# One World Investments Inc.

(an exploration stage company)

## CONDENSED INTERIM FINANCIAL STATEMENTS

## 30 SEPTEMBER 2015

**In Canadian Dollars**

**(Unaudited)**

**NOTICE TO READER**

The accompanying unaudited condensed financial statements of One World Investments 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 Chartered Accountants for a review of interim financial statements by an entity's auditor.

**ONE WORLD INVESTMENTS INC.**

Condensed interim statements of financial position

Unaudited - expressed in Canadian dollars

| | Note | September 30, 2015 ($) | December 31, 2014 ($) |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash | | 1,138 | 395 |
| Prepaid expenses | | 1,000 | - |
| Sales tax receivable | | 27,958 | 26,884 |
| | | **30,096** | **27,279** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Accounts payable and accrued liabilities | 4 | 356,352 | 308,527 |
| Loans payable | 5 | 429,785 | 402,292 |
| Promissory notes payable | 6 | 551,967 | 429,448 |
| Due to former a related party | 7 | 281,236 | 264,910 |
| | | 1,619,340 | 1,405,177 |
| **Shareholders' Equity (Deficit)** | | | |
| Share capital | 8 | 8,430,700 | 8,430,700 |
| Share-based payments reserve | 8 | 10,340 | 10,340 |
| Deficit | | (10,030,284) | (9,818,938) |
| | | (1,589,244) | (1,377,898) |
| | | **30,096** | **27,279** |

Nature of operations and going concern (note 1)

Subsequent events (note 12)

Approved on behalf of the Board by:

*"Douglas Fulcher"*
Douglas Fulcher, Director

*"Alan Williams"*
Alan Williams, Director

 The accompanying notes are an integral part of the condensed interim financial statements.

**ONE WORLD INVESTMENTS INC.**

Condensed interim statements of comprehensive income (loss)

Unaudited - expressed in Canadian dollars

| | | Three months ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|---|
| | | **2015** | **2014** | **2015** | **2014** |
| | Note | **($)** | **($)** | **($)** | **($)** |
| **EXPENSES** | | | | | |
| Professional fees | 9 | 9,922 | 3,365 | 16,745 | 17,355 |
| Interest and financing costs | 5,6,7 | 22,906 | 20,476 | 67,655 | 60,907 |
| Management and director fees | 9 | 7,500 | 14,500 | 33,893 | 42,726 |
| Office, rent and phone | 9 | 3,000 | 3,000 | 9,000 | 9,000 |
| Transfer agent and filing fees | | 1,721 | 1,868 | 10,137 | 4,395 |
| Foreign exchange loss | | 37,954 | 19,694 | 73,916 | 21,168 |
| Net and Comprehensive Loss | | (83,003) | (62,903) | (211,346) | (155,551) |
| **Basic and Diluted Loss per Common Share** | | (0.02) | (0.01) | (0.04) | (0.03) |
| **Weighted Average Number of Shares Outstanding** | | 5,055,506 | 5,055,506 | 5,055,506 | 5,055,506 |

**ONE WORLD INVESTMENTS INC.**

Condensed interim statements of changes in shareholders' equity

Unaudited - expressed in Canadian dollars

| | Share Capital | | | | |
|---|---|---|---|---|---|
| | Shares (#) | Amount ($) | Share-based payments reserve ($) | Deficit ($) | Total shareholders' equity ($) |
| **Balance - December 31, 2013** | **5,055,506** | **8,430,700** | **10,340** | **(9,583,124)** | **(1,142,084)** |
| Net loss for the period | - | - | - | (155,551) | (155,551) |
| **Balance - September 30, 2014** | **5,055,506** | **8,430,700** | **10,340** | **(9,738,675)** | **(1,297,635)** |
| Net loss for the period | - | - | - | (80,263) | (80,263) |
| **Balance - December 31, 2014** | **5,055,506** | **8,430,700** | **10,340** | **(9,818,938)** | **(1,377,898)** |
| Net loss for the period | - | - | - | (211,346) | (211,346) |
| **Balance - September 30, 2015** | **5,055,506** | **8,430,700** | **10,340** | **(10,030,284)** | **(1,589,244)** |



The accompanying notes are an integral part of the condensed interim financial statements.

**ONE WORLD INVESTMENTS INC.**

Condensed interim statements of cash flows

Unaudited - expressed in Canadian dollars

| | Three months ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| | **($)** | **($)** | **($)** | **($)** |
| **OPERATING ACTIVITIES** | | | | |
| Net loss for the period | (83,003) | (62,903) | (211,346) | (155,551) |
| | | | | |
| Changes in working capital related to operating activities | | | | |
| Sales tax receivable | (428) | (763) | (1,074) | (4,113) |
| Prepaid expenses | - | - | (1,000) | - |
| Accounts payable and accrued liabilities | 22,572 | 22,182 | 47,825 | 59,200 |
| | (60,859) | (41,484) | (165,595) | (100,464) |
| **FINANCING ACTIVITIES** | | | | |
| Loans payable | 9,258 | 8,450 | 27,493 | 25,099 |
| Promissory notes payable | 45,981 | 26,549 | 122,519 | 41,734 |
| Due to former a related party | 5,551 | 5,125 | 16,326 | 15,074 |
| | 60,790 | 40,124 | 166,338 | 81,907 |
| | | | | |
| **Increase (decrease) in cash for the period** | (69) | (1,360) | 743 | (18,557) |
| **Cash - beginning of the period** | 1,207 | 6,234 | 395 | 23,431 |
| **Cash - end of period** | **1,138** | **4,874** | **1,138** | **4,874** |



The accompanying notes are an integral part of the condensed interim financial statements.

## 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 head office and records offices are located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The Company's shares are listed on the TSX Venture Exchange ("Exchange").

These condensed interim 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. At September 30, 2015, the Company had a working capital deficiency of $1,589,244 compared to $1,377,898 at December 31, 2014. As at 30 September, 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 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

These condensed interim financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements as at and for the year ended December 31, 2014, except for those policies which have changed as a result of the adoption of new and amend3d IFRS pronouncements effective January 1, 2015. These condensed interim financial statements do not include all of the information required for full annual financial statements and they should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2014 and the notes thereto. The effects, if any, of the adoption of new and amended IFRS pronouncements have been disclosed in these condensed interim financial statements. The condensed interim financial statements have been presented in Canadian dollars, the Company's functional currency, and were authorized for issue on November 26, 2015 by the Board of Directors of the Company.

*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 adoption of the following new IFRS pronouncements did not have an effect on the Company's financial statements:

IAS 32 "Financial Instruments: Presentation" is effective for annual periods beginning on or after January 1, 2014.

- IAS 36, "Impairment of Assets" is effective for annual periods beginning on or after January 1, 2014.
- IFRIC 21, "Levies" is effective for annual periods beginning on or after January 1, 2014.

New accounting standards not yet adopted

- 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.
- IFRS 10, "Consolidated Financial Statements" (amended standard) is effective for annual periods beginning on or after January 1, 2016.
- IFRS 11, "Consolidated Financial Statements" (amended standard) in respect of joint arrangements is effective for annual periods beginning on or after January 1, 2016.
- IFRS 14, "Regulatory Deferral Account" is effective for annual periods beginning on or after January 1, 2016.
- IAS 16, "Property, Plant and Equipment" (amended standard) is to be applied prospectively.
- IAS 24, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.
- IAS 38, "Intangible Assets" (amended standard) is effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

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.

## 3. 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 April 10, 2013 and November 13, 2013.

The closing of the transaction was 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.

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The Company intended to 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) was paid on 1 May 2012 as a non-refundable advance; and (3) grant of an aggregate 1% net smelter returns 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, Yerbas 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.

On August 31, 2015 the Company elected not to proceed with its proposed reveres takeover transaction with Andes.

## 4. Accounts payable and accrued liabilities

| | September 30, 2015 ($) | December 31, 2014 ($) |
|---|---|---|
| Accounts payable | 45,105 | 19,007 |
| Accrued liabilities | - | 6,000 |
| Taxes payable | 116,475 | 116,475 |
| Due to related parties (note 9) | 194,772 | 167,045 |
| | **356,352** | **308,527** |

## 5. Loans payable

The Company's unsecured loans payable at September 30, 2015 total $429,785 (December 31, 2014: $402,292) follow:

| | Loan #1 | | Loan #2 | |
|---|---|---|---|---|
| | September 30, 2015 ($) | December 31, 2014 ($) | September 30, 2015 ($) | December 31, 2014 ($) |
| **Balance - beginning** | **99,630** | **88,416** | **302,662** | **280,242** |
| Interest | 9,333 | 11,214 | 18,160 | 22,420 |
| **Balance - ending** | **108,963** | **99,630** | **320,822** | **302,662** |

Loan #1: Matured on October 1, 2014, and bears interest at 12% per annum, calculated on a monthly basis.
Loan #2: Matured on December 31, 2014, and bears an effective interest rate of 8% per annum.
Both loans are now in default; however, no demands for repayment have been made.

## 6. Promissory notes payable

The Company's unsecured promissory notes payable at September 30, 2015 total $551,967 (December 31, 2014: $429,448) follow:

| | Promissory Note #1 | | Promissory Note #2 | | Promissory Note #3 | |
|---|---|---|---|---|---|---|
| | September 30, 2015 ($) | December 31, 2014 ($) | September 30, 2015 ($) | December 31, 2014 ($) | September 30, 2015 ($) | December 31, 2014 ($) |
| **Balance - beginning** | **429,448** | **365,175** | - | - | - | - |
| Interest | 22,211 | 27,421 | 15,000 | - | 10,000 | - |
| Foreign exchange | 73,916 | 36,852 | 970 | - | 422 | - |
| **Balance - ending** | **525,575** | **429,448** | **15,970** | **-** | **10,422** | **-** |

Promissory Note #1: Matured on December 31, 2014, and bears interest at 8% per annum on principal of US$318,164; no demand for repayment has been made.

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| | |
|---|---|
| Promissory Note #2: | Funds were received on February 5, 2015. The note matures on December 31, 2015 and bears interest at 10% per annum. |
| Promissory Note #3: | Funds were received on April 28, 2015. The note matures on December 31, 2015 and bears interest at 10% per annum. |

## 7. Due to a former related party

The amounts due to a company with a former director in common are unsecured, and bear interest at a rate of 8% per annum. At September 30, 2015 and December 31, 2014, the Company owed the following to this party:

| | September 30, 2015 ($) | December 31, 2014 ($) |
|---|---|---|
| **Balance - beginning** | **264,910** | **244,608** |
| Interest | 16,326 | 20,302 |
| **Balance - ending** | **281,236** | **264,910** |

## 8. Share capital

### a) Authorized

Unlimited common shares without par value.

### b) Issued

No shares were issued during the year ended December 31, 2014 and the nine month period ended September 30, 2015.

### 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.

There were no options issued or outstanding during the year ended December 31, 2014 and during the nine month period ended September 30, 2015.

### d) Warrants

No warrants are outstanding as at December 31, 2014 and September 30, 2015.

## 9. Related party transactions

*Compensation of key management personnel*

Key management personnel consist of current and former Directors and Executive Officers ("Officers") of the Company. Fees incurred for services by key management personnel during the periods ended September 30, 2015 and 2014 were as follows:

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

| Services | Party | Nine months ended September 30, 2015 ($) | Nine months ended September 30, 2014 ($) |
|---|---|---|---|
| Management Fees | a company controlled by a former Director and Officer of the Company | 7,500 | 22,500 |
| | former Directors and Officers of the Company | 18,750 | 22,500 |
| Professional Fees | an accounting firm of which a partner is a fomer Director and Officer of the Company | 2,500 | 9,900 |
| Rent | a company controlled by a former Director and Officer of the Company | 3,000 | 9,000 |

The following amounts were owed to related parties as at September 30, 2015 and 2014:

| Party | Nine months ended September 30, 2015 ($) | Nine months ended September 30, 2014 ($) |
|---|---|---|
| a company controlled by a former Director and Officer of the Company | 105,700 | 84,175 |
| former Directors and Officers of the Company | 81,250 | 55,000 |
| an accounting firm of which a partner is a fomer Director and Officer of the Com| | 7,822 | 7,245 |

## 10. 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 sales tax receivable, and accounts payable and accrued liabilities, loans payable, promissory notes payables and due to related parties as other financial liabilities.

The carrying values of cash, prepaid expenses and sales tax receivable, and accounts payable and accrued liabilities, loans payable, promissory notes payables 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 September 30, 2015 and December 31, 2014 are as follows:

| | September 30, 2015 ($) | December 31, 2014 ($) |
|---|---|---|
| **Financial assets** | | |
| Cash | 1,138 | 395 |
| Prepaid expenses | 1,000 | - |
| Sales tax receivable | 27,958 | 26,884 |
| | **30,096** | **27,279** |
| **Financial liabilities** | | |
| Accounts payable and accrued liabilities | 356,352 | 308,527 |
| Loans payable | 429,785 | 402,292 |
| Promissory notes payable | 551,967 | 429,448 |
| Due to related parties | 281,236 | 264,910 |
| | **1,619,340** | **1,405,177** |

## 11. 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 exposed to credit risk with respect to its cash and receivables, other than Goods and Services Tax ("GST"). The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(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.

(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 is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(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.

## 12. Subsequent events

On October 10, 2015, the Company received $5,645 from the Government of Alberta in respect of return of deposits on certain petroleum and natural gas leases.