



**ONE WORLD
LITHIUM**

One World Lithium Inc.

(Formerly One World Minerals Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

In Canadian Dollars

(Unaudited – Prepared by Management)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of One World Lithium Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Canadian Institute of Professional Accountants for a review of interim financial statements by an entity's auditor.

ONE WORLD LITHIUM INC.
(formerly One World Minerals Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2018 (\$)	December 31, 2017 (\$)
Assets			
Current Assets			
Cash		62,859	46,409
Receivables		11,826	9,464
		<u>74,685</u>	<u>55,873</u>
Non - Current Assets			
Equipment		17,852	-
Exploration and evaluation assets	5	2,810,664	2,810,664
Exploration and evaluation assets advance	5	264,703	264,703
		<u>3,167,904</u>	<u>3,131,240</u>
Liabilities & Shareholders' Deficit			
Current Liabilities			
Accounts payable and accrued liabilities	6	742,645	775,005
Loans payable	7	57,411	56,425
Share subscriptions	10	56,215	668,200
		<u>856,271</u>	<u>1,499,630</u>
Long -Term Liabilities			
Credit facility	9	83,242	74,350
		<u>939,513</u>	<u>1,573,980</u>
Shareholders' Deficit			
Share capital	10	14,429,644	13,350,994
Share-based payments reserve	10	1,087,911	978,740
Reserve- warrants	10	55,555	55,555
Deficit		(13,344,719)	(12,828,029)
		<u>2,228,391</u>	<u>1,557,260</u>
		<u>3,167,904</u>	<u>3,131,240</u>

The accompanying notes are an integral part of the financial statements

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

Approved on behalf of the Board by:

"Douglas Fulcher"
Douglas Fulcher, Director

"Allan Williams"
Allan Williams, Director

ONE WORLD LITHIUM INC.**(formerly One World Minerals Inc.)****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended March 31	
		2018	2017
		(\$)	(\$)
EXPENSES			
Amortization		2,550	-
Consulting fees		90,875	59,340
Exploration and evaluation expense and impairment	5	210,960	-
Interest and financing costs	7,8,9	12,233	3,839
Investor relations		-	3,000
Legal		2,111	26,246
Management fees	11	-	15,000
Office, rent and phone		17,559	15,509
Professional fees		20,775	24,225
Share based payments	10c	154,171	190,715
Transfer agent and filing fees		5,456	11,956
		516,690	349,830
Net Loss and Comprehensive Loss		(516,690)	(349,830)
Basic and Diluted Loss per Common Share		(0.01)	(0.02)
Weighted Average Number of Shares Outstanding		64,449,372	21,487,530

ONE WORLD LITHIUM INC.

(formerly One World Minerals Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

(Unaudited - Expressed in Canadian Dollars)

	Share Capital			Share-based payments reserve (\$)	Deficit (\$)	Total shareholders' deficit (\$)
	Shares (#)	Amount (\$)	Warrants (\$)			
Balance - December 31, 2016	5,055,506	8,430,700	-	10,340	(10,542,593)	(2,101,553)
Common shares issued for debt	30,876,737	1,543,837	-	-	-	1,543,837
Common shares issued for Mogollon option assignment	1,500,000	75,000	-	-	-	75,000
Common shares issued for option assignment	5,000,000	200,000	-	-	-	200,000
Convertible debentures	10,329,140	516,457	-	-	-	516,457
Warrants	-	-	19,606	-	-	19,606
Share based payments	-	-	-	190,715	-	190,715
Net loss for the period	-	-	-	-	(349,830)	(349,830)
Balance - March 31, 2017	52,761,383	10,765,994	19,606	201,055	(10,892,423)	94,232
Common shares issued for option and joint venture assignment	11,000,000	2,585,000	-	-	-	2,585,000
Warrants	-	-	35,949	-	-	35,949
Share based payments	-	-	-	777,685	-	777,685
Net loss for the period	-	-	-	-	(1,935,606)	(1,935,606)
Balance - December 31, 2017	63,761,383	13,350,994	55,555	978,740	(12,828,029)	1,557,260
Common shares upon private placement	6,857,667	1,028,650	-	-	-	1,028,650
Issued for cash, upon exercise of stock options	100,000	5,000	-	-	-	5,000
Reclassification adjustment upon exercise of stock options	-	45,000	-	(45,000)	-	-
Share based payments	-	-	-	154,171	-	154,171
Net loss for the period	-	-	-	-	(516,690)	(516,690)
Balance - March 31, 2018	70,719,050	14,429,644	55,555	1,087,911	(13,344,719)	2,228,391

ONE WORLD LITHIUM INC.
(formerly One World Minerals Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31	
	2018	2017
	(\$)	(\$)
OPERATING ACTIVITIES		
Net loss for the period	(516,690)	(349,830)
Items not affecting cash:		
Amortization	2,550	-
Interest and financing costs	9,878	1,484
Share based payments	154,171	190,715
Impairment of Mogollon Property	31,910	-
Changes in non-cash working capital:		
Receivables	(2,362)	(133,273)
Prepaid expenses	-	7,518
Accounts payable and accrued liabilities	(32,360)	(97,207)
	<u>(352,903)</u>	<u>(380,593)</u>
INVESTING ACTIVITY		
Equipment purchase	(20,402)	-
Exploration and evaluation expenditures	(31,910)	(337,740)
Exploration and evaluation expenditures advance	-	(21,543)
	<u>(52,312)</u>	<u>(359,283)</u>
FINANCING ACTIVITIES		
Convertible debentures	-	516,457
Loans payable	-	(886,035)
Credit facility	-	100,000
Promissory notes payable	-	(610,693)
Shares issued for debt	-	1,618,837
Securities issued for exercise of options	5,000	-
Securities issued for cash	360,450	-
Share subscriptions	56,215	-
	<u>421,665</u>	<u>738,566</u>
Increase (decrease) in cash for the period	16,450	(1,310)
Cash - beginning of the period	46,409	1,362
Cash - end of period	<u>62,859</u>	<u>52</u>
Supplemental disclosures		
Warrants issued for credit facility	-	55,555
Common shares issued for option agreement - Mogollon	-	200,000

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

1. Nature of operations and going concern

One World Lithium Inc. (formerly One World Minerals Inc.), together with its subsidiary (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. The Company is focused on the acquisition, exploration and development of resource properties in Mexico and the United States. The Company is considered to be in the exploration stage. The Company's head office and records offices are located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. On February 28, 2017, the Company voluntarily delisted its common shares from the NEX Board of the TSX Venture Exchange ("Exchange") and began trading on the Canadian Securities Exchange ("CSE"). On January 19, 2018, the Company changed its name to One World Lithium Inc. to align with its primary exploration and evaluation asset.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and discharge liabilities at their carrying values in the ordinary course of operations for the foreseeable future rather than through the process of forced liquidation. The condensed interim financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, as well as the successful results from exploration activities, and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future. Management continues to actively pursue the necessary capital and financing to meet its funding requirements and has implemented available cost control measures.

2. Basis of presentation, statement of compliance

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of condensed interim financial statements, including IAS 34, Interim Financial Reporting and interpretations of the IFRS Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Lithium Investments Ltd., a Canadian company.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and therefore should be read in conjunction with the Company's most recent annual financial statements as at and for the year ended December 31, 2017. The effects of the adoption of new and amended IFRS pronouncements have been disclosed in notes of these condensed interim financial statements.

These condensed interim consolidated financial were reviewed by the Board of Directors and approved and authorized for issuance on June 14, 2018.

Use of estimates, assumptions and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. While management believes that the judgment, assumptions and estimates made are reasonable, actual results could differ from those estimates, and could impact future results of comprehensive income and cash flows. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Management of the Company assesses the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Adoption of new IFRS pronouncements

The Company has adopted the following new standards, along with any consequential amendments, prior to or effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions and did not impact the Company's condensed interim consolidated financial statements.

- IFRS 2, "Share-based payment" (amended standard) is effective for annual periods beginning on or after January 1, 2018.
- IFRS 7, "Financial Instruments: Disclosure" is effective (proposed) for annual periods beginning on or after January 1, 2018.
- IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 retrospectively, without restatement of prior year financial statements. IFRS 9 replaces the provisions of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") that relate to the recognition, classification, and measurements of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how the Company manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9. The application of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was also no impact to the carrying value of any of the Company's financial assets or liabilities on the date of transition.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

- IFRIC 22 – Foreign Currency Transactions and Advance Consideration: This interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. This interpretation is effective for reporting periods beginning on or after January 1, 2018.
- Annual improvements to IFRSs (2014-2016 Cycle) is effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, “Leases”: is effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact of these new and amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations of the Company.

3. Financial instruments

The Company has classified its cash as Fair Value Through Profit and Loss (“FVTPL”) (using level 1 of the fair value hierarchy); prepaid expenses and receivables and accounts payable and accrued liabilities, loans payable, promissory notes payables, due to related parties, convertible debentures and the credit facility as other financial liabilities.

The carrying values of cash, prepaid expenses and receivables, and accounts payable and accrued liabilities, loans payable, share subscriptions and due to related parties approximate their fair values due to the short-term maturity of these financial instruments.

The Company’s financial instruments as at March 31, 2018 and December 31, 2017 are as follows:

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

	March 31, 2018	December 31, 2017
	(\$)	(\$)
Financial Assets		
Cash	62,859	46,409
Receivables	11,826	9,464
	74,685	55,873
Financial liabilities		
Accounts payable and accrued liabilities	742,645	775,005
Loans payable	57,411	56,425
Share subscriptions	56,215	668,200
Long term liabilities		
Credit facility	83,242	74,350
	939,513	1,573,980
Working capital deficit	(781,586)	(1,443,757)

4. Financial risk management**(a) Credit risk**

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company is exposed to liquidity risk as it relates to its accounts payable and loans payable.

The Company's current and expected remaining contractual maturities for its financial liabilities with agreed repayment periods are presented below. The table includes the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to satisfy the liabilities.

As at March 31, 2018	1 – 3 months	1 - 5 years	Total
	\$	\$	\$
Accounts payable and accrued liabilities	742,645	-	742,645
Loans payable	57,411	-	57,411
Share subscriptions	56,215		56,215
Credit facility	-	83,242	83,242

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company incurs certain expenses in currencies other than the Canadian dollar. The Company is subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in US dollars to pay these foreign currency expenses as they arise. Receipts in foreign currencies are maintained in those currencies. The Company does not undertake currency hedging activities. The Company also does not attempt to hedge the net investment and equity of integrated foreign operations.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to managing the above risks.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

5. Exploration and evaluation assets

Property	Balance December 31, 2017 (\$)	Additions (\$)	Balance March 31, 2018 (\$)
Mogollon Property			
Consideration paid	537,740	-	537,740
Acquisition costs	67,140	31,910	99,050
Less: impairment provision	(604,880)	(31,910)	(636,790)
Salar del Diablo			
Consideration paid	2,685,000	-	2,685,000
Acquisition costs	125,664	-	125,664
Total	2,810,664	-	2,810,664

Acquisition of the Mogollon Project

On February 28, 2017, the Company entered into an assignment agreement (the “Assignment Agreement”), pursuant to which the Company was assigned all rights and obligations of an option agreement (the “Option Agreement”) dated December 22, 2015, between Stand-up Investments (“SUI”) and an option holder (“Third Party”) in exchange for 5,000,000 common shares of the Company as well as \$75,000 in cash.

Under the terms of the Option Agreement, SUI has the option to acquire a 100% interest in the Mogollon silver-gold project located in New Mexico, US, by making annual payments totalling US\$1,000,000 to the Third Party as follows:

<u>On or before (Date)</u>	<u>Pay to Third Party (US\$)</u>
January 31, 2016	50,000 (Paid by SUI)
December 31, 2016	200,000 (Paid by SUI)
December 31, 2017	200,000
December 31, 2018	275,000
December 31, 2019	275,000
	<u>1,000,000</u>

The December 31, 2017 payment was deferred subsequent to period end.

Pursuant to the Assignment Agreement, the Company is required to assume the remaining payments to the Third Party as follows:

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

On or before (Date)	Pay to Third Party (US\$)
December 31, 2017	200,000
December 31, 2018	275,000
December 31, 2019	275,000
	750,000

No payments have been made as of March 31, 2018, and the payment was extended to February 28, 2018. In addition to the above, the Company was also required to reimburse SUI US\$200,000 (of the \$262,740 previously) paid by SUI to the Third Party on January 30, 2017.

Consideration paid to December 31, 2017 to SUI for the Mogollon Option Agreement:

For value of 5,000,000 shares issued at \$0.04 per share	\$ 200,000
Issuance of 1,500,000 shares in lieu of cash payment	\$ 75,000
Cash reimbursed to SUI US\$200,000	\$ 262,740
Total consideration paid	\$ 537,740

On or before (Date)	Pay to Third Party (US\$)
May 31, 2018	200,000
May 31, 2019	200,000
May 31, 2020	200,000
May 31, 2021	150,000
	750,000

If the Company decided to continue with the option agreement, it had agreed to make the following additional payments and share issuance to SUI contingent on the Company making the following payments to the Third Party:

The Company must make the following additional payments and share issuance to SUI. The payment and issuance of shares to SUI is contingent on the Company continue to make the above payments to the third party optionor of the Mogollon Project:

On or before (Date)	Pay to SUI (CDN\$)	Pay to SUI (# of shares of OWL)	
April 1, 2018	200,000	5,000,000	(1)
April 1, 2019	-	5,000,000	(2)
	200,000	10,000,000	

(1) In April 2018, the Company and SUI amended their Assignment Agreement whereby the April 1, 2018 payment of \$200,000 and shares issuance of 5,000,000 was extended to November 30, 2018.

(2) Subsequent to period end, in April 2018, the April 1, 2019 commitment date for the share issuance was extended to November 30, 2019. SUI became a related party on April 25, 2018, as they share a common officer.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

In addition, the Company has granted SUI a 1% net smelter return royalty (“NSR”) upon commencement of commercial production.

Subsequent to period end, the Company has not successfully amended the February 28, 2018 payment of \$200,000 US and has elected to terminate the Option Agreement with the Third Party and the Assignment Agreement with SUI. As of March 31, 2018, the Company has provided an impairment provision of \$31,910 (December 31, 2017: \$604,880) against the carrying amount of the Mogollon Property.

Acquisition of the Salar del Diablo Property (formerly the Rico Litio Property):

On October 10, 2017, the Company completed the acquisition of Lithium Investments Ltd. (“LIL”) by acquiring all of the shares of LIL from its shareholders in exchange for 10,000,000 common shares and a \$100,000 cash payment made 30 days after the close (November 10, 2017). All shares issued on October 10, 2017 were measured at \$0.235 per share, being the Company’s closing price on that date on the CSE.

The principal assets of LIL consist of the rights and interests under an option and joint venture agreement (the “Option Agreement”) with third parties to acquire up to a 90% interest in the Salar del Diablo (formerly the Rico Litio Property) in Mexico (the “Salar del Diablo Property”). In order to earn an 80% interest in the Salar del Diablo, LIL is required to issue 2,700,000 shares (1,000,000 shares were issued on October 10, 2017, for a total value of \$235,000, being the total value of the shares on the date of issuance) and make payments up to US\$1,250,000 to the third parties in stages assuming the project goes to commercial production. In addition, up until the delivery of a bankable feasibility report (the “BS Report”) on the Salar del Diablo Property LIL is responsible for all exploration expenditures. After the delivery of the BS Report each Joint Venture party (“JV Party”) is responsible for their prorata share of future funding. If either JV Party fails to contribute its share of the project cost their interest shall be diluted proportionally until their interest reaches 10% or less. Should the underlying JV Party’s interest dilute below a 10% equity interest or less, a 2% NSR royalty replaces the 10% equity interest and the other party will have the right at any time prior to the commencement of commercial production but not the obligation to purchase one-half of the NSR for US\$5,000,000.

For accounting purposes, the acquisition of LIL has been recorded as an asset acquisition as LIL is not considered to be a business when applying the guidance within IFRS 3.

Consideration paid:

For value of 10,000,000 shares issued to LIL at \$0.235 per share	\$ 2,350,000
For value of 1,000,000 shares issued to Joint Venture Third Party at \$0.235 per share	\$ 235,000
Cash paid	\$ 100,000
Total consideration paid	\$ 2,685,000

The purchase agreement of LIL requires the Company to continue making the following additional payments and share issuance to the former shareholders of LIL:

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

On or before (Date)		Pay to LIL (CDN\$)	Pay to LIL (# of shares of OWL)
October 10, 2019	\$	200,000	12,500,000
October 10, 2020	\$	300,000	-
October 10, 2021	\$	400,000	-
	\$	900,000	12,500,000

In connection with the Salar del Diablo property, the Company, advanced \$264,703 (2017: \$264,703) in respect of geological sampling.

The following table shows the activity by category of exploration:

	March 31, 2018	December 31, 2017
Exploration and Evaluation Expenditures	(\$)	(\$)
Consulting	-	12,866
Maintenance fees	-	98,792
Geophysics	179,050	-
Impairment charge on Mogollon Property	31,910	604,880
Total	210,960	716,538

6. Accounts payable and accrued liabilities

	March 31, 2018	December 31, 2017
	(\$)	(\$)
Accounts payable and accrued liabilities	364,805	400,067
Part XII.6 tax payable	204,577	204,577
Due to related parties (note 11)	173,263	170,361
	742,645	775,005

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

7. Loans Payable

	Loan #1		Loan #2		Loan #3		Loan #4	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning	-	118,000	-	353,025	-	50,000	-	5,000
Additions	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transferred to shares for debt	-	(118,000)	-	(353,025)	-	(50,000)	-	(5,000)
Balance - end	-	-	-	-	-	-	-	-

	Loan #5		Loan #6		Loan #7		Loan #8	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning	-	5,000	-	25,000	-	1,800	-	6,000
Additions	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transferred to shares for debt	-	(5,000)	-	(25,000)	-	(1,800)	-	(6,000)
Balance - end	-	-	-	-	-	-	-	-

	Loan #9		Loan #10		Loan #11		Loan #12	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning	-	1,500	-	5,000	-	5,000	-	310,710
Additions	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transferred to shares for debt	-	(1,500)	-	(5,000)	-	(5,000)	-	(310,710)
Balance - end	-	-	-	-	-	-	-	-

	Loan #13		Loan #13		Total	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning	5,000	-	51,425	-	56,425	886,035
Additions	-	5,000	-	50,000	-	55,000
Interest	-	-	986	1,425	986	1,425
Transferred to shares for debt	-	-	-	-	-	(886,035)
Balance - end	5,000	5,000	52,411	51,425	57,411	56,425

- Loan #1: Matured on October 1, 2014, and bears interest at 12% per annum, calculated on a monthly basis. The loan was settled on February 28, 2017.
- Loan #2: Matured on December 31, 2014, and bears an effective interest rate of 8% per annum. The loan was settled on February 28, 2017.
- Loan #3: On April 11, 2016, the Company received \$50,000 in respect of a loan. The loan was settled on February 28, 2017.
- Loan #4: On June 2, 2016, the Company received \$5,000 in respect of a loan. The loan was settled on February 28, 2017.
- Loan #5: On June 16, 2016, the Company received \$5,000 in respect of a loan. The loan was settled on February 28, 2017.
- Loan #6: On June 16, 2016, the Company received \$25,000 in respect of a loan. The loan was settled on February 28, 2017.
- Loan #7: On August 29, 2016, the Company received \$1,800 in respect of a loan. The loan was settled on February 28, 2017.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

Loan #8	On September 12, 2016, the Company received \$6,000 in respect of a loan. The loan was settled on February 28, 2017.
Loan #9	On September 29, 2016, the Company received \$1,500 in respect of a loan. The loan was settled on February 28, 2017.
Loan #10	On October 11, 2016, the Company received \$5,000 in respect of a loan. The loan was settled on February 28, 2017.
Loan #11	On November 10, 2016, the Company received \$5,000 in respect of a loan. The loan was settled on February 28, 2017.
Loan #12	During the year ended December 31, 2016, amounts owing to a formerly related party were transferred to an unrelated party. The loan was settled on February 28, 2017.
Loan #13	On October 10, 2017, the Company received \$5,000 in respect of a loan. The loan is unsecured and non-interest bearing with a maturity date of June 30, 2018
Loan #14	On August 24, 2017, the Company received \$50,000 in respect of a convertible loan. The loan matured on December 1, 2017 with no demand for repayment. The convertible feature (to convert the loan into common shares) also expired on the maturity date of December 1, 2017. The loan is unsecured and bears interest of 8% per annum. \$986 was accrued during the period ended March 31, 2018 (December 31, 2017: \$1,425).

Loans #1 to #12 were settled as part of the debt settlement agreement, and both parties agreed to cease accrual of interest as of December 31, 2016. Loans #1 to #12 were settled on February 28, 2017 by issuance of 17,720,700 shares, having an equivalent value as the carrying amount of the debt.

8. Promissory notes payable

	Promissory Note #1		Promissory Note #2		Promissory Note #3		Promissory Note #4		Total	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Dec 31, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning	-	579,149	-	17,852	-	11,677	-	2,015	-	610,693
Additions	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Foreign exchange	-	(8,297)	-	-	-	-	-	-	-	(8,297)
Transferred to shares for debt	-	(570,852)	-	(17,852)	-	(11,677)	-	(2,015)	-	(602,396)
Balance - end	-	-	-	-	-	-	-	-	-	-

Promissory Note #1: The note is unsecured, bears interest at 8% per annum on principal of US\$370,184 (CDN \$429,448) and matured on December 31, 2014. The promissory note was settled on February 28, 2017 by issuance of 11,417,040 shares having an equivalent value as the carrying amount of the debt.

Promissory Note #2: Funds were received on February 5, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015. The promissory note was settled on February 28, 2017 by issuance of 357,040 shares having an equivalent value as the carrying amount of the debt.

Promissory Note #3: Funds were received on April 28, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015. The promissory note was settled on February 28, 2017 by issuance of 233,540 shares having an equivalent value as the carrying amount of the debt.

Promissory Note #4: Funds were received on November 9, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015. The promissory note was settled on February 28, 2017 by issuance of 40,300 shares having an equivalent value as the carrying amount of the debt.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

All promissory notes settled as part of the debt settlement agreement (Note 10), and both parties agreed to cease accrual of interest as of December 31, 2016. No interest was accrued for the period ended March 31, 2018.

9. Credit facility

On February 22, 2017, the Company entered into a credit facility (“Credit Facility”), pursuant to which it can borrow from SUI an aggregate of up to \$250,000 in one or more tranches (each, a “Tranche”), at a rate of 8.0% per annum, with a maturity date for each Tranche of February 28, 2019. In consideration for the Credit Facility, the Company is required to issue share purchase warrants (“Warrants”) permitting SUI to purchase up to, in the aggregate, 1,250,000 shares, in proportion with each Tranche of the Credit Facility. Each Warrant allows for the purchase of one common share at \$0.20 per share for a period of 2 years from the date of the Tranche. On February 28, 2017 and under the terms of the Credit Facility, the Company borrowed \$100,000 from SUI, and issued Warrants allowing for the purchase of up to, in the aggregate, 500,000 common shares in the capital of the Company at \$0.20 per share until February 28, 2019. The warrants were valued at \$55,555 being the residual value of the \$100,000 credit facility present valued using a market interest rate of 50% for comparable debt with a similar risk profile of the Company.

	(\$)
Present value of the \$100,000 credit facility at 50% discount rate	44,445
Accretion of debt discount	23,211
Accrued interest	6,694
Balance, at December 31, 2017	74,350
Accretion of debt discount	6,875
Accrued interest	2,017
Balance, at March 31, 2018	83,242

10. Share capital

a) Authorized

Unlimited common shares without par value.

On July 19, 2016, the Company announced it had applied for voluntary delisting of its common shares from the NEX and was seeking a listing on the CSE. Delisting from the NEX was subject to receipt of approval from the NEX. The Company’s proposed listing on the CSE was subject to satisfactory due diligence by the Company on the Property, the Company preparing a Technical Report on the Property in accordance with National Instrument 43-101, if required, shareholder approval of the transaction by the shareholders of the Company and acceptance of the proposed listing by the CSE. The delisting from NEX and the listing on CSE was approved on February 28, 2017.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

b) Issued

During the three month period ended March 31, 2018, the Company issued the following:

- On March 22, 2018, the Company closed a portion of its private placement that was previously announced on November 9, 2017. The Company raised \$ 1,028,650 through the issuance of 6,857,667 units at a price of \$0.15 per unit. Each Unit was comprised of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional share, at a price of \$0.20 per warrant share for a period of 24 months from the partial closing date of the Offering. All securities are subject to a four month and one day hold from the closing date. The Company received \$668,200 in 2017 towards this private placement which was included in share subscriptions. No finder's fees were paid in connection with the private placement. As at March 31, 2018, in connection with the second tranche of the private placement that closed on May 23, 2018, the Company received \$56,215 subscriptions in advance of issuance of units. Subsequent to period end, 218,075 units were issued against this advance. No Finders' fees were paid in connection to this private placement. The subscriptions advance has been presented in Share Subscriptions as at March 31, 2018.

On March 29, 2018, 100,000 stock options were exercised at \$0.05, for total proceeds of \$5,000.

During the year ended December 31, 2017:

- **Debt settlement:** The Company settled total debt and payments in the aggregate amount of \$1,543,837 with creditors of the Company by way of issuance of 30,876,737 common shares in the capital of the Company (the "Debt Shares"). The debt settlement was comprised of accounts payable (Note 6), loans payable (Note 7) and promissory notes payable (Note 8). The value of the common shares was equivalent to the carrying value of the debt as the fair value of the common shares on measurement was not a reliable Level 1 estimate of fair value. The Debt Shares are subject to hold periods and were released in stages, as to 25% each on July 1, 2017, October 1, 2017, January 1, 2018 and April 1, 2018.
- **Convertible debentures:** On February 28, 2017, the Company repaid loans and accounts payable in the aggregate amount of \$516,457 through the issuance of a convertible debt instrument. This amount was comprised of loans payable 3, 4, 5 and 6 (Note 7) in the amount of \$80,000 and accounts payable of \$436,457 owing to SU1 at the time. This convertible debt instrument bore no interest, had no maturity and a conversion price of \$0.05. The convertible debtholders exercised their conversion option also on February 28, 2017. The Company recorded a \$14,571 gain on the settlement of these debts. Upon the holder exercising the conversion option, the Company issued, in the aggregate of 10,329,140 common shares in the capital of the Company (the "Debenture Shares") at the conversion price of \$0.05 share. The Debenture Shares are subject to hold periods and were released in stages, as to 25% each on July 1, 2017, October 1, 2017, January 1, 2018 and April 1, 2018.
- **Option assignment:** In consideration for the assignment of the Mogollon Project Option Agreement by SU1 to the Company, the Company issued 6,500,000 common shares on February 28, 2017 for a total consideration of \$275,000. These shares are included in the common shares issued for debt. The shares issued under this option agreement are subject to a four (4) month one (1) day hold period from trading and were released on July 01, 2017.
- **Option agreement:** In consideration for the assignment of the Salar del Diablo Option Agreement between LIL and the Company, the Company issued 11,000,000 common shares on October 10, 2017, as per the agreement to former shareholders' of LIL and Joint Venture Third Party. The shares

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

issued under this option agreement are subject to a four (4) month one (1) day hold period from trading and were released on February 11, 2018.

- **Private placement:** On November 9, 2017, the Company announced a non-brokered private placement to raise up to \$1,500,000 by way of a unit offering of up to 10,000,000 units at a price of \$0.15 per unit (the “Offering”). Each Unit will comprise one shares and one warrant (“Warrant”), with each Warrants exercisable to acquire on additional share at \$0.20 per share until 24 months after the closing of the Offering. The Company may pay finders’ fees in connection with the Offering and the Offering is subject to regulatory approval. As at December 31, 2017, in connection with this Offering, the Company received \$668,200 subscriptions in advance of issuance of shares. Subsequent to year end, 4,454,667 shares were issued against this advance. No Finders’ fees were paid in connection to this private placement. The subscriptions advance has been presented in current liabilities as share subscriptions as at December 31, 2017.

c) Stock options

On February 4, 2013, the Company adopted a “rolling” stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board’s election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

During the three month period ended March 31, 2018:

On March 22, 2018, the Company granted incentive stock options allowing the acquisition of 800,000 common shares of the Company at a price of \$0.20 per common share. The stock options are exercisable on or before March 22, 2022 and are fully vested. The grant date fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 2%, expected life of one year, expected volatility of 261.46% and dividend yield of 0%. The total amount of share based payments expense, \$118,811 was recognized during the period ended March 31, 2018.

On March 29, 2018, 100,000 stock options were exercised at \$0.05, for total proceeds of \$5,000, which resulted in the issuance of 100,000 common shares.

During the year ended December 31, 2017:

On April 4, 2017, The Company granted stock options allowing for the purchase of up to, in the aggregate, 600,000 common shares for 1 year to consultants of the Company. The grant date fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 0.74%, expected life of one year, expected volatility of 120.15% and dividend yield of 0%. The total amount of share based payments expense, \$108,960, of which \$198 was recognized during the period ended March 31, 2018 (December 31, 2017: \$108,762).

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

On August 11, 2017, The Company granted stock options allowing for the purchase of up to, in the aggregate, 400,000 common shares to a consultant of the Company at \$0.25 per share until February 28, 2019. The options will fully vest on March 1, 2018. The grant date fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.20%, expected life of 1.5 year, expected volatility of 143.27% and dividend yield of 0%. The total amount of share based payments expense, \$65,560, of which \$19,560 was recognized during the period ended March 31, 2018 (December 31, 2017: \$46,000).

On November 10, 2017, The Company granted stock options allowing for the purchase of up to, in the aggregate, 1,100,000 common shares to consultants of the Company at \$0.20 per share until December 1, 2018. The options will fully vest on March 31, 2018 with 600,000 options vesting at December 31, 2017. The grant date fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.44%, expected life of one year, expected volatility of 135.69% and dividend yield of 0%. The total amount of share based payments expense, \$64,240, of which \$15,602 was recognized during the period ended March 31, 2018 (December 31, 2017: \$48,638).

As at March 31, 2018, the Company had stock options outstanding to directors, officers and consultants for the purchase of up to, in the aggregate, 4,500,000 (December 31, 2017: 3,800,000) common shares exercisable as follows:

Number of stock options outstanding	Number of stock options exercisable	Exercise price	Expiry date
(#)	(#)	(\$)	
1,600,000	1,600,000	0.05	February 28, 2022
600,000	600,000	0.40	April 4, 2018
400,000	400,000	0.25	February 28, 2019
1,100,000	1,100,000	0.20	December 1, 2018
800,000	800,000	0.20	March 22, 2022
4,500,000	4,500,000		

The weighted average remaining contractual life of the stock options outstanding as at March 31, 2018 is 2.35 years (December 31, 2017: 2.29 years).

Subsequent to period end, 600,000 options at \$0.40 expired unexercised.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

A summary of the stock options outstanding at March 31, 2018 and December 31, 2017, and changes during the period then ended are as follows:

	Number of options (#)	Weighted average exercise price (\$)
Outstanding December 31, 2016	-	-
Granted	1,700,000	0.05
Outstanding March 31, 2017	1,700,000	0.05
Granted	600,000	0.40
Granted	400,000	0.25
Granted	1,100,000	0.20
Outstanding December 31, 2017	3,800,000	0.17
Granted	800,000	0.20
Exercised	(100,000)	0.05
Outstanding and Exercisable, March 31, 2018	4,500,000	0.18

Share-based payments reserve is included in shareholders' equity and consists of the estimated fair value of stock options.

d) Warrants

The Company uses the residual method in determining the fair value of warrants issued, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued.

During the period ended March 31, 2018, the Company, in connection with the March 22, 2018 Private Placement, issued 6,857,667 warrants, with each warrant entitling the holder to purchase one common share at a price of \$0.20 until on March 22, 2020. As the fair value of the shares was the same as the consideration received, no residual amount existed, and the warrants were valued at \$Nil.

During the year ended December 31, 2017, the Company, in connection with the Credit Facility (Note 9), issued 500,000 warrants, with each warrant entitling the holder to purchase one common share at a price of \$0.20 per share until on February 28, 2019. The warrants were valued at \$55,555 using the residual method of the present value of the Credit Facility.

A summary of the status of the warrants, with a weighted average life of 0.97 years, as at March 31, 2018 and December 31, 2017 follows:

	Number of Warrants	Weighted Exercise Price	Expiry Date
Outstanding and Exercisable December 31, 2016	-		
Issued	500,000	\$0.20	February 28, 2019
Outstanding and Exercisable December 31, 2017	500,000	\$0.20	
Issued	6,857,667	\$0.20	March 22, 2019
Outstanding and Exercisable March 31, 2018	7,357,667	\$0.20	

e) Share-based payments reserve

Share-based payments reserves include the value of stock option grants prior to exercise.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

11. Related party transactions

a) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including stock-based compensation, of key management personnel during the periods ended March 31, 2018 and 2017 were as follows:

	For the three months ended	
	March 31, 2018	March 31, 2017
Management fees	-	15,000
Share based payments	-	315,000
	\$ -	\$ 330,000

At March 31, 2018, the Company has accrued \$120,090 (2017: \$75,090) owing to an executive officer of the Company. As of January 1, 2018, the Company ceased to accrue any further management fees. Subsequent to period end, the Company and the executive officer has agreed to a settlement. See Note 13.

b) Other related party transactions

Effective May 1, 2016, the Company entered into an office rental agreement in which an officer and director is a shareholder. For the period ended March 31, 2018 and 2017, the Company was charged rent and office expenses as follows:

	For the three months ended	
	March 31, 2018	March 31, 2017
Rent and office	21,981	6,000

At March 31, 2018, the Company owes \$53,173 (2017: \$14,596) for rent and office.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

12. Segmented information

All of the Company's operations are in the resource sector. The Company's mineral exploration and development operations are in the United States and Mexico. The assets and total assets identifiable with these geographical areas are as follows:

	March 31, 2018	December 31, 2017
	\$	\$
Exploration & Evaluation Assets		
Canada	-	-
United States	-	-
Mexico	2,810,664	2,810,664
	2,810,664	2,810,664
	March 31, 2018	December 31, 2017
	\$	\$
Total Assets		
Canada	92,537	210,175
United States	-	-
Mexico	3,075,367	2,921,065
	3,167,904	3,131,240

13. Subsequent events

- On April 11, 2018, the Company announced the grant of incentive stock options allowing the acquisition of 300,000 common shares of the Company at a price of \$0.20 per common share. The stock options are exercisable on or before April 11, 2020 and are fully vested.
- On April 25, 2018, the Company announced the resignation of Jeannine Webb ("Webb") as Chief Financial Officer and Corporate Secretary effective March 28, 2018 replaced by John N. Hamilton as Interim Chief Financial Officer and Corporate Secretary of the Company effective as of April 25, 2018. The parties have agreed to settle a portion of the debt owing to Webb through a debt settlement at a deemed price of \$0.15 by the issuance of 160,000 common shares of the Company. The shares will be subject to a four month and one day hold from trading from the closing date.
- On May 11, 2018, the Company granted incentive stock options to a consultant of the Company to purchase up to 500,000 common shares of the Company at a price of \$0.15 per common share. The stock options are exercisable on or before February 15, 2019 with 100,000 vesting on June 15, 2018, another 200,000 vesting on September 15, 2018 and the balance vesting on October 15, 2018.
- On May 23, 2018, the Company appointed Kevin Milledge to the board effective May 23, 2018. Stock options to purchase up to 100,000 common shares of the Company were granted at a price of \$0.15 per share. The stock options are exercisable on or before May 23, 2020 and are fully vested.

ONE WORLD LITHIUM INC. (FORMERLY ONE WORLD MINERALS INC.)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

- On May 23, 2018, the Company closed the second tranche of its previously announced non-brokered private placement. The Company raised an additional \$522,100 through the Issuance of 3,480,665 units at a price of \$0.15 per unit. Each Unit consists of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional share, at a price of \$0.20 per warrant share for a period of 24 months from the closing date of the Offering. All securities are subject to a four month and one day hold from the closing date. The aggregate gross proceeds under the first and second tranche totalled \$1,550,750. The Company received \$56,215 during the three months ended March 31, 2018, towards this private placement which was included in current liabilities as share subscriptions.
- On May 25, 2018 the Company announced a non-brokered private placement up to 10,000,000 units at a price of \$0.20 per Unit for gross proceeds of up to \$2,000,000. All funds are stated in Canadian dollars. Each Unit will consist of one common share of the Company and one-half of a non-transferable Common Share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.25 for a period of 24 months from the closing of the offering.