ONE WORLD INVESTMENTS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016

In Canadian Dollars

(Unaudited – Prepared by Management)

NOTICE TO READER

The accompanying unaudited condensed interim 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 postion

Unaudited - expressed in Canadian dollars

	Note	September 30, 2016 ($)	December 31, 2015 ($)
Assets			
Current Assets			
Cash		$ 477	$ 647
		477	647
Non - Current Assets			
Exploration and evaluation assets	3	25,000	-
		25,477	647
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	4	547,584	467,251
Loans payable	5	554,935	435,275
Promissory notes payable	6	639,409	579,083
Due to a former related party	7	304,579	286,898
		2,046,507	1,768,508
Shareholders' Deficit			
Share capital	8	8,430,700	8,430,700
Share-based payments reserve	8	10,340	10,340
Deficit		(10,462,070)	(10,208,901)
		(2,021,030)	(1,767,861)
		$ 25,477	$ 647

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

Nature of operations and going concern (Note 1)

Approved on behalf of the Board by:

"Douglas Fulcher"
Douglas Fulcher, Director

"Allan Williams"
Allan Williams, Director

ONE WORLD INVESTMENTS INC.

Condensed interim statements of comprehensive income (loss)

Unaudited - expressed in Canadian dollars

	Note	For the three months ended September 30 2016	2015	For the nine months ended September 30 2016	2015
		($)	($)	($)	($)
EXPENSES					
Professional fees	9	19,500	9,922	53,707	16,745
Interest and financing costs	5,6,7	23,147	22,906	68,862	67,655
Management and director fees	9	15,000	7,500	45,000	33,893
Office, rent and phone		12,064	3,000	30,320	9,000
Transfer agent and filing fees		4,527	1,721	13,710	10,137
Foreign exchange loss		1,752	37,954	41,570	73,916
Net Loss and Comprehensive Loss		(75,990)	(83,003)	(253,169)	(211,346)
Basic and Diluted Loss per Common Share		(0.02)	(0.02)	(0.05)	(0.04)
Weighted Average Number of Shares Outstanding		5,055,506	5,055,506	5,055,506	5,055,506

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

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' deficit
	(#)	($)	($)	($)	($)
Balance - December 31, 2014	**5,055,506**	**8,430,700**	**10,340**	**(9,878,334)**	**(1,437,294)**
Net loss for the period	-	-	-	(211,346)	(211,346)
Balance - September 2015	**5,055,506**	**8,430,700**	**10,340**	**(10,089,680)**	**(1,648,640)**
Net loss for the period	-	-	-	(119,221)	(119,221)
Balance - December 31, 2015	**5,055,506**	**8,430,700**	**10,340**	**(10,208,901)**	**(1,767,861)**
Net loss for the period	-	-	-	(253,169)	(253,169)
Balance - September 30, 2016	**5,055,506**	**8,430,700**	**10,340**	**(10,462,070)**	**(2,021,030)**

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

	For the nine months ended September 30	
	2016	**2015**
	($)	**($)**
OPERATING ACTIVITIES		
Net loss for the period	(253,169)	(211,346)
Net change in non-cash working capital		
Sales tax receivable	-	(1,074)
Prepaid expenses	-	(1,000)
Accounts payable and accrued liabilities	80,332	47,825
	(172,837)	(165,595)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(25,000)	-
	(25,000)	-
FINANCING ACTIVITIES		
Loans payable	119,660	27,493
Promissory notes payable	60,326	122,519
Advances from related parties	17,681	16,326
	197,667	166,338
Increase (decrease) in cash for the period	(170)	743
Cash - beginning of the period	647	395
Cash - end of period	477	1,138

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 November 9, 1982 and is engaged in the acquisition and exploration 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 NEX Board ("NEX") of the TSX Venture Exchange ("Exchange"); however, on July 19, 2016, the Company announced it had applied for voluntary delisting of its common shares from the NEX, and is seeking a listing on the Canadian Securities Exchange ("CSE"). Delisting from the NEX is subject to receipt of approval from the NEX. The Company's proposed listing on the CSE is subject to satisfactory due diligence by the Company on the Property, the Company preparing a Technical Report on the Property in accordance with National Instrument 43-101, if required. shareholder approval of the transaction by the shareholders of the Company and acceptance of the proposed listing by the CSE.

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, 2016, the Company had a working capital deficit of $2,046,030 (December 31, 2015: $1,767,861). As at September 30, 2016 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, accounting policies

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 condensed 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, 2015, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2016 or those policies which have changed as the result of the Company's voluntary change to its accounting policies. 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, 2015 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 October 12, 2016 by the Board of Directors of the Company. Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

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 24, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.
- IAS 1, "Disclosure Initiative" is effective for annual periods beginning on or after January 1, 2016.

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 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.

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

Changes to accounting policies
Effective April 1, 2016, the Company voluntarily changed its accounting policy in respect of Exploration and Evaluation ("E&E") expenditures to recognize these costs in the statement of loss in the period incurred, as permitted under IFRS6 *Exploration for and Evaluation of Mineral Resources*. Previously, these expenditures were capitalized as E&E assets on the Company's balance sheet. The Company changed its accounting policy as it believes that the new policy is more consistent with the IFRS framework with respect to the characterization of an asset. The Company also believes that showing E&E expenditures separately on the statement of loss and in the operating activities section of the statement of cash flows more accurately reflects the Company's activities during the periods presented. The change in accounting

policy has been applied retrospectively. No change in accounting policy was made with regard to costs of acquiring mineral property licenses or rights which are disclosed as E&E assets. Upon applying this change in accounting policy, there Company determined there were no changes to the Company's financial position as at September 30, 2016, December 31, 2015, December 31, 2014 and January 1, 2014, and to the comprehensive loss, shareholders' equity and cash flows and for the years ended December 31, 2015 and 2014.

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.

3. Exploration and evaluation assets

On May 30, 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 Company intended to purchase 80% of the issued and outstanding shares of Andes in exchange for the issuance of common shares of the Company, cash paymentsand an aggregate 1% net smelter returns royalty payable with respect to each of the Chanarcillo, YerbasBuenas, Pircas, Chimbeos and Lomas Bayas properties (the "Properties") owned by Andes. 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 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. On August 31, 2015 the Company elected not to proceed with its proposed reverse takeover transaction with Andes.

During the year ended December 31, 2015, the Company received $5,645 from the Government of Alberta in respect of a return of deposits on certain petroleum and natural gas leases previously paid.

On June 6, 2016, the Company entered into a binding letter agreement (the "Agreement") with Stand Up Investments Ltd., ("Stand Up"), whereby Stand Up has agreed to assign all of its rights and obligations under an Option Agreement dated December 22, 2015 (the "Option Agreement") to the Company. The underlying Option Agreement grants Stand Up an option (the "Option") to acquire a 100% interest in the Mogollon silver-gold project (the "Property") by paying an aggregate of US$950,000 in staged annual payments to the optionor over a 3 year period. In consideration for the assignment of the Option by Stand Up, the Company has agreed to:

- pay $25,000 upon entry into the Agreement (paid June 16, 2016)
- pay $75,000 and issue 5 million shares upon closing of the Agreement (the "Closing Date")
- pay $200,000 and issue 5 million shares on the first anniversary of the Closing Date
- issue 5 million shares on the second anniversary of the Closing Date
- grant Stand Up a 1% new smelter return royalty on the Property, payable upon commencement of commercial production.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

Closing of the Agreement is conditional upon satisfactory due diligence by the Company on the Property, the Company, preparing a Technical Report on the Property in accordance with National Instrument 43-101, regulatory approval and, if required, shareholder approval by shareholders of the Company.

The Mogollon Property is located in Catron County, New Mexico, United States and consists of 64 unpatented and 81 patented lode mining claims that are prospective for gold and silver. Certain portions of the Property are subject to existing net smelter return royalties.

The following table shows the activity by category of exploration expenditures for the nine months ended September 30, 2016 and for the year ended December 31, 2015:

	September 30, 2016	December 31, 2015
Balance at the beginning of the period	$ -	$ -
Additions during the year:		
Acquisition costs	25,000	-
Balance at the end of the period	**$ 25,000**	**$ -**

4. Accounts payable and accrued liabilities

	September 30, 2016 ($)	December 31, 2015 ($)
Accounts payable	225,784	74,404
Accrued liabilities	91,500	8,500
Part XII.6 tax payable	192,800	185,734
Due to related parties (note 9)	37,500	198,613
	547,584	**467,251**

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

5. Loans Payable

	Loan #1		Loan #2		Loan #3		Loan #4	
	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**108,400**	**98,800**	**326,875**	**302,662**	-	-		-
Additions	-	-	-	-	50,000	-	5,000	-
Interest	7,200	9,600	18,160	24,213	-	-	-	-
Balance - end	**115,600**	**108,400**	**345,035**	**326,875**	**50,000**	**-**	**5,000**	**-**

	Loan #5		Loan #6		Loan #7		Loan #8	
	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)
Balance - beginning		-		-	-	-	-	-
Additions	5,000	-	25,000	-	1,800	-	6,000	-
Interest	-	-	-	-	-	-	-	-
Balance - end	**5,000**	**-**	**25,000**	**-**	**1,800**	**-**	**6,000**	**-**

	Loan #9		Total	
	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)
Balance - beginning	-	-	**435,275**	**401,462**
Additions	1,500	-	94,300	-
Interest	-	-	25,360	33,813
Balance - end	**1,500**	**-**	**554,935**	**435,275**

Loan #1: Matured on October 1, 2014, and bears interest at 12% per annum, calculated on a monthly basis. The loan is unsecured and in default; however, no demand for repayment has been made, and management is exploring options with respect to extinguishing the loan.

Loan #2: Matured on December 31, 2014, and bears an effective interest rate of 8% per annum. The loan is unsecured and in default; however, no demand for repayment has been made, and management is exploring options with respect to extinguishing the loan.

Loan #3 On April 11, 2016 the Company received $50,000 in respect of a loan. The loan is unsecured, non-interest bearing and matures on April 11, 2017.

Loan #4 On June 2, 2016 the Company received $5,000 in respect of a loan. The loan is unsecured, non-interest bearing and matures on June 2, 2017.

Loan #5 On June 16, 2016 the Company received $5,000 in respect of a loan. The loan is unsecured, non-interest bearing and matures on June 16, 2017.

Loan #6 On June 16, 2016 the Company received $25,000 in respect of a loan. The loan is unsecured, non-interest bearing and matures on June 16, 2017.

Loan #7 On August 29, 2016 the Company received $1,800 in respect of a loan. The loan is unsecured, non-interest bearing and matures on August 29, 2017.

Loan #8 On September 12, 2016 the Company received $6,000 in respect of a loan. The loan is unsecured, non- interest bearing and matures on September 12, 2017.

Loan #9 On September 29, 2016 the Company received $1,500 in respect of a loan. The loan is unsecured, non- interest bearing and matures on September 29, 2017.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

6. Promissory notes payable

	Promissory Note #1		Promissory Note #2		Promissory Note #3		Promissory Note #4		Total	
	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)	September 30, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**550,228**	**429,448**	**16,348**	**-**	**10,674**	**-**	**1,833**	**-**	**579,083**	**429,448**
Additions	-	-	-	15,000	-	10,000	-	1,807	**-**	**26,807**
Interest	16,744	29,615	1,126	1,348	751	674	136	26	**18,756**	**31,662**
Foreign exchange	41,570	91,165	-	-	-	-	-	-	**41,570**	**91,165**
Balance - end	**608,541**	**550,228**	**17,474**	**16,348**	**11,425**	**10,674**	**1,969**	**1,833**	**639,409**	**579,083**

Promissory Note #1: The note is unsecured, bears interest at 8% per annum on principal of US$370,184 (CDN $429,448) and matured on December 31, 2014; however, no demand for repayment has been made, and management is exploring options with respect to extinguishing the note.

Promissory Note #2: Funds were received on February 5, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made, and management is exploring options with respect to extinguishing the note.

Promissory Note #3: Funds were received on April 28, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made, and management is exploring options with respect to extinguishing the note.

Promissory Note #4: Funds were received on November 9, 2015. The note is unsecured, bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made, and management is exploring options with respect to extinguishing the note.

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, 2016 and December 31, 2015, the Company owed the following to this party:

	September 30, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**286,898**	**264,910**
Interest	17,680	21,988
Balance - end	**304,579**	**286,898**

8. Share capital

a) Authorized

- Unlimited common shares without par value.
- On July 19, 2016, the Company announced it had applied for voluntary delisting of its common shares from the NEX, and is seeking a listing on the CSE. Delisting from the NEX is subject to receipt of approval from the NEX. The Company's proposed listing on the CSE is subject to satisfactory due diligence by the Company on the Property, the Company preparing a Technical Report on the

Property in accordance with National Instrument 43-101, if required, shareholder approval of the transaction by the shareholders of the Company and acceptance of the proposed listing by the CSE.

b) Issued

- No shares were issued during the nine month period ended September 30, 2016 and the year ended December 31, 2015.
- The Company announced a non-brokered private placement of unsecured convertible notes (the "Convertible Note") in the aggregate principal amount of up to $400,000. The principal amount of the Convertible Note will bear interest at 8% per annum, and any accrued but unpaid interest, will mature on the date that is one year following the Closing Date (the "Maturity Date"). Each Convertible Note will be convertible into common shares (each, a "Share") of the Company at a price of $0.05 per Share and any accrued but unpaid interest thereon will be convertible into Shares at the price per Share which is the greater of (i) $0.05 and (ii) the Market Price (as defined in the policies of the TSX Venture Exchange (the "Exchange")) on the date of a conversion notice. In connection with the private placement, the Company may pay a finder's fee to certain arm's-length parties on the proceeds raised. The placement and payment of any finders' fees are subject to regulatory approval.
- Upon closing of the Agreement (Note 3), the Company intends to settle debt with current creditors through the issuance of shares at a deemed price of $0.05 per share. If all creditors agree to the arrangement, the Company estimates that it will settle approximately $1,757,394 in debt through the issuance of 35,147,880 shares. The transaction is subject to regulatory approval.

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, 2015 and the nine month period ended September 30, 2016.

d) Warrants

No warrants were outstanding as at September 30, 2016 and December 31, 2015.

e) Share-based payments reserve

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

9. Related party transactions

Compensation of key management personnel

Key management personnel consist of Directors and Executive Officers ("Officers") of the Company. Fees incurred for services by key management personnel during the periods ended September 30, 2016 and 2015 were as follows:

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

Party	Nine month period ended September 30, 2016 ($)	Nine month period ended September 30, 2015 ($)
A company controlled by a former Director and Officer of the Company	-	105,700
Former Director and Officer of the Company	-	81,250
An accounting firm of which a partner is a former Director and Officer of the Company	-	7,822
A company owned by an officer of the Company	37,500	-
	$ 37,500	$ 194,772

The following amounts were owed to related parties as at September 30, 2016 and 2015, and are included in accounts payable and accrued liabilities:

Services	Party	Nine month period ended September 30, 2016	Nine month period ended September 30, 2015
Management Fees	a company controlled by a former Director and Officer of the Company	-	7,500
	former Director and Officer of the Company	-	18,750
Professional Fees	an accounting firm of which a partner is a former Director and Officer of the Company	-	2,500
	a company owned by an officer of the Company	37,500	-
Rent	a company controlled by a former Director and Officer of the Company	-	3,000

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, 2016 and December 31, 2015 are as follows:

	September 30, 2016 ($)	December 31, 2015 ($)
Financial Assets		
Cash	477	647
	477	**647**
Financial liabilities		
Accounts payable and accrued liabilities	547,584	467,252
Loans payable	554,935	435,275
Promissory notes payable	639,409	579,083
Due to a former related party	304,579	286,898
	2,046,507	**1,768,508**

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. 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.