One World Lithium Inc.

Management's Discussion & Analysis
For the three- and six-month periods ended June 30, 2021 and 2020

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Cautionary Notices

The Company's Financial Statements and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks Related to the Company's Business" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks Related to the Company's Business" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Introduction

This Management Discussion and Analysis ("MD&A" or "Report") of the financial condition of One World Lithium Inc. (an exploration stage company) ("One World" or the "Company") and results of operations of the Company, prepared August 30, 2021 (the "Report Date"), should be read in conjunction with the unaudited interim condensed consolidated financial statements including the notes thereto for the three- and six-month periods ended June 30, 2021 and 2020 and the audited consolidated financial statements including the notes thereto for the year ended December 31, 2020 (collectively, the "Financial Statements"), which are presented in accordance with International Financial Reporting Standards ("IFRS") and with the Company's accounting policies, as those are described in the notes to the Financial Statements. These Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance and are not necessarily indicative of the results that may be expected in future periods. Unless otherwise indicated, all dollars in this Report are in Canadian dollars.

This Report may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of futures performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the risks and cautionary notices of this MD&A.

Description of Business

The Company is focused on the acquisition, exploration and development of lithium properties in Mexico. The Company is considered to be in the exploration stage and a new potential lithium separation extraction technology. One World Lithium Inc., together with its subsidiary, Lithium Investments Ltd., (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. On February 27, 2017, the Company voluntarily delisted its common shares from the NEX Board of the TSX Venture Exchange ("Exchange") and on February 28, 2017, the Company changed its name to One World Minerals Inc. and its shares became listed on the Canadian Securities Exchange ("CSE") (symbol OWM). On January 19, 2018, the Company changed its corporate name to "One World Lithium Inc." (symbol OWL). The name change reflects the Company's primary focus to explore and develop lithium properties of merit and the potential of its option to earn and acquire up to 90% of the 103,430 hectare Salar del Diablo lithium property in Mexico as well as potentially developing a new lithium separation extraction technology.

The Company's administrative office is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6 and its Registered and Records Office is the same.

Qualified Person

The Company's disclosure of a technical or scientific nature has been reviewed and approved by Antonio Loschiavo, P. Eng., registered member of the Engineers and Geoscientists of British Columbia and a qualified person as defined by the Canadian National Instrument 43-101.

Highlights and significant events relating to the Company's Salar del Diablo Property and Other

- On March 18, 2020, the Company announced that the drilling and environmental permits were approved to drill DDH-3 and possibly DDH-4 which are located about 50 kilometers south of DDH-2 and within 20 kilometers of the Salar del Diablo's southern border. For further details see news release dated March 18, 2020.

- On May 15, 2020, the Mexican Federal Government announced that on June 01, 2020, mining and mineral exploration programs may begin operations which were previously deemed to be non-essential activities due to Covid-19.

- On August 11, 2020, the Company announced that it had closed a portion of its financing and on closing the next financing the Company intends to begin the next phase of drilling. The Company raised $336,025 CAD through the issuance of 6,720,500 units at price of $0.05 per unit. For further details see news release dated August 11, 2020.

- On September 25, 2020, the Company announced a non-brokered private placement up to 30,000,000 units at a price of $0.05 per Unit for gross proceeds of up to $1,500,000. All funds are stated in Canadian dollars. Each Unit will consist 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 Common Share, at a price of $0.10 per Common Share for a period of 36 months from the closing date of each respective tranche in the Offering. All Securities are subject to a four month and one day hold period from the respective closing dates and eligible finder fee may be paid in connection with the Offering. On closing of this financing, the Company intends to begin the next phase of drilling. For further details see news release dated September 25, 2020.

- On October 27, 2020, the Company announced that a Third Party has assigned its proof of concept protocols to OWL who will then contract a private laboratory to conduct a proof of concept program on a separation technology thesis. If the results are satisfactory, it will have proven a new critical fluid separation technology to separate lithium and other related elements from a brine solution that may have commercial applications. For further details see news release dated October 27, 2020.

- On March 1, 2021, the Company announced that it had closed it previously announced non-brokered private placement for gross proceeds of $2,251,110 by issuance of 45,022,210 units priced at $0.05 per unit. Each unit consist of one common share and one non-transferable warrant. Each warrant will entitle the holder thereof to acquire one common share, at a price of $0.10 per common share for a period of 36 months. For further details see news release dated March 02, 2021.

- Subsequent to March 31, 2021, the Company announced on April 21, 2021, that the DDH-3 (diamond drill hole) drilling program has formally started today April 21, 2021 on its Salar del Diablo property in Mexico. DDH-3 is 50 kilometres south of DDH-2 and depending on the results, the Company may drill more diamond drill holes in the immediate area. For further details see news release dated April 21, 2021.

- Subsequent to March 31, 2021, the Company announced on May 4, 2021, a non-brokered private placement up to 20,000,000 units (the "Units") at a price of $0.10 per Unit for gross proceeds of up to $2,000,000. 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, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.15 for a period of 36 months from the closing of the Offering. For further details see news release dated May 4, 2021.

- Subsequent to June 30, 2021, the Company announced on July 09, 2021, a non-brokered private placement up to 20,000,000 units (the "Units") at a price of $0.10 per Unit for gross proceeds of up to $2,000,000. Each Unit will consist of one common share of the Company and one non-transferable Common Share purchase warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.12 for a period of 36 months from the closing of the Offering. For further details see news release dated July 09, 2021. On August 18, 2021, the Company received price protection from the CSE to increase the non-brokered private placement from 27,000,000 units to 30,000,000 units and decrease the price of the units from $0.075 to $0.06 for gross proceeds of up to $1,8000,000.

Other highlights and significant events during the three- and six-month periods ended June 30, 2021 and 2020:

On February 12, 2020:

- **Stock option grant**: The Company granted 500,000 incentive stock options of the Company in at an exercise price of $0.10 per common share. The stock options are exercisable on or before February 12, 2022, with 125,000 vesting on June 12, 2020, 125,000 vesting on September 12, 2020, 125,000 vesting on December 12, 2020 and the balance vesting on March 12, 2021. Subsequent to this grant, 500,000 stock options expired unexercised.

- **Stock option grant**: The Company granted 200,000 incentive stock options at an exercise price of $0.10 per common share. The stock options are exercisable on or before February 12, 2021 and are fully vested.

On March 6, 2020:

- **Amended Warrant terms:** The Company amended the terms of an aggregate of 14,501,233 outstanding common share purchase warrants previously issued by the Company as follows:

- 6,857,667 of these Warrants are currently exercisable to acquire common shares of the Company at a price of $0.20 until March 22, 2020. Under the Amendment, the exercise price of the Warrants will be reduced to $0.15 and the term of the Warrants will be extended by an additional twelve months such that they will now be exercisable until March 22, 2021;

- 3,480,665 of these Warrants are currently exercisable to acquire common shares of the Company at a price of $0.20 until May 23, 2020. Under the Amendment, the exercise price of the Warrants will be reduced to $0.15 and the term of the Warrants will be extended by an additional twelve months such that they will now be exercisable until May 23, 2021; and

- 4,162,901 of these Warrants are currently exercisable to acquire common shares of the Company at a price of $0.20 until November 08, 2020. Under the Amendment, the exercise price of the Warrants will be reduced to $0.15 and the term of the Warrants will be extended by an additional twelve months such that they will now be exercisable until November 08, 2021.

On April 23, 2020:

- **Stock option grant**: The Company granted 1,500,000 incentive stock options at an exercise price of $0.10 per common share. The stock options are exercisable on or before April 23, 2022 and are fully vested.

On October 21, 2020:

- **Stock option grant:** The Company granted 800,000 incentive stock options at an exercise price of $0.075 per common share. The stock options are exercisable on or before October 21, 2022 and as at December 31, 2020 150,000 of the options had vested and were exercisable. Of the remaining options 150,000 will vest on February 21, 2021, 250,000 options will vest on March 21, 2021 and 250,000 will vest on April 21, 2021.

On March 1, 2021:

- **Stock option grant:** The Company granted 4,900,000 incentive stock options with 500,000 granted to an officer of the Company. The options have an exercise price of $0.13 per common share. The stock options are exercisable on or before March 01, 2023 and as at March 31, 2021, 4,150,000 of the options were fully vested. The remaining 750,000 will be fully vested by July 31, 2021.

On May 04, 2021

- **Stock option grant:** The Company granted 800,000 incentive stock options at an exercise price of $0.11 per common share. The Stock options are exercisable on or before May 04, 2023 and vest to 200,000 options every two (2) months starting on June 01, 2021.

On May 05, 2021

- **Stock option grant:** The Company granted 400,000 incentive stock options at an exercise price of $0.11 per common share. The stock options are exercisable on or before May 05, 2022 and are fully vested.

Resource Properties

The Board of Directors is responsible for a quarterly review of the properties and any decisions toward impairment. If the property is considered impaired, accumulated costs are expensed at that time.

The following table shows the activity by category of exploration expenditures for the three- and six-month periods ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Exploration and evaluation expenditures				
Consulting	$ -	$ -	$ -	$ 12,743
Drilling	243,840	-	243,840	3,240
Geology	19,875	-	19,875	-
Travel	17,603		17,603	3,448
Supplies and other	750	-	3,539	748
Total	**$ 282,068**	**$ -**	**$ 284,857**	**$ 20,179**

Acquisition of the Salar del Diablo Property (formerly the Valle Del Diablo Property)

	Salar del Diablo Property
Balance - December 31, 2019	**$ 3,107,654**
Consideration paid equivalent to $50,000 USD	66,146
Issuance of 400, 000 shares	30,000
Balance - December 31, 2020	**3,203,800**
Revaluation of 200,000 shares issued	8,000
Balance - June 30, 2021	**$ 3,211,800**

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 ("original shareholders") in exchange for 10,000,000 common shares and a $100,000 cash payment made 30 days after the closing date.

The principal assets of LIL consist of the rights and interests under an option and joint venture agreement as amended (the "Option Agreement") with third parties to acquire up to a 90% interest in the Salar del Diablo (formerly the Valle Del Diablo Property) in Mexico (the "Salar del Diablo Property"). In order to earn an 80% interest in the Salar del Diablo, the Company is required to issue 1,800,002 common shares and make payments up to US$380,000. As at June 30, 2021, 1,600,002 shares have been issued and US$260,000 has been paid to the third parties in stages. The Company issued 200,000 common shares on April 29, 2021 valued at $22,000 to settle to partially settle the obligation previously accrued. The obligation to issue the share was revalued from $14,000 to $22,000 during the three- and six-month periods ended prior to the settlement.

On April 28, 2021, the Parties further agreed to extend the deemed completion date of the Phase Three drilling program from December 31, 2020 to July 31, 2021. For this extension, the Company agreed to make an additional US$20,000 payment of which US$5,000 ($6,188 CAD equivalent paid in April 2021) of the extension payment will be applied to the Phase 3 option payment at the earlier of (i) July 31, 2021, or (ii) completion of Phase 3 drilling.

If the project goes to commercial production the Company is also required to issue an additional 1,100,000 common shares and make an additional payment of US$1,050,000. In addition, up until the delivery of a bankable feasibility report (the "BS Report") on the Salar del Diablo Property the Company is responsible for all exploration expenditures. After the delivery of the BS Report each Joint Venture party ("JV Party") is responsible for their pro rata 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.

The LIL Purchase Agreement requires the Company to continue making the following additional payments and share issuance to the former and original shareholders of LIL:

	Pay to former shareholders of LIL		
On or before date		Amount	# of OWL Shares
October 10, 2018 (paid)	$	200,000	-
July 31, 2021		300,000	-
December 31, 2021		500,000	16,000,000
	$	**1,000,000**	**16,000,000**

Results of Operations

For three-month period ended June 30, 2021 and 2020:

	Three Months Ended June 30,						
		2021		2020		$ Variance	% Variance
Expenses							
Exploration and evaluation	$	282,068	$	-	$	282,068	100%
General and administration		106,758		48,848		57,910	119%
Professional and consulting fees		69,266		110,454		(41,188)	(37%)
Share-based payments		88,892		-		88,892	100%
Total expenses	**$**	**(546,984)**	**$**	**(159,302)**	**$**	**(387,682)**	**243%**
Operating loss	**$**	**(546,984)**	**$**	**(159,302)**	**$**	**(387,682)**	**243%**
Other income (expenses)							
Net financing cost	$	(4,322)	$	(3,847)	$	(475)	12%
Foreign exchange gain		82,138		-		82,138	100%
Government grant		-		-		-	- %
Other expenses		(216,472)		-		(216,472)	(100%)
Other income		38,179		-		38,179	100%
Net loss and comprehensive loss for the period	**$**	**(647,461)**	**$**	**(163,149)**	**$**	**(484,312)**	**297%**

The Company had no revenue in the three-month period ended June 30, 2021 and 2020. The notable changes between comparable periods are as follows:

- Exploration and evaluation expenditures increased by $282,068 or 100% due to the initiation of the drilling program on the Salar del Diablo property in Mexico in the second quarter of 2021.
- General and administration increased by $57,910 or 119% due to an increase in office rent.
- Professional and consulting fees decreased by $41,188 or 37% due decrease in legal and accounting fees.

- Share-based payments increased by $88,892 or 100% due to grant of new stock options in the second quarter of 2021.

- Foreign exchange gain increased by $82,138 or 100% due to the settlement of the invoice from the drilling service provider denominated in Mexican pesos.
- Other expenses include a non-cash cost from warrant modification. The balance increased by $216,472 or 100% as no warrant modification took place in the comparative period.
- Other income includes gain from debt forgiveness. The balance increased by $38,179 or 100% due to forgiveness of debt by a number of services providers.

For six-month period ended June 30, 2021 and 2020:

	Six Months Ended June 30,						
		2021		2020		$ Variance	% Variance
Expenses							
Exploration and evaluation	$	284,857	$	20,179	$	264,678	1,312%
General and administration		172,079		108,343		63,736	59%
Professional and consulting fees		348,471		242,142		106,329	44%
Share-based payments		380,440		55,036		325,404	591%
Total expenses	**$**	**(1,185,847)**	**$**	**(425,700)**	**$**	**(760,147)**	**179%**
Operating loss	**$**	**(1,185,847)**	**$**	**(425,700)**	**$**	**(760,147)**	**179%**
Other income (expenses)							
Net financing cost	$	(48,946)	$	(7,239)	$	(41,707)	576%
Foreign exchange gain		77,962		-		77,962	100%
Government grant		30,523		-		30,523	100%
Other expenses		(216,472)		-		(216,472)	(100%)
Other income		38,179		-		38,179	100%
Net loss and comprehensive loss for the period	**$**	**(1,304,601)**	**$**	**(432,939)**	**$**	**(871,662)**	**201%**

The Company had no revenue in the six-month period ended June 30, 2021 and 2020. The notable changes between comparable periods are as follows:

- Exploration and evaluation expenditures increased by $264,678 or 1,312% due to the initiation of the drilling program on the Salar del Diablo property in Mexico in the second quarter of 2021.
- General and administration increased by $63,736 or 59% due to increase in office rent.
- Professional and consulting fees decreased by $106,329 or 44% due to decrease in legal and accounting fees.
- Share-based payments increased by $352,404 or 591% due to grant of more stock options in the current period.
- Foreign exchange gain increased by $77,962 or 100% due to the settlement of the invoice from the drilling service provider denominated in Mexican pesos.
- Government grant increased by $30,523 or 100% due to recognition of grant income from low-rate federal government loan received in the first quarter of 2021. No debt with the similar feature existed in the comparative period.
- Other expenses include a non-cash cost from warrant modification. The balance increased by $216,472 or 100% as no warrant modification took place in the comparative period.
- Other income includes gain from debt forgiveness. The balance increased by $38,179 or 100% due to forgiveness of debt by a number of services providers.

Summary of Quarterly Results

Three months ended	Jun-21 $	Mar-21 $	Dec-20 $	Sep-20 $	Jun-20 $	Mar-20 $	Dec-19 $	Sep-19 $
Total revenue	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	657,141	925,256	254,700	163,149	220,013	1,886,535	392,601	570,179
Loss per share	0.00	0.01	0.00	0.00	0.00	0.02	-	0.01

Liquidity and Financial Condition

As at June 30, 2021 and December 31, 2020, the Company had the following:

		June 30, 2021		December 31, 2020
Financial assets				
Cash	$	12,856	$	4,490
Receivables		176,693		130,467
	$	**189,549**	**$**	**134,957**
Financial liabilities				
Accounts payable and accrued liabilities	$	1,134,448		2,449,874
Loans and borrowings		31,495		22,523
Share subscriptions payable		105,000		142,500
	$	**1,270,943**	**$**	**2,614,897**

The Financial Statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds or the attainment of profitable operations. The Company will need to raise or borrow money for exploration and administration expenditures, and to settle current liabilities, and to ensure it maintains sufficient funds to keep any claims and property agreements in good standing. Current sources of funding are undetermined, and management continues to review potential financing options. Although the Company has been successful at raising funds in the past through the issuance of share capital and entering into loan agreements, there is no guarantee it will be successful or able to continue to do so in the future, and there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. (See "*Highlights, significant events and various transactions*" in this Report.)

Compensation of Key Management Personnel

The compensation awarded to key management personnel is as follows:

	Three-months ended June 30,				Six-months ended June 30,			
		2021		2020		2021		2020
Professional and consulting fees	$	37,500	$	60,000	$	75,000	$	120,000
Share-based payments		-		-		32,000		-
Total compensation	**$**	**37,500**	**$**	**60,000**	**$**	**107,000**	**$**	**120,000**

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. The Company was charged rent, office and parking expenses:

	Three-months ended June 30,				Six-months ended June 30,			
		2021		2020		2021		2020
Rent, office and parking	$	22,609	$	27,618	$	45,268	$	57,536

Due to related parties

Balances owed to key management personnel and related parties, which are included in accounts payable and accrued liabilities are as follows:

	June 30, 2021	December 31, 2020
Due to Chief Executive Officer	$ -	$ 109,451
Due to Chief Financial Officer	52,486	92,281
Due to an officer and director for rent, office and parking expenses	-	30,610
Total due to related parties	**$ 52,486**	**$ 232,342**

Capital Management

The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is not subject to externally imposed capital restrictions, and there were no changes to the Company's approach to capital management during the period.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Additional Disclosure for Venture Issuers

New accounting standards

The same accounting policies have been used in the preparation of these condensed consolidated financial statements as those used in the most recent audited annual financial statements and in the opinion of management reflect all the adjustments considered necessary for the fair presentation in accordance with IFRS of the result of the interim periods presented.

E&E acquisition costs: All direct costs related to the acquisition of mineral property interests (E&E Assets) are capitalized into intangible assets on a property by property basis. Expenditures made in connection with a right to acquire a property and or explore in an exploration area for a period in excess of one year, are capitalized.

E&E exploration expenditures: Exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment. On the commencement of commercial production, depletion of
each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

Financial Instruments & Financial Risk Management

The Company has classified and measured its financial instruments as described below:

- Cash and receivables are classified as and measured at amortized cost.
- Accounts payable and accrued liabilities, loans and borrowings and share subscriptions payable are classified as and measured at amortized cost. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Financial Risk Management

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk

management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk.

The interest-bearing financial instruments, as reported in the consolidated financial statements, have the following interest rate profile:

		June 30, 2021		December 31, 2020
Fixed rate instruments	$	31,495	$	22,523
Variable rate instruments		-		-
	$	**31,495**	**$**	**22,523**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

		Total carrying amount		Contractual cash flows		Less than 1 year		1 to 5 years		More than 5 years
Accounts payable and accrued liabilities	$	1,134,448	$	1,134,448	$	1,134,448	$	-	$	-
Loans and borrowings		31,495		40,000		-		40,000		-
Total	**$**	**1,165,943**	**$**	**1,174,448**	**$**	**1,134,448**	**$**	**40,000**	**$**	**-**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in USD, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates. The current exposure to foreign currency risk is limited to the process of billing and settlement of invoices from a Mexico-based vendor that bills the Company for drilling services rendered.

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

Disclosure of Outstanding Share Data

Common shares, stock options and share purchase warrants issued and outstanding as at the period end are described in detail in the Financial Statements, and as at the Report Date are as follows:

At Report Date	
Common shares	149,218,247
Warrants	65,782,001
Stock Options	9,700,000
Fully Diluted	**224,900,248**

Proposed Transactions

The Company does not have any proposed transactions that have been approved by the board of directors. Management of the Company continues to review and evaluate potential exploration properties and separation technology to separate lithium and other related elements from brine solution.

Risks and Uncertainties Related to the Company's Business

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties, if any, will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage could be substantial. The following sets out the principal risks faced by the Company.

Corona Virus (COVID-19): Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021. The Company continues to operate its business, and in response to Canadian Federal and Provincial and Mexico emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of international borders, of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner. However, in Mexico mineral exploration has been deemed an essential service despite the country's various Covid-19 restrictions and, at present, the States of Baja California where the Company's Salar del Diablo property is located currently have no further restrictions allowing the Company to move its exploration activities forward.

Exploration. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities. The Company's properties are primarily located in Mexico and are administered by the General Bureau of Mines, and access is permitted subject to the completion of certain filings, concession payments, surface access and other obligations as are customary for mineral exploration companies operating in Mexico.

Market. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price. The Company's exploration projects are primarily related to exploration for lithium. Lithium has recently been the subject of significant price fluctuations, and as such, there can be no assurance that that investors' evaluations, perceptions, beliefs and sentiments will continue to favour lithium. An adverse change in lithium prices, or in investors' beliefs about trends in lithium prices, could have a material adverse outcome on the Company and its securities.

Title. Although the Company exercises the usual due diligence with respect to title to any properties in which it may have interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests, if any, may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

Financing. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon borrowing funds and/or selling equity in the capital markets to provide financing for its operations and any continuing exploration budgets. While the Company has been successful in obtaining financing from the capital markets in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its operations and exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies, like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key Personnel. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Realization of Assets. Exploration and evaluation assets may comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, generally require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilitiescould experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from its exploration activities. Even if the Company commences development of certain properties, it may acquire an interest in, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Legal Proceedings. As of the date of this Report there are no legal proceedings against or by the Company.

Critical Accounting Estimates. In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has used its best judgment to estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

Additional Information

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.