

# One World Investments Inc.

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**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015**

**In Canadian Dollars**

**(Unaudited – Prepared by Management)**

MANAGEMENT COMMENTS ON UNAUDITED  
FINANCIAL STATEMENTS

The accompanying unaudited non-consolidated financial statements of One World Investments Inc. for the three month period ended March 31, 2015 have been prepared by and are the responsibility of the Company's management. The unaudited consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) and are considered by management to present fairly the financial position, operating results and cash flows of the company.

The Company's independent external auditor has not performed a review of these financial statements.

# ONE WORLD INVESTMENTS INC.

(Unaudited – Prepared by Management)

In Canadian Dollars

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 March 2015	(Audited) 31 December 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 9,331	\$ 395
Prepaid expenses		1,000	-
Sales tax receivable		27,530	26,884
		<u>\$ 37,861</u>	<u>\$ 27,279</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 333,162	\$ 308,527
Loan payable	8	411,364	402,292
Promissory note payable	8	494,048	429,448
Due to related parties	9	270,244	264,910
		<u>1,508,818</u>	<u>1,405,177</u>
<b>EQUITY</b>			
Share capital	12	8,430,700	8,430,700
Share-based payment reserve	12	10,340	10,340
Deficit		(9,911,997)	(9,818,938)
		<u>(1,470,957)</u>	<u>(1,377,898)</u>
		<u>\$ 37,861</u>	<u>\$ 27,279</u>

Nature of operations and going concern 1

"Kevin Beaulieu"  
Kevin Beaulieu, Director

"Halsey D. Johnsston"  
Halsey D. Johnsston, Director

## ONE WORLD INVESTMENTS INC.

(Unaudited – Prepared by Management)

In Canadian Dollars

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	(Unaudited) Three months ended March 31, 2015	(Unaudited) Three months ended March 31, 2014
<b>EXPENSES</b>			
Professional fees	11	\$ 4,323	\$ 3,665
Interest and financing costs	9,10	22,043	20,112
Management and directors fees	11	15,143	13,726
Office, rent and phone	11	3,000	3,000
Transfer agent and filing fees		6,534	-
Foreign exchange (gain) / loss		42,016	14,459
<b>Net and Comprehensive Loss</b>		<b>(93,059)</b>	<b>(54,962)</b>
<b>Basic and Diluted Loss per Common Share</b>		<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Shares Outstanding - basic and diluted</b>		<b>5,055,506</b>	<b>5,055,506</b>

## ONE WORLD INVESTMENTS INC.

(Unaudited – Prepared by Management)

*In Canadian Dollars*

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital		Share-based Payment Reserve	Deficit	Total
	Shares	Amount			
<b>BALANCE AT 31 DECEMBER 2013</b>	5,055,506	\$ 8,430,700	\$ 10,340	\$(9,583,124)	\$(1,142,084)
Net and Comprehensive Loss For The Year	-	-	-	(235,814)	(235,814)
<b>BALANCE AT 31 DECEMBER 2014</b>	5,055,506	8,430,700	10,340	(9,818,938)	(1,377,898)
<b>NET AND COMPREHENSIVE LOSS FOR PERIOD ENDED 31 MARCH 2015</b>	-	-	-	(93,059)	(93,059)
<b>BALANCE AT 31 MARCH 2015</b>	5,055,506	\$ 8,430,700	\$ 10,340	\$(9,911,997)	\$(1,470,957)

**ONE WORLD INVESTMENTS INC.**

(Unaudited – Prepared by Management)

*In Canadian Dollars***CONSOLIDATED STATEMENTS OF CASH FLOWS**

	(Unaudited) Three months ended March 31, 2015	(Unaudited) Three months ended March 31, 2014
<b>OPERATING ACTIVITIES</b>		
<b>Loss for the period</b>	\$ (93,059)	\$ (54,962)
<b>Net change in non-cash working capital</b>		
Sales tax receivable	(646)	(2,215)
Prepaid expenses	(1,000)	-
Accounts payable and accrued liabilities	24,635	19,951
	<u>(70,070)</u>	<u>(37,226)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	5,334	4,925
Loan payable	9,072	8,284
Promissory note payable	64,600	21,314
	<u>79,006</u>	<u>34,523</u>
<b>Change in cash for the period</b>	8,936	(2,703)
<b>Cash - beginning</b>	395	23,431
<b>Cash - ending</b>	<u>\$ 9,331</u>	<u>\$ 20,728</u>

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### **1. Nature of operations and going concern**

One World Investments Inc. (the "Company") was incorporated under the laws of the province of British Columbia on 9 November 1982 and is engaged in the acquisition, exploration and development of exploration and evaluation assets. The Company's shares are listed on the TSX Venture Exchange ("Exchange").

The Company's head office and its registered and records offices are located at Suite 200, 905 West Pender Street, Vancouver, British Columbia, V6C 1L6.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at 31 March, 2015 the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from exploration activities and its ability to attain profitable operations and generate funds there from and raise equity capital or borrowings 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. Management continues to actively pursue the necessary capital to meet its funding requirements and has implemented available cost control measures.

#### **2. Statement of compliance with International Financial Reporting Standards**

The financial statements were authorized for issue on 13, May, 2015 by the directors of the Company.

The financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

#### **3. Summary of significant accounting policies and basis of presentation**

##### **a. Basis of presentation**

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

##### **b. Foreign currency translation**

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the functional and presentation currency of the Company.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### **3. Summary of significant accounting policies and basis of presentation (cont'd)**

##### Transactions and balances

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

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

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

##### Foreign operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred to the Company's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

#### **c. Significant estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. 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.

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.



# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### **3. Summary of significant accounting policies and basis of presentation (cont'd)**

##### **d. Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

##### **e. Share-based payments**

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

##### **f. Income taxes**

###### Current income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### 3. Summary of significant accounting policies and basis of presentation (cont'd)

##### f. Income taxes (cont'd)

###### Deferred income tax

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

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

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

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

###### Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the closing market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred and a deferred tax liability is recognized. The reduction to the flow-through tax liability is recognized in profit or loss as other income.

To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### **3. Summary of significant accounting policies and basis of presentation (cont'd)**

##### **g. Loss per share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

##### **h. Impairment of long-lived assets**

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

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

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

##### **i. Exploration and evaluation**

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

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

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

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*In Canadian Dollars*

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#### 3. **Summary of significant accounting policies and basis of presentation (cont'd)**

##### **i. Exploration and evaluation (cont'd)**

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

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

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

##### **j. Restoration and environmental obligations**

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

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

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

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

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#### **3. Summary of significant accounting policies and basis of presentation (cont'd)**

##### **k. Financial instruments**

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

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

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

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

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

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

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

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

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### **3. Summary of significant accounting policies and basis of presentation (cont'd)**

##### **k. Financial instruments (cont'd)**

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

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

#### **4. Accounting standards issued but not yet effective**

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

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January, 2018 with early adoption permitted.

The Company has not early adopted this standard and is currently assessing the impact that this standard will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### 5. **Financial instruments and risk management**

##### Financial instrument classification and measurement

Financial instruments of the Company, consisting of cash, accounts payable, promissory note payable, loan payable and due to related parties, are carried at amortized cost with the exception of cash, which are carried at fair value.

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

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

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

The Company's cash has been assessed on the fair value hierarchy described above and classified as Level 1.

##### Risk Management

###### a) Market risk

Market risk is the risk that changes in market prices will affect the fair value of financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

###### b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

###### c) Currency risk

Currency risk is 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 is not exposed to significant foreign currency risk.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

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#### 5. Financial instruments and risk management

##### d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

#### 6. Exploration and evaluation assets

On 30 May 2012 the Company entered into a definitive share purchase agreement to purchase 80% of the issued and outstanding shares of Andes Silver S.A. Cerrada ("Andes"), a private Chilean company. The agreement was amended on 10 April 2013 and 13 November, 2013.

The closing of the transaction is subject to a number of conditions, including satisfactory due diligence of Andes by the Company, completion of a financing by the Company for gross proceeds of \$1,600,000, Exchange acceptance of National Instrument 43-101 compliant technical reports on the Andes's properties, payment of a finder's fee, entry into the joint venture shareholders' agreement, shareholders and Exchange approval of the proposed name change and Exchange approval of the agreement.

The Company will purchase 80% of the issued and outstanding shares of Andes in exchange for: (1) the issuance of 21,000,000 common shares of the Company; (2) a cash payment of US\$276,750 of which US\$25,000 (\$24,957) has been paid on 1 May 2012 as a non-refundable advance; and (3) a grant of an aggregate 1% net smelter return royalty payable with respect to each of the properties subject to a maximum payment of US\$10,000,000 per property.

Andes owns the titles in properties known as Chanarcillo, Yervas Buenas, Pircas, Chimbeos and Lomas Bayas properties (collectively, the "Chilean Properties").

During the year ended 31 December, 2014, the Company wrote off the advance paid for this acquisition, resulting in impairment of \$24,957.

During the year ended 31 December, 2013, the Company fully impaired the Northeast Milliken Prospect and Sangudo Properties, previously recorded at \$2.



# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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*In Canadian Dollars*

7. Accounts payable and accrued liabilities

	(Unaudited) 31 March 2015	(Audited) 31 December 2014
Accounts payable	\$ 210,687	\$ 186,052
Accrued liabilities	6,000	6,000
Taxes payable	116,475	116,475
Due to related parties (Note 9)	270,244	264,910
	<u>\$ 603,406</u>	<u>\$ 573,437</u>

8. Loans and promissory note payable

a) Promissory notes payable

The first promissory note payable has a principal balance of US\$318,164 and accrued interest were payable on December 31, 2015. The movement in the promissory note payable balance is as follows:

	(Unaudited) Three month period ended 31 March 2015	(Audited) Year ended 31 December 2014
Balance, beginning	\$ 429,448	\$ 365,175
Interest	7,404	27,421
Effect of foreign exchange	42,015	36,852
Balance, ending	<u>\$ 478,867</u>	<u>\$ 429,448</u>

The second promissory note bears simple interest of 10% per annum, is unsecured and is due on December 31, 2015. The funds were received February 5, 2015.

	(Unaudited) Three month period ended 31 March 2015	(Audited) Year ended 31 December 2014
Balance, beginning	\$ -	\$ -
Advanced	15,000	-
Interest	181	-
Balance, ending	<u>\$ 15,181</u>	<u>\$ -</u>

# ONE WORLD INVESTMENTS INC.

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**MARCH 31, 2015**

*In Canadian Dollars*

8. Loans and promissory note payable (cont'd)

b) Loans payable

The first loan is unsecured and bears interest at an effective interest rate of 8% per annum. The principal and interest were payable on December 31, 2014 however no demand for repayment has been made. The movement in the loan payable balance is as follows:

	Three month period ended 31 March 2015		(Audited) Year ended 31 December 2014	
Balance, beginning	\$	302,662	\$	280,242
Interest		6,053		22,420
Balance, ending	\$	308,715	\$	302,662

The second loan payable is unsecured and bears interest at 12% per annum, calculated on a monthly basis. The principal and accrued interest were due on October 1, 2014 and is now in default. However, no demand for repayment has been made.

	Three month period ended 31 March 2015		(Audited) Year ended 31 December 2014	
Balance, beginning	\$	99,630	\$	88,416
Interest		3,019		11,214
Balance, ending	\$	102,649	\$	99,630

9. Due to related parties

The amounts due to related parties are unsecured, bear interest at a rate of 8% per annum. The movement in the amounts due to related parties is as follows:

	Three month period ended 31 March 2015		(Audited) Year ended 31 December 2014	
Balance, beginning	\$	264,910	\$	244,608
Interest		5,334		20,302
Balance, ending	\$	270,244	\$	264,910

# ONE WORLD INVESTMENTS INC.

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10. Related party transactions

The Company incurred the following costs with directors, officers and companies controlled by directors and officers of the Company for the three month period ended 31 March 2015:

- a) Management fees of \$7,500 (2014 - \$7,500) was paid or accrued to companies controlled by directors.
- b) Management fees of \$7,500 (2014 - \$7,500) was paid or accrued to a director of the Company.
- c) Professional fees of \$2,500 (2014 - \$3,500) was paid or accrued to an accounting firm of which a partner is a director of the Company.
- d) Office rent of \$3,000 (2014 - \$3,000) was paid to a company with a common director.

The following amounts owing to related parties are included in accounts payable and accrued liabilities as at 31 March 2015 (Note 7):

- a) \$105,700 (2014 - \$63,175) owing to a company controlled by a director of the Company;
- b) \$70,000 (2014 - \$40,000) owing to a director of the Company; and
- c) \$12,495 (2014 - \$5,535) owing to an accounting firm of which a partner is a director of the Company.

11. Share capital

a) Authorized

Unlimited common shares without par value.

b) Share issuances

No shares were issued during the three month period ended March 31, 2015.

c) Stock options

The Company maintains a stock option plan whereby it may grant options to its directors, officers, employees and key consultants. The terms and conditions of options are determined solely by the Board of Directors. Options are generally granted with a term not exceeding five years, vest immediately, and have exercise prices equal to the market value of the shares on the date of grant.

There were no options issued or outstanding during the three month period ended March 31, 2015.

Warrants

The 2,899,834 share warrants granted on 9 September 2011 expired on 1 September 2013. No warrants are outstanding as of 31 March 2015 or 2014.

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

Share capital (cont'd)

d) Share-based payment reserve

Share-based payment reserve records the fair value of warrants and options issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

11. Income tax expense and deferred tax assets

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended 31 December 2014	Year ended 31 December 2013
Net loss before income taxes	\$ (235,814)	\$ (261,287)
Statutory tax rate	26%	25%
Expected income tax recovery at the statutory tax rate	(61,312)	(65,322)
Permanent differences and other	90,435	28,877
Effect of change in tax rate	(50,551)	-
Change in valuation allowance	21,428	36,445
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	31 December 2014	31 December 2013
Non-capital losses	\$ 1,054,000	\$ 942,000
Exploration and evaluation assets	176,000	264,000
Eligible capital expenditures	55,000	57,000
	1,285,000	1,263,000
Valuation allowance	(1,285,000)	(1,263,000)
Net deferred tax assets	\$ -	\$ -

# ONE WORLD INVESTMENTS INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### UNAUDITED – PREPARED BY MANAGEMENT

**MARCH 31, 2015**

*In Canadian Dollars*

12. Income tax expense and deferred tax assets (cont'd)

The non-capital losses expire as follows:

2015	\$ 297,792
2026	348,335
2027	457,296
2028	186,971
2029	394,499
2030	544,210
2031	639,939
2032	319,002
2033	637,704
2034	226,904
	<u>\$ 4,052,652</u>

12. Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity and cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

The Company is dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects.

The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.