\$ 14,646,685</b>	<b>\$ 8,686,698</b>	<b>\$ 4,132,027</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	7	\$ 625,209	\$ 225,870	\$ 280,275
Due to related parties	10	-	-	50,000
		625,209	225,870	330,275
<b>Non-current liabilities</b>				
Deferred tax liabilities		1,036,164	1,036,164	550,418
		1,036,164	1,036,164	550,418
<b>TOTAL LIABILITIES</b>		<b>1,661,373</b>	<b>1,262,034</b>	<b>880,693</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	8	20,807,035	16,998,168	11,882,851
Reserves	9,13	5,505,122	2,276,479	1,724,885
Deficit	13	(13,326,845)	(11,849,983)	(10,355,902)
<b>TOTAL EQUITY</b>		<b>12,985,312</b>	<b>7,424,664</b>	<b>3,251,834</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 14,646,685</b>	<b>\$ 8,686,698</b>	<b>\$ 4,132,527</b>

Rock tech Lithium Inc.  
Consolidated Statements of Comprehensive Loss  
(Expressed in Canadian dollars – unaudited)

	Notes	Three month period ended September 30,		Nine month period ended September 30,	
		2011	2010	2011	2010 (Note 13)
<b>Expenses</b>					
Amortization		\$ 5,290	\$ 314	\$ 15,040	\$ 994
Consulting		206,500	74,999	473,250	222,028
General administration		73,494	12,124	177,963	137,926
Management fees	10	45,000	24,000	120,000	103,000
Stock based payments		10,650	58,350	-	43,772
Professional fees	10	54,528	17,873	182,826	111,230
Transfer agent & filing fees		29,719	(562)	76,073	20,404
Property Investigation		-	-	10,902	-
Travel and promotion		231,409	67,583	569,811	235,253
Property impairment		-	(240)	-	(7,044)
		(656,590)	(254,921)	(1,625,865)	(881,651)
<b>Other items</b>					
Interest income		-	-	3,667	-
		-	-	3,667	-
<b>Net loss and comprehensive loss for the period</b>					
		\$ (656,590)	\$ (254,921)	\$ (1,622,198)	\$ (881,651)
<b>Loss per share – basic and diluted</b>					
		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.06)

Rock Tech Lithium Inc.  
Consolidated Statements of Shareholders Equity  
(Expressed in Canadian dollars – unaudited)

	Notes	Share capital		Reserves			Total
		Number of shares	Amount	Stock option reserve	Warrant reserve	Deficit	
<b>Restated balance at January 1, 2010</b>	13	<b>26,566,433</b>	<b>\$ 11,882,851</b>	<b>\$ 1,724,885</b>	<b>\$ -</b>	<b>\$ (10,355,902)</b>	<b>\$ 3,251,334</b>
Comprehensive income:							
Loss and comprehensive loss for the year		-	-	-	-	(1,348,745)	(1,335,745)
Transactions with owners, in their capacity as owners, and other transfers:							
Shares issued for cash – private placement		35,360,000	4,072,000	-	365,225	-	4,437,225
Share issue costs		-	(716,683)	-	-	-	(716,683)
Shares issued for cash – warrant exercise		1,768,250	440,000	-	-	-	440,000
Shares issued to acquire exploration and evaluation asset		4,000,000	1,320,000	-	-	-	1,320,000
Stock-based compensation		-	-	41,033	-	-	28,533
<b>Restated balance at December 31, 2010</b>		<b>67,694,683</b>	<b>\$ 16,998,168</b>	<b>\$ 1,765,918</b>	<b>\$ 365,225</b>	<b>\$ (11,704,647)</b>	<b>\$ 7,424,664</b>
<b>Restated balance at January 1, 2011</b>	13	<b>67,694,683</b>	<b>\$ 16,998,168</b>	<b>\$ 1,765,918</b>	<b>\$ 365,225</b>	<b>\$ (11,704,647)</b>	<b>\$ 7,424,664</b>
Comprehensive income:							
Loss & comprehensive loss for the period		-	-	-	-	(1,622,198)	(1,622,198)
Transactions with owners, in their capacity as owners, and other transfers:							
Shares issued for cash – warrant exercise		1,379,000	342,875	-	-	-	342,875
Units issued for cash on private placement		26,571,425	3,465,992	-	3,373,979	-	6,839,971
Warrants expired		-	-	-	-	-	-
Stock-based compensation		-	-	-	-	-	-
<b>Restated balance at September 30, 2011</b>		<b>95,645,108</b>	<b>\$ 20,807,035</b>	<b>\$ 1,765,918</b>	<b>\$ 3,739,204</b>	<b>\$ (13,326,845)</b>	<b>\$ 12,985,312</b>
<b>Restated balance at January 1, 2010</b>	13	<b>26,566,433</b>	<b>\$ 11,882,851</b>	<b>\$ 1,724,885</b>	<b>\$ -</b>	<b>\$ (10,355,902)</b>	<b>\$ 3,251,834</b>
Comprehensive income:							
Transactions with owners, in their capacity as owners, and other transfers:							
Shares issued for cash – private placement		5,360,000	946,616	-	-	-	946,616
Loss and comprehensive loss for the year		-	-	-	-	(874,607)	(874,607)
Stock-based compensation		-	-	43,773	-	-	43,773
<b>Restated balance at September 30, 2010</b>		<b>31,926,433</b>	<b>\$ 12,829,467</b>	<b>\$ 1,768,658</b>	<b>\$ -</b>	<b>\$ (11,230,509)</b>	<b>\$ 3,367,616</b>

See accompanying notes to the condensed consolidated interim financial statements

Rock Tech Lithium Inc.  
Consolidated Statements of Cash Flows  
(Expressed in Canadian dollars – unaudited)

	Three month periods ended September 30,		Nine month periods ended September 30,	
	2011	2010	2011	2010 (Note 13)
<b>Operating activities</b>				
Loss before income taxes	\$ (656,590)	\$ (254,921)	\$ (1,622,198)	\$ (881,651)
Adjustments for non-cash items:				
Amortization	5,290	315	15,040	995
Stock-based compensation	10,650	58,350	-	43,773
Write down of mineral properties	-	240	-	7,044
Changes in non-cash working capital items:				
Accounts receivable	356,423	17,656	24,340	(17,129)
Prepaid expenses and deposits	44,755	5,478	(367,994)	(17,306)
Accounts payables and accrued liabilities	(1,067,788)	4,643	399,339	(123,274)
<b>Net cash flows from (used in) operating activities</b>	<b>(1,307,260)</b>	<b>(168,239)</b>	<b>(1,551,473)</b>	<b>(987,548)</b>
<b>Investing activities</b>				
Expenditures on exploration and evaluation assets	(1,149,998)	(12,373)	(3,626,557)	(62,660)
Expenditures on property, plant and equipment	(19,889)	-	(73,489)	-
<b>Net cash flows from (used in) investing activities</b>	<b>(1,169,887)</b>	<b>(12,373)</b>	<b>(3,696,379)</b>	<b>(62,660)</b>
<b>Financing activities</b>				
Proceeds on issuance of common shares - net of share issue costs	4,938,027	-	7,182,846	946,166
Due to related parties	-	75,000	-	25,000
<b>Net cash flows from (used in) financing activities</b>	<b>4,938,027</b>	<b>75,000</b>	<b>7,182,846</b>	<b>971,166</b>
Increase (decrease) in cash and cash equivalents	2,460,880	(105,612)	1,931,327	(79,042)
Effect of exchange rates on cash holdings in foreign currencies	-	-	-	-
Cash and cash equivalents, beginning	1,568,485	123,983	2,098,038	97,413
<b>Cash and cash equivalents, ending</b>	<b>\$ 4,029,365</b>	<b>\$ 18,371</b>	<b>\$ 4,029,365</b>	<b>\$ 18,371</b>

**1. Nature and continuance of operations**

Rock Tech Lithium Inc. (the "Company") was incorporated in British Columbia ("BC") and is in the business of mineral exploration. The Company trades on the TSX Venture Exchange ("TSX-V") as a Tier II company under the symbol "RCK". On April 27, 2010, the shareholders of the Company approved a name change to Rock Tech Lithium Inc. from Rock Tech Resources Inc.

The recoverability of carrying amounts for mineral properties and related deferred exploration and development costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral properties, the ability of the Company to obtain necessary financing to complete exploration and development, achievement of future profitable production or proceeds from the disposition thereof. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries (the "Group") will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2011 the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to raise equity capital sufficient to meet current and future obligations.

The head office, principal address and records office of the Company are located at 789 West Pender Street, Suite 1205, Vancouver, BC, Canada, V6C 1H2. The Company's registered address is Suite 1600, 609 Granville Street, Vancouver, BC V7Y 1C3.

**2. Significant accounting policies and basis of preparation**

The financial statements were authorized for issue on November 29, 2011, by the directors of the Company.

***Statement of compliance and conversion to International Financial Reporting Standards***

The consolidated interim financial statements of the Group have been prepared in accordance with accounting policies as prescribed under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2010. However, this interim financial report, being the first IFRS financial report, provides selected significant disclosures that are required in the annual financial statements under IFRS. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS are provided in Note 13.

**2. Significant accounting policies and basis of preparation (cont'd)**

***Basis of preparation***

The consolidated financial statements of the Group have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

***Consolidation***

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Province of incorporation	Percentage owned	
		Sept. 30, 2011	Sept. 30, 2010
James Bay Midarctic Developments Inc.	Ontario	100%	100%
0853998 B.C. Ltd.	BC	100%	100%
Brandon Exploration Inc.	BC	100%	-

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

***Significant accounting judgments, estimates and assumptions***

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

***Foreign currency translation***

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries of the Group is also Canadian dollars.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

**2. Significant accounting policies and basis of preparation (cont'd)**

***Foreign currency translation (cont'd)***

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

***Exploration and evaluation expenditures***

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Group has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

***Share-based payments***

The Group operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**2. Significant accounting policies and basis of preparation (cont'd)**

***Financial instruments***

The Group classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Group does not have any derivative financial assets and liabilities.

**2. Significant accounting policies and basis of preparation (cont'd)**

***Impairment of assets***

The carrying amount of the Group's assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

***Income taxes***

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## 2. Significant accounting policies and basis of preparation (cont'd)

### ***Restoration and environmental obligations***

The Group recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Group's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Group's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Group's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Group's accounting policy for exploration and evaluation assets.

### ***Property, plant and equipment***

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Equipment is recorded at cost and amortized using a declining balance rate of 20%. Any structures on exploration properties including buildings, fencing or other installations are recorded at cost and amortized using a declining balance rate of 10%. The Company records one-half amortization in the year of acquisition.

### **Accounting standards issued by not yet effective**

#### ***Amendments to IFRS 7 "Financial Instruments: Disclosures"***

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011.

#### ***New standard IFRS 9 "Financial Instruments"***

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

The Group has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

## 2. Significant accounting policies and basis of preparation (cont'd)

### Accounting standards issued by not yet effective

In May 2011, the IASB issued the following standards which have not yet been adopted by the Corporation: IFRS 10, Consolidated Financial Statements ("IFRS 10"), IFRS 11, Joint Arrangements ("IFRS 11"), IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), IAS 27, Separate Financial Statements ("IAS 27"), IFRS 13, Fair Value Measurement ("IFRS 13") and amended IAS 28, Investments in Associates and Joint Ventures ("IAS 28"). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

**IFRS 10** requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

**IFRS 11** requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

**IFRS 12** establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

**IFRS 13** is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

**3. Cash and cash equivalents**

The components of cash and cash equivalents are as follows:

	September 30, 2011	December 31, 2010
Cash at bank	\$ 329,365	\$ 98,038
Guaranteed investment certificates	3,700,000	2,000,000
	\$ 4,029,365	\$ 2,098,038

**4. Accounts receivable**

	September 30, 2011	December 31, 2010
Value-added tax receivables	\$ 108,225	\$ 128,892
Other receivables	-	3,673
	\$ 108,225	\$ 132,565

**5. Property, plant and equipment**

	Computer Equipment and Furniture	Field Equipment	Total
<b>Cost:</b>			
At December 31, 2010	\$ 18,503	\$ 41,104	\$ 59,607
Additions	4,087	69,402	73,489
At September 30, 2011	22,590	110,506	133,096
<b>Depreciation:</b>			
At December 31, 2010	(5,297)	(749)	(6,046)
Charge for the period	(1,884)	(13,156)	(15,040)
At September 30, 2011	(7,181)	(13,905)	(21,086)
<b>Net book value:</b>			
At December 31, 2010	13,206	40,355	53,561
At September 30, 2011	\$ 15,409	\$ 96,601	\$ 112,010

	Computer Equipment and Furniture	Field Equipment	Total
<b>Cost:</b>			
At January 1, 2010	\$ 10,783	-	\$ 10,783
Additions	7,720	41,104	48,824
At December 31, 2010	18,503	41,104	59,607
<b>Depreciation:</b>			
At January 1, 2010	(3,811)	-	(3,811)
Charge for the period	(1,486)	(749)	(2,235)
At December 31, 2010	(5,297)	-	(6,046)
<b>Net book value:</b>			
At January 1, 2010	6,972	-	6,972
At December 31, 2010	\$ 13,206	\$ 40,355	\$ 53,561

Rock Tech Lithium Inc.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three and nine month periods ended September 30, 2011 and 2010

**6. Exploration and evaluation assets**

	Canada					Total for nine month period ended Sept. 30, 2011	Total for year ended December 31, 2010
	Voltaire Project, Ontario	St. Urbain Project, Quebec	Kapiwak Project, Quebec	Georgia Lake Project, Ontario	Lacorne Project, Quebec		
<b>Property acquisition costs</b>							
Balance, beginning of period	\$ 600,000	\$ 67,650	\$ 1,988,863	\$ 1,515,362	\$ 902,873	\$ 5,074,748	\$ 3,269,002
Additions	-	-	-	(11,036)	-	(11,036)	1,805,746
Proceeds from option payments	-	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>600,000</b>	<b>67,650</b>	<b>1,988,863</b>	<b>1,504,326</b>	<b>902,873</b>	<b>5,063,712</b>	<b>5,074,748</b>
<b>Exploration and evaluation costs</b>							
Balance, beginning of period	1,245	333,031	13,080	913,717	1,845	1,262,918	704,522
Costs incurred during period:							
Administration	-	12,891	1,500	238,777	-	253,168	46,459
Assaying	-	-	-	178,514	-	178,514	-
Camp and field costs	-	-	146	300,344	106	300,595	136,225
Drilling and related costs	-	-	-	574,693	-	574,693	105,036
Environmental	-	-	-	28,511	-	28,511	11,345
Geological consulting	-	-	13,950	290,452	9,750	314,152	208,592
Geological Survey	-	-	-	-	1,211,234	1,211,234	-
Labour	-	-	-	232,205	-	232,205	-
Permitting and land holding costs	2,000	-	28,827	4,541	23,681	59,049	23,085
Reports and maps	7,500	-	900	309,306	1,440	319,146	-
Staking	8,000	-	-	413	-	8,413	-
Transportation	-	-	5,943	148,712	3,259	157,914	27,654
	17,500	12,891	51,266	2,306,467	1,249,469	3,637,593	558,396
Recovery of costs during period:							
Exploration tax credits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other:							
Write-down due to impairment	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Balance, end of period</b>	<b>18,745</b>	<b>345,922</b>	<b>64,346</b>	<b>3,220,184</b>	<b>1,251,314</b>	<b>4,900,512</b>	<b>1,262,918</b>
<b>Total</b>	<b>\$ 618,745</b>	<b>\$ 413,572</b>	<b>\$ 2,053,209</b>	<b>\$ 4,724,510</b>	<b>\$ 2,154,187</b>	<b>\$ 9,964,223</b>	<b>\$ 6,337,666</b>

**7. Accounts payable and accrued liabilities**

	September 30, 2011	December 31, 2010
Trade payables	\$ 625,209	\$ 191,870
Accrued liabilities	-	34,000
	\$ 625,209	\$ 225,870

**8. Share capital*****Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

At September 30, 2011 there were 95,645,108 issued and fully paid common shares (December 31, 2010 – 67,694,683).

On April 6, 2011, the Company announced a brokered private placement. The offering will consist of up to \$3,500,000 non-flow-through units of the Company (the “Units”), at a price of \$0.25 per unit, and of up to \$1,800,000 flow-through units of the Company (the “Flow-Through Units”) at a price of \$0.30 per unit. Each Unit will consist of one common share of the Company and one half of one share purchase warrant. Each Flow-Through Unit will consist of one flow-through common share and one half of one share purchase warrant. Each full warrant will entitle the holder to purchase an additional non-flow-through common share at a price of \$0.60 per share for a period of 24 months from the date of closing. The Company has granted to the Agents an over-allotment option to purchase up to an additional 2,100,000 Units and 900,000 Flow-Through Units, exercisable at any time up to 48 hours prior to the closing of the offering. In consideration for their services, the Agents will receive a cash commission of 7.0% of the gross proceeds of the Offering. In addition, the Agents will receive non-transferable compensation options entitling the holders to acquire that number of Units equal to 7% of the number of Units and Flow-Through Units sold under the private placement, exercisable at \$0.30 per compensation option, for a period of 24 months from the date of closing.

On May 20, 2011, the Company announced the closing of the first tranche of its brokered private placement consisting of 3,883,400 flow-through units of the Company at a price of \$0.30 per unit and 10,460,000 non-flow-through units of the Company at a price of \$0.25 per unit for aggregate gross proceeds of \$3,780,020. The Agents received an aggregate cash commission equal to 7% of the gross proceeds and non-transferable compensation options entitling the holders to acquire an aggregate of 1,242,038 units of the Company at an exercise price of \$0.30 per unit until May 19, 2013. Such units issued under the broker's warrants consist of one common share of the Company and one half of one share purchase warrant, with each full warrant entitling the holder thereof to purchase one additional share of the Company at a price of \$0.60 per share for a period of 24 months, expiring on May 19, 2013. All securities issued in connection with the Offering are subject to a four month and a day hold period until September 20, 2011.

## 8. Share capital

On July 4, 2011, the Company announced the closing of the second tranche of its brokered private placement consisting of 2,194,425 flow-through units of the Company at a price of \$0.30 per unit and 1,200,000 non-flow-through units of the Company at a price of \$0.25 per unit for aggregate gross proceeds of \$958,328. The Agents received an aggregate cash commission equal to 7% of the gross proceeds and non-transferable compensation options entitling the holders to acquire an aggregate of 16,100 units of the Company at an exercise price of \$0.30 per unit until June 29, 2013. Such units issued under the broker's warrants consist of one common share of the Company and one half of one share purchase warrant, with each full warrant entitling the holder thereof to purchase one additional share of the Company at a price of \$0.60 per share for a period of 24 months, expiring on June 29, 2013. All securities issued in connection with the Offering are subject to a four month and a day hold period until October 30, 2011.

On August 3, 2011, the Company announced the closing of the third and final tranche of its brokered private placement consisting of 8,833,600 flow-through units of the Company at a price of \$0.30 per unit for gross proceeds of \$2,650,080. The Agents received an aggregate cash commission equal to 7% of the gross proceeds and non-transferable compensation options entitling the holders to acquire an aggregate of 618,352 units of the Company at an exercise price of \$0.30 per unit until August 3, 2013. Such units issued under the broker's warrants consist of one common share of the Company and one half of one share purchase warrant, with each full warrant entitling the holder thereof to purchase one additional share of the Company at a price of \$0.60 per share for a period of 24 months, expiring on August 3, 2013. All securities issued in connection with the Offering are subject to a four month and a day hold period until December 4, 2011.

### ***Basic and diluted loss per share***

The calculation of basic and diluted loss per share for the six month period ended June 30, 2011 was based on the loss attributable to common shareholders of \$965,608 (2010 - \$316,261) and the weighted average number of common shares outstanding of 86,042,008 (2010 - 29,782,434). Diluted loss per share did not include the effect of stock options and warrants as the effect would be anti-dilutive.

### ***Stock options***

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

Options granted typically vest one-quarter on issuance, with the balance vesting as to one-quarter every six months subsequent to the grant date.

**8. Share capital**

The changes in options during the nine month period ended September 30, 2011 and the year ended December 31, 2010 are as follows:

	<b>September 30, 2011</b>		<b>December 31, 2010</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>
Options outstanding, beginning of period	1,000,000	\$ 0.46	1,542,000	\$ 0.53
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired and forfeited	-	-	(542,000)	1.00
Options outstanding, end of period	1,000,000	\$ 0.46	1,000,000	\$ 0.46
Options exercisable, end of period	1,000,000	\$ 0.46	1,000,000	\$ 0.46

Details of options outstanding as at September 30, 2011 are as follows:

<b>Price</b>	<b>Remaining Life</b>	<b>Number of options outstanding</b>
\$1.10	1.09 years	250,000
\$0.25	2.89 years	750,000
\$0.57	2.39 years	1,000,000

**8. Share capital**

***Warrants***

The changes in warrants during the nine month period ended September 30, 2011 and the year ended December 31, 2010 are as follows:

	September 30, 2011		December 31, 2010	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	29,277,750	\$ 0.28	8,900,000	\$ 0.25
Warrants issued	13,285,713	0.60	22,146,000	0.30
Warrants exercised	(1,379,000)	0.25	(1,768,250)	0.25
Warrants expired	( 5,356,250)	0.40	-	-
Warrants outstanding, end of period	35,382,963	\$ 0.40	29,277,750	\$ 0.28

Details of warrants outstanding as at September 30, 2011 are as follows:

Price	Remaining Life	Number of warrants outstanding
\$0.40	0.35 years	5,356,250
\$0.20	0.35 years	491,000
\$0.25	1.05 years	16,250,000
\$0.60	1.67 years	13,285,713
\$0.28	1.17 years	35,382,963

Details of warrants outstanding as at December 31, 2010 are as follows:

Price	Remaining Life	Number of warrants outstanding
\$0.25	0.51 years	7,173,000
\$0.40	1.16 years	5,360,000
\$0.20	1.16 years	494,750
\$0.25	1.77 years	16,250,000
\$0.28	1.33 years	29,277,750

**9. Reserves**

***Stock option reserve***

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

***Warrant reserve***

The warrant reserve records items recognized as the value of warrants issued with respect to financings, until such time as the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

**10. Related party transactions**

The Group incurred the following transactions with companies that are controlled by directors and officers of the Company.

	<b>Three month periods ended</b>	
	<b>September 30, 2011</b>	<b>June 30, 2010</b>
Management fees and severance – former officer	\$ -	\$ 55,000
Management fees	45,000	-
Professional fees - accounting and consulting	7,500	7,500
Professional fees – exploration consulting	37,500	24,000
Shareholder loan	-	-
	<b>\$ 90,000</b>	<b>\$ 86,500</b>

Balances and transactions between the Group members have been eliminated on consolidation and are not disclosed in this note. The Group incurred the fees and expenses in the normal course of operations in connection with the companies owned by key management and directors. Expenses have been measured at the exchange amount.

## 11. Financial risk management

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

### ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has a planning and budgeting process in place to help determine the funds required to support the Group's normal operating requirements on an ongoing basis. The Group ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Group's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Group's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Group's non-derivative financial liabilities as at September 30, 2011:

	<b>Within one year</b>	<b>Between one and five years</b>	<b>More than five years</b>
Accounts payable and accrued liabilities	\$ 625,209	\$ -	\$ -
	\$ 625,209	\$ -	\$ -

### ***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Group is not materially exposed to currency risk as it incurs expenditures that are primarily denominated in Canadian dollars.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would have an impact on the Group's net loss of \$16,000.

## 11. Financial risk management

### *Capital Management*

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Group consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

### *Classification of financial instruments*

Financial assets included in the statement of financial position are as follows:

	September 30, 2011	December 31, 2010
Cash and cash equivalents	\$ 4,029,365	\$ 2,098,038
Receivables	108,225	132,565
Prepaid expenses and deposits	432,862	64,868
	\$ 4,570,452	\$ 2,295,471

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2011	December 31, 2010
Non-derivative financial liabilities:		
Accounts payable	\$ 625,209	\$ 225,870
	\$ 625,209	\$ 225,870

### *Fair value*

The fair value of the Group's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Group's financial assets measured at fair value as at September 30, 2011 and December 31, 2010:

	As at September 30, 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 4,029,365	\$ -	\$ -
	\$ 4,029,365	\$ -	\$ -

  

	As at December 31, 2010		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,098,038	\$ -	\$ -
	\$ 2,098,038	\$ -	\$ -

## **12. Non-cash transactions**

During the nine month period ended September 30, 2011 and 2010 the Group did not incur any other non-cash transactions.

## **13. Transition to IFRS**

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Group has adopted accounting policies in accordance with IFRS, these are the first interim financial statements of the Group under IFRS. The Group previously applied the available standards under previous Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", January 1, 2010 has been considered to be the date of transition to IFRS by the Group. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

### ***Exemptions applied***

The Group has applied the following optional transition exemptions to full retrospective application of IFRS:

- IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.
- IFRS 2 "Share-based Payment" has not been applied to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Group has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.
- IFRS 16 Property, plant and equipment allows for property, plants and equipment to continue to be carried at cost less depreciation which is the same under Canadian GAAP.

Rock Tech Lithium Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars - unaudited)  
For the three and nine month periods ended September 30, 2011 and 2010

**13. Transition to IFRS (cont'd)**

**Reconciliation of assets**

	Notes	As at December 31, 2010			As at January 1, 2010		
		Canadian GAAP	Effect of Transition	IFRS	Canadian GAAP	Effect of Transition	IFRS
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents		\$ 2,098,038	\$ -	\$ 2,098,038	\$ 97,413	\$ -	\$ 97,413
Receivables		132,565	-	132,565	38,993	-	38,993
Prepaid expenses and deposit		64,868	-	64,868	8,321	-	8,321
		2,295,471	-	2,295,471	144,727	-	144,727
<b>Non-current assets</b>							
Reclamation deposits	15(b)	-	-	-	6,803	-	6,803
Property, plant and equipment		53,561	-	53,561	6,972	-	6,972
Investment		-	-	-	1	-	1
Exploration and evaluation assets		6,337,666	-	6,337,666	3,973,524	-	3,973,524
		6,391,227	-	6,391,227	3,987,300	-	3,987,300
<b>TOTAL ASSETS</b>		<b>\$ 8,686,698</b>	<b>\$ -</b>	<b>\$ 8,686,698</b>	<b>\$ 4,132,027</b>	<b>\$ -</b>	<b>\$ 4,132,027</b>

Rock Tech Lithium Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars - unaudited)  
For the three and nine month periods ended September 30, 2011 and 2010

13. Transition to IFRS (cont'd)

*Reconciliation of liabilities and shareholders' equity*

	Notes	As at December 31, 2010			As at January 1, 2010		
		Canadian GAAP	Effect of Transition	IFRS	Canadian GAAP	Effect of Transition	IFRS
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Accounts payables and accrued liabilities		\$ 225,870	\$ -	\$ 225,870	\$ 280,275	\$ -	\$ 280,275
Due to related parties		-	-	-	50,000	-	50,000
		225,870	-	225,870	330,275	-	330,275
<b>Non-current liabilities</b>							
Deferred tax liabilities	15(d)	1,036,164	-	1,036,164	550,418	-	550,418
		1,036,164	-	1,036,164	550,418	-	550,418
<b>TOTAL LIABILITIES</b>		<b>1,262,034</b>	<b>-</b>	<b>1,262,034</b>	<b>880,693</b>	<b>-</b>	<b>880,693</b>
<b>SHAREHOLDERS' EQUITY</b>							
Share capital	15(c,e)	16,923,373	74,795	16,998,168	11,808,056	74,795	11,882,851
Contributed surplus	15(g)	2,162,092	(2,162,092)	-	1,686,166	(1,686,166)	-
Reserves		-	2,276,479	2,276,479	-	1,724,885	1,724,885
Deficit		(11,660,801)	(119,514)	(11,849,983)	(10,236,388)	(119,514)	(10,355,902,388)
<b>TOTAL EQUITY</b>		<b>7,424,664</b>	<b>-</b>	<b>7,424,664</b>	<b>3,251,834</b>	<b>-</b>	<b>3,251,834</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>\$ 8,686,698</b>	<b>\$ -</b>	<b>\$ 8,686,698</b>	<b>\$ 4,132,527</b>	<b>\$ -</b>	<b>\$ 4,132,527</b>

Rock Tech Lithium Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars - unaudited)  
For the three and nine month periods ended September 30, 2011 and 2010

**13. Transition to IFRS (cont'd)**

***Reconciliation of loss and comprehensive loss for the three month period ended September 30, 2010***

	Notes	Canadian GAAP	Effect of Transition	IFRS
<b>Expenses</b>				
Amortization		\$ 314	\$ -	\$ 314
Consulting		74,999	-	74,999
General Administration		12,124	-	12,124
Management fees		24,000	-	24,000
Stock based payments	15(f)	58,350	-	58,350
Professional fees		17,873	-	17,873
Transfer agent and filing fees		(562)	-	(562)
Travel and promotion		67,583	-	67,583
<b>Net Loss</b>		<b>\$ (254,681)</b>	<b>-</b>	<b>\$ (254,681)</b>
Write off of mineral properties		(240)	-	(240)
<b>Comprehensive loss for the period</b>		<b>\$ (254,921)</b>	<b>\$ -</b>	<b>\$ (254,921)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ -</b>	<b>\$ (0.01)</b>

***Reconciliation of cash flows for the three month period ended September 30, 2010***

	Notes	Canadian GAAP	Effect of Transition	IFRS
<b>Operating activities</b>				
Loss before income taxes		\$ (254,921)	\$ -	\$ (254,921)
Adjustments for non-cash items:				
Amortization		315	-	315
Stock-based payments	15(f)	58,350	-	58,350
Write off mineral properties		240	-	240
Changes in non-cash working capital items:				
Accounts receivable		17,656	-	17,656
Prepaid expenses		5,478	-	5,478
Trade payables and accrued liabilities		4,643	-	4,643
<b>Net cash flows from (used in) operating activities</b>		<b>(168,239)</b>	<b>-</b>	<b>(168,239)</b>
<b>Investing activities</b>				
Expenditures on exploration and evaluation assets		(12,373)	-	(12,373)
<b>Net cash flows from (used in) investing activities</b>		<b>(12,373)</b>	<b>-</b>	<b>(12,373)</b>
<b>Financing activities</b>				
Proceeds on issuance of common shares - net of share issue costs		-	-	-
Due from related parties		75,000	-	75,000
<b>Net cash flows from (used in) financing activities</b>		<b>75,000</b>	<b>-</b>	<b>75,000</b>
Increase (decrease) in cash and cash equivalents		(105,612)	-	(105,612)
Cash and cash equivalents, beginning		123,983	-	123,983
<b>Cash and cash equivalents, ending</b>		<b>\$ 18,371</b>	<b>\$ -</b>	<b>\$ 18,371</b>

Rock Tech Lithium Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars - unaudited)  
For the three and nine month periods ended September 30, 2011 and 2010

**13. Transition to IFRS (cont'd)**

***Reconciliation of loss and comprehensive loss for the nine month period ended September 30, 2010***

	Notes	Canadian GAAP	Effect of Transition	IFRS
<b>Expenses</b>				
Amortization		\$ 994	\$ -	\$ 994
Consulting		222,028	-	222,028
General Administration		137,926	-	137,926
Management fees		103,000	-	103,000
Stock based payments	15(f)	116,700	(72,928)	43,772
Professional fees		111,230	-	111,230
Transfer agent and filing fees		20,404	-	20,404
Travel and promotion		235,253	-	235,253
<b>Net Loss</b>		<b>\$ (947,535)</b>	<b>-</b>	<b>\$ (874,607)</b>
Write off of mineral properties		(7,044)	-	(7,044)
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (954,579)</b>	<b>\$ 72,928</b>	<b>\$ (881,651)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.03)</b>	<b>\$ -</b>	<b>\$ (0.03)</b>

***Reconciliation of cash flows for the nine month period ended September 30, 2010***

	Notes	Canadian GAAP	Effect of Transition	IFRS
<b>Operating activities</b>				
Loss before income taxes		\$ (954,579)	\$ 72,928	\$ (881,651)
Adjustments for non-cash items:				
Amortization		995	-	995
Stock-based payments	15(f)	116,701	(72,928)	43,773
Changes in non-cash working capital items:				
Write off bond		7,044	-	7,044
Accounts receivable		(17,129)	-	(17,129)
Prepaid expenses		(17,306)	-	(17,306)
Trade payables and accrued liabilities		(123,274)	-	(123,274)
<b>Net cash flows from (used in) operating activities</b>		<b>(987,548)</b>	<b>-</b>	<b>(987,548)</b>
<b>Investing activities</b>				
Expenditures on exploration and evaluation assets		(62,660)	-	(62,660)
<b>Net cash flows from (used in) investing activities</b>		<b>(62,660)</b>	<b>-</b>	<b>(62,660)</b>
<b>Financing activities</b>				
Proceeds on issuance of common shares - net of share issue costs		946,166	-	946,166
Due from related parties		25,000	-	25,000
<b>Net cash flows from (used in) financing activities</b>		<b>971,166</b>	<b>-</b>	<b>971,166</b>
Increase (decrease) in cash and cash equivalents		(79,042)	-	(79,042)
Cash and cash equivalents, beginning		97,413	-	97,413
<b>Cash and cash equivalents, ending</b>		<b>\$ 18,371</b>	<b>\$ -</b>	<b>\$ 18,371</b>

***Reconciliation of equity***

	Notes	September 30, 2010
<b>Equity previously reported under Canadian GAAP</b>		<b>\$ 3,359,662</b>
Adjustments upon adoption of IFRS		-
<b>Equity reported under IFRS</b>		<b>\$ 3,359,662</b>

***Reconciliation of comprehensive loss for the year ended December 31, 2010***

	Notes	
<b>Comprehensive loss previously reported under Canadian GAAP</b>		<b>\$ (1,423,913)</b>
Adjustments upon adoption of IFRS		(119,514)
<b>Comprehensive loss reported under IFRS</b>		<b>\$ (1,543,427)</b>

***Notes to reconciliations***

(a) Functional and presentation currency

IFRS requires that the functional currency of each entity in the consolidated Group be determined separately in accordance with the indicators as per IAS 21 "The Effects of Changes in Foreign Exchange Rates" and should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of all the subsidiaries of the Group is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars which is the Group's presentation currency.

Under IFRS, the results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income and are recognized in the profit or loss in the period in which the operation is disposed.

Under IFRS, the cash flow statement of the group must be prepared in the functional currency and then translated to the presentation currency at the exchange rates at the date of the cash flows or an average rate in line with the income statement treatment.

There were no changes to the financial statements of the Group as at January 1, 2010.

**13. Transition to IFRS (cont'd)**

***Notes to reconciliations (cont'd)***

(b) Provision for restoration and environmental obligations

Under Canadian GAAP, asset retirement obligations are measured at fair value, incorporating market assumptions and discount rates based on the entity's credit-adjusted risk-free rate. Adjustments are made to asset retirement obligations for changes in the timing or amount of the cash flows and the unwinding of the discount. However, changes in discount rates alone do not result in a re-measurement of the provision. Changes in estimates that decrease the liability are discounted using the discount rate applied upon initial recognition of the liability while changes that increase the liability are discounted using the current discount rate.

IFRS requires decommissioning provisions to be measured based on management's best estimate of the expenditures that will be made and adjustments to the provision are made in each period for changes in the timing or amount of cash flow, changes in the discount rate, and the accretion of the liability to fair value (unwinding of the discount). Furthermore, the estimated future cash flows should be discounted using the current rates.

There were no obligations and therefore no changes to the financial statements as of January 1, 2010.

(c) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146 "Flow-through Shares". At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a future income tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP the Company recorded any deferred tax recovery eligible to be recognized to offset the deferred tax charge to equity as a tax recovery in the statement of operations.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through tax liability and included in trade payables and accrued liabilities. Upon renouncement by the Group of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Group will reduce the deferred tax liability and record a deferred tax recovery.

There was an adjustment of \$74,795 required to be posted to the financial statements as of January 1, 2010.

(d) Deferred tax liabilities

The Group has previously purchased assets where the carrying value of the asset on initial recognition differs from the tax value of the asset on initial recognition. Under Canadian GAAP, a deferred tax liability is recognized for the resulting temporary difference, with a corresponding increase to the value of the asset recorded. IAS 12 "Income Taxes" does not permit the recognition of a deferred income tax asset or liability resulting from differences between the carrying value and tax value of an asset or liability on initial recognition, unless acquired as part of a business combination.

There were no changes to the financial statements as of January 1, 2010.

**13. Transition to IFRS (cont'd)**

***Notes to reconciliations (cont'd)***

(e) Warrants

Under Canadian GAAP the Group classified warrants it issued to purchase common shares as equity instruments. Under IFRS, warrants issued by the Group to purchase common shares, for a fixed price stated in a currency other than the functional currency of the issuing entity and not offered pro rata to all existing shareholders of the same class at the time of issuance, are considered derivative financial liabilities. Such warrants are required to be measured and recognized at fair value with changes subsequent to initial recognition charged to profit or loss. There were no warrants issued other than in its function currency, the Canadian dollar.

(f) Share-based payments

The Group grants stock options that have a graded vesting schedule. Under Canadian GAAP, the Group accounted for grants of options with graded vesting as a single award and determined the fair value using the average life of the options granted. Stock-based compensation was recognized on a straight-line basis over the total vesting period. Under IFRS, the Group treats each instalment as its own award. Therefore, each instalment is measured and recognized separately.

(g) There was an adjustment of \$44,719 as of January, 1, 2010, and vesting options during the year ended December 31, 2010 resulted in adjustments totalling \$114,387 to December 31, 2010. Reserves

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to contributed surplus. Under IFRS, these amounts have been reclassified as reserves.

(h) Interest income

Under Canadian GAAP, the Group classified interest income as operating activities. Under IFRS, interest income has been reclassified as an investing activity.