

FORM 2A

LISTING STATEMENT

This Listing Statement must be used for all initial applications for listing and for Issuers resulting from a fundamental change. The Exchange requires prospectus level disclosure in the Listing Statement (other than certain financial disclosure and interim Management's Discussion and Analysis) and can require that the Issuer include additional disclosure.

General Instructions

- (a) Please prepare this Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) In this form, the term "Issuer" includes the applicant Issuer and any of its subsidiaries.
- (c) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the Issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.
- (d) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation.
- (e) For Issuers that are re-qualifying for listing following a fundamental change, provide historic and current details on
 - (i) the Issuer
 - (ii) all other companies or businesses that are involved in the fundamental change (the "target"); and
 - (iii) the entity that will result from the fundamental change (the "New Issuer").

Information concerning the Issuer that was contained in the most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of the information in the prior statement has changed (e.g. describing a business that will no longer be undertaken by the New Issuer). Information concerning assets or lines of business of the target that will not be part of the New Issuer's business should not be included.

- (f) This Listing Statement provides prospectus-level disclosure. It will be amended from time to time to reflect any changes to the prospectus disclosure requirements. If changed, the new form is to be used for the next listing statement the Issuer is required to file. The Issuer does not have to amend a listing statement currently on file to reflect any new disclosure requirements.

ONE WORLD MINERALS INC.

FORM 2A LISTING STATEMENT

February 22, 2017

FORM 2A – LISTING STATEMENT

February 2017

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Appendix D – Option Over Mogollon Property Agreement

2. Corporate Structure

2.1 Corporate Name

The Company's full corporate name is "One World Minerals Inc.", formerly One World Investments Inc. (the "Company" or "One World"). The Company's head office is located at Suite 615–800 West Pender Street, Vancouver, BC V6C 2V6 and its registered office is located at Suite 800 – 885 West Georgia Street, Vancouver BC V6C 3H1.

2.2 Incorporation

The Company was created by amalgamation under the *Company Act* (British Columbia) on November 9, 1982 under the name of "Equus Petroleum Corporation". The amalgamating companies were: (a) Diana Exploration Ltd. (NPL) which was incorporated on April 13, 1966, (b) Arabian Petroleum Corporation, which was incorporated on November 18, 1977; and (c) Persian Petroleum Corporation, which was incorporated on January 25, 1978. On September 30, 1997, the Company changed its name to "Nuequus Petroleum Corporation" and consolidated its common stock on the basis of five old shares for one new share. On November 28, 2002, the Company changed its name to "Equus Energy Corporation". On August 26, 2008, the Company consolidated its share capital on the basis of one new share for ten old shares and changed its name to "Habibi Resources Corp." On October 6, 2009, the Company changed its name to "One World Investments Inc." and consolidated its share capital on the basis of one new share for eight old shares. The Company's shares became listed on the Vancouver Stock Exchange (now the TSX Venture Exchange (the "TSX-V")) on November 9, 1982 and are presently listed on the NEX Board of the TSX-V under the symbol "OWI.H". On the date that the Company list on the CSE (the "Listing Date") the Company will change its name to One World Minerals Inc. The Company is governed by the *British Columbia Business Corporations Act (BCBCA)* and is a reporting issuer in British Columbia.

2.3 Intercorporate Relationships

The Company has no subsidiaries.

2.4 Requalification

The Company is not requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 Incorporation Outside of Canada

The Company is not incorporated outside of Canada.

3. General Development of the Business

3.1 General Business

Unless otherwise stated, all dollar amounts in this document are in Canadian dollars.

Since incorporation, the Company has been in the business of exploring and developing natural resource properties. Historically, the Company was in the oil and gas business with exploration stage properties in the United States and producing properties in Alberta and Texas. In 2005, the Company's main oil and gas asset, the Ronalane property, in Alberta, ceased production and carrying costs on the property were fully amortized. In June 2008, the Company entered into a quit claim agreement and sold the Ronalane property to its operator for \$1. In 2007, the Company optioned and conducted exploration work on several mineral claims located on Vancouver Island which claims were subsequently relinquished.

During 2008, the Company elected to focus on mineral exploration properties, such that at December 31, 2008, all interests in resource properties had been essentially written off, with the exception of a 100% interest in a coal property comprised of 10 permits in the Bow River Coal Field in Saskatchewan. The Company paid \$25,000 and issued 120,000 Shares to the vendors on closing of this transaction. During the year ended December 31, 2009, management of the Company determined that it would not pursue development of this property and all related expenditures previously capitalized were written off.

In August 2009, the Company entered into an option agreement with Ashlu Mines Inc. to earn a 51% interest in the Ashlu Creek polymetallic mining property near Squamish, British Columbia, in consideration for a down payment of \$1 and staged minimum exploration expenditures totaling \$3,060,000 from 2009 to 2012. During the year ended December 31, 2010, management of the Company determined that it would not pursue development of this property and all related expenditures previously capitalized were written off.

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 payments and an aggregate 1% net smelter returns royalty payable with respect to each of the Chanarcillo, Yervas

Buenas, 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, TSX-V 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 TSX-V approval of the proposed name change and TSX-V approval of the agreement. On August 31, 2015, the Company elected not to proceed with its proposed reverse takeover transaction with Andes.

On June 07, 2016, the Company entered into a binding letter agreement (the “Agreement”) with Stand Up Investments Ltd., (“Stand Up” or “SUI”) a private British Columbia company. Pursuant to the terms of the Agreement (see Appendix C), Stand Up will assign all of its rights and obligations under an Option Agreement dated December 22, 2015 with Columbus Gold (US) Corporation (“Columbus Gold”) (the “Option Agreement”) to the Company. The underlying Option Agreement (see Appendix D) 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 third party optionor over a three (3) year period. In consideration for the assignment of the Option by Stand Up, the Company has agreed to: (i) pay \$25,000 upon entry into the Agreement (paid), (ii) pay \$75,000 and issue 5,000,000 shares (the “Vend In Shares”) of the Company upon closing of the Agreement (“Closing Date”) (iii) pay \$200,000 and issue 5,000,000 shares of the Company on the first anniversary of the Closing Date, (iv) issue 5,000,000 shares of the Company on the second anniversary of the Closing Date, and (v) grant Stand Up a 1% net smelter return royalty on the Property, payable upon commencement of commercial production.

Closing of the Agreement is conditional upon satisfactory due diligence by the Company on the Property, a Technical Report prepared on the Property in accordance with National Instrument 43-101, stock exchange approval and, if required, shareholder approval by shareholders of the Company. The initial 5,000,000 Vend In Shares issued on Listing Date will contain a restriction on transfer in accordance with the following schedule:

- i. 100% of the Vend In Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISING DATE]”;

The Property is located in Catron County, New Mexico, United States and consists of 86 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.

Additionally, and on the Closing Date, the Company intends to settle debt (the "Debt Settlement") with current creditors through the issuance of its shares at a deemed price of \$0.05 per share. The Company will settle \$1,618,837 in debt through the issuance of 32,376,737 shares (the "Debt Settlement Shares"). The proposed shares for debt transaction is subject to Exchange approval and, if such settlement amounts to a change of control in accordance with Exchange policies, approval of the shareholders of the Company will be required by written consent.

All shares to be issued for the shares for debt arrangement will contain a restriction on transfer in accordance with the following schedule:

- i.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISTING DATE]";
- ii.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS SEVEN MONTHS AND ONE DAY FROM [THE LISTING DATE]";
- iii.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TEN MONTHS AND ONE DAY FROM [THE LISTING DATE]"; and
- iv.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS THIRTEEN MONTHS AND ONE DAY FROM [THE LISTING DATE]".

As well, on the Listing Date the Company will close a \$516,457 (the "Principal Amount") convertible debt financing ("Convertible Note") (previously announced in a press release). The Convertible Note will bear interest at 10% per annum, and any accrued but unpaid interest, will mature on the date (the "Maturity Date") that is one (1) year following the Listing Date. Each Convertible Note will be convertible into common shares of the Company ("Conversion Shares") (each individually, a "Conversion Share") at a price of \$0.05 per Convertible Note Share and any accrued but unpaid interest thereon will also be convertible into Shares at a price of \$0.05 per Share.

At any time after the Listing Date until the day prior to the Maturity Date, and provided that the Convertible Note is then outstanding, the entire Principal Amount then outstanding and any accrued but unpaid interest thereon may be converted into Conversion Shares by either the Company or the holder. It is the Company's intention to have all Holders convert into common shares on the Listing Date.

The share certificates representing the Conversion Shares will contain a restriction on transfer in accordance with the following schedule

- i. 25% of the Conversion Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISTING DATE]";
- ii. 25% of the Conversion Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS SEVEN MONTHS AND ONE DAY FROM [THE LISTING DATE]";
- iii. 25% of the Conversion Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TEN MONTHS AND ONE DAY FROM [THE LISTING DATE]"; and
- iv. 25% of the Conversion Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS THIRTEEN MONTHS AND ONE DAY FROM [THE LISTING DATE]".

3.2 Significant Acquisitions and Dispositions

The Company has not completed any significant acquisitions or dispositions other than as discussed above.

3.3 Trends, Commitments, Events or Uncertainties.

The Company is a mineral exploration enterprise; consequently, there is no production, sales or inventory. As an exploration company without revenues, the Company typically requires more capital than it has available to it or can generate through the sales of its products. In the past, the Company has had to raise, considerable funds to meet its capital needs by way of equity or debt financings. There is no guarantee the Company will be able to continue to raise funds needed in its business. Failure to raise the necessary funds in a timely fashion will limit the Company's ability to grow.

4 Narrative Description of the Business

4.1 General

(1) Business of the Issuer

(a) Business Objectives

The Company's business objectives for the following twelve (12) months is to complete the exploration program on the Mollogon Property as recommended in the technical report entitled "Mogollon Property" dated August 26, 2016 (the "Report"), prepared by John E. Hiner, Licences Geologist.

(b) Significant Events and Milestones

The Company can earn an undivided 100% working Interest in the Mogollon Property by making the following cash payments and issuing shares of the Company:

		Payments	Shares
Listing Date	(2)	\$ 75,000	5,000,000
January 30, 2017	(1)	\$ 261,100	
First anniversary date	(2)	\$ 200,000	5,000,000
December 31, 2017	(1)	\$ 261,100	
Second anniversary date	(2)	-	5,000,000
December 31, 2018	(1)	\$ 359,013	
December 31, 2019	(1)	\$ 359,013	

(1) Payments due in US dollars have been converted to CDN dollars using the exchange rate of Cdn\$1.3055:US\$1, as to US\$200,000 each on December 31, 2016 and December 31, 2017 and US\$275,000 each on December 31, 2018 and December 31, 2019, which payments are payable to Columbus Gold.

(2) Payments and shares of the Company are payable and issuable to Stand Up.

(c) Total Funds Available

At the fiscal year ended December 31, 2015, the Company had a working capital deficit of \$1,767,861 and available cash of \$647. The Company has historically relied upon equity financing and loans to satisfy its capital requirements and will continue to largely depend on equity capital and loans to satisfy its activities.

The Company had the following working capital and deficit positions at December 31, 2015 and at November 30, 2016 (see Appendix B).

	December 31, 2015	Adjusted November 30, 2016
Working Capital available	\$ (1,769,125)	\$ 578,026 ⁽¹⁾
Deficit	\$ (10,208,901)	\$ (10,518,235)

⁽¹⁾ After taking into effect a loan from Stand Up, in the principal amount of \$250,000, for a term of 2 years after the Listing Date and at 8% per annum, pursuant to which the Company will grant Stand Up warrants allowing for the purchase of up to, in the aggregate, 1,250,000 shares of the Company at \$0.20 per share (the "Loan Warrants").

(d) Purpose of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Company intends to use the estimated funds available to the Company for the 12 months following the date of this Listing Statement.

USE OF AVAILABLE FUNDS	AMOUNT
Expenditures on the Property	⁽¹⁾ \$ 75,000
CSE Listing Fee Net Payable	\$ 6,500
Columbus Option Payment due January 30, 2017	⁽²⁾ \$ 261,100
General and Administrative Expenses	⁽³⁾ \$ 235,000
Total	\$ 577,600

⁽¹⁾ As per NI 43-101 Technical Report Phase 1 Budget – Mogollon (see 4.3 Mineral Project – Mogollon Project).

⁽²⁾ Columbus Gold's Option payment is US\$200,000 in respect of the Mogollon Agreement (see 4.3 Mineral Project – Mogollon Project).

⁽³⁾ Includes rent, office expenses, legal and audit fees, transfer agent fees, CSE monthly fees and management and consulting fees.

(2) Principal Products or Services

This is not applicable to the Company.

(3) Production and Sales

This is not applicable to the Company.

The Company does not have any regularly paid employees. Douglas Fulcher President and Chief Executive Officer, does not receive any salary, but has been granted 300,000 stock options pursuant to the Company's Stock Option Plan. Jeannine Webb Chief Financial Officer provides services on a consulting basis and has been granted 150,000 stock options pursuant to the Company's Stock Option Plan. As activities and operations require, the Company will retain service providers as required, on a fee for service basis. Management and the Board of Directors are composed of individuals who have proven expertise in mining, financing and development.

(4) Competitive Conditions and Position.

See Section 17 Risk Factors - Competition

(5) Lending and Investment Policies

This is not applicable to the Company.

(6) Bankruptcy and Receivership

The Company has not been the subject of any bankruptcy or any receivership or similar proceedings against the Company or any voluntary bankruptcy, receivership or similar proceedings by the Company, within the three most recently completed financial years or completed during or proposed for the current financial year.

(7) Implemented Social or Environmental Policies

At this time the Company has not implemented any social or environmental policies.

4.2 Asset Backed Policies

The Company does not have asset backed securities.

4.3 Mineral Project – Mogollon Project

The following information regarding the property has been summarized from a technical report entitled “43-101 Technical Report on the Mogollon Project, Catron County, New Mexico, USA”, and prepared by John E. Hiner, Licensed Geologist and should be read in conjunction with the complete Technical Report filed on www.sedar.com.

(1) Property Description and Location

The Mogollon Project is located in Catron County in southwest New Mexico. The approximate center of the district in UTM coordinates is 705,035E - 3,698,618N (WGS 84, zone 12S).

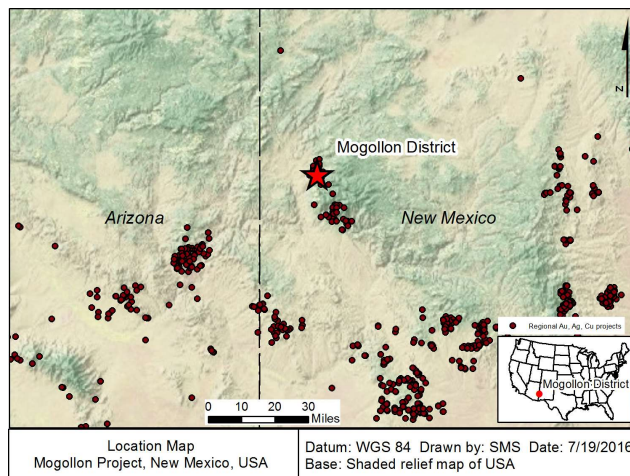


Figure 1 Mogollon Project Location

Mining Leases and Mining Claims

The Mogollon Project consists of numerous patented and unpatented mining claims covering virtually all the known mining district. The property package includes 81 patented mining claims and 86 unpatented mining claims. An exact acreage has not been calculated due to overlapping claims, differing claim sizes, and odd-shaped boundaries, but the claims cover significant portions of sections 27, 28, 29, 33, and 34 in T10S-R19W, and sections 3 and 4 in T11S-R19W.

Royalties, Payments and Encumbrances

Under the option agreement between Columbus Gold and Stand Up, which agreement was assigned to One World pursuant to the Agreement on June 07, 2016, the following payments must be made to acquire 100% of the Mogollon Project:

1. \$50,000 by January 31 2016 (paid);

2. US\$200,000 each by December 31 2016 and December 31 2017;
3. US\$275,000 each by December 31 2018 and December 31 2019.

In addition, underlying property owners retain a net smelter royalty of 3% for Au-Ag, which increases to 4% if Au exceeds \$1,000.

Sage Associates retains a net smelter royalty of 0.5% until \$500,000 has been paid, and 1% thereafter in perpetuity.

In addition, under the Agreement, the following payments must be made to Stand Up:

	Payments	Shares
	(\$)	(#)
Upon execution (paid)	25,000	-
Listing Date	75,000	5,000,000
First anniversary date	200,000	5,000,000
Second anniversary date	-	5,000,000

As well on commencement of commercial production SUI will be paid a net smelter royalty of 1%.

Environmental and Permitting

Exploration and mining operations in the United States and New Mexico in particular are subject to a number of regulatory regimes. These include water and air quality rules of the state Environmental Department and the federal Environmental Protection Agency (EPA). On public lands, exploration and mining operations are subject to the rules of management agencies such as the federal Department of Interior Bureau of Land Management (BLM), the federal Department of Agriculture U.S. Forest Service, and the state of New Mexico's State Land Office.

Under the auspices of the New Mexico Mining Act, Mining Act permits are treated as umbrella permits that require the operator to have obtained all other necessary permits and additionally to obtain a determination from the state Environment Department that the permitted exploration or mining activities will achieve compliance with environmental standards.

A permit for an exploration program under the New Mexico Mining Act is relatively simple to obtain, as long as ground disturbance is less than 5 acres. Exploration permits are valid for one year and may be renewed. Exploration operations must reclaim any disturbed areas within two years after completion of the operation.

As regards liability at Mogollon, there are open stopes and mine shafts that could create liability if not properly fenced and posted as dangerous. The ores and wall rocks that were mined at Mogollon do not contain deleterious elements such as mercury, asbestos, arsenic, antimony, or uraniferous minerals.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

Interstate Highway 10 traverses the southwest United States, and passes through southern Arizona and southern New Mexico. A number of state highways and subsidiary paved roads provide access to the Mogollon Project.

For instance, from Tucson travel east on Interstate Highway 10 about 85 miles to Arizona state highway 191, which leads north and east about 100 miles and terminates at New Mexico state highway 180. Proceed north on highway 180 to the Mogollon turnoff, which is New Mexico state road 159. Road 159 leads eastward into the steep Mogollon Mountains and is paved to the small town of Mogollon, which is situated in a narrow valley in the middle of the Mogollon Project land holdings.

From the village of Mogollon, a network of graded and unimproved dirt roads provides access to various parts of the mining district.

Climate

Elevations in the project area range from 5900-7900 feet. Winter snow is common, but not long-lasting. Winter temperatures range from a low of 19 degrees Fahrenheit to highs in the mid 50's Fahrenheit. Summers are temperate, with low temperatures in the high 40's Fahrenheit and summer highs in the mid 80's Fahrenheit. In the higher reaches of the Mogollon Mountains, thundershowers are common in the late summer months.

Local Resources

There are limited services in the area. Gasoline, water and food supplies can be obtained in Glenwood, a small town west of Mogollon that services a ranching community. Several small motels are available to house exploration personnel, and a few restaurants exist in Glenwood and Alma, another small town north of Glenwood. The largest city in the area is Silver City 85 miles distant to the south, which is a railhead and former mining town itself. The population of Silver City is adequate to provide a skilled work force.

Infrastructure

The village of Mogollon has no capacity to support mining operations. Water and electricity are available, but it is likely that additional electrical capacity would need to be added to accommodate modern mining activities.

Physiography

The Mogollon Project is situated in the western part of the Mogollon Range. The Mogollon Range, which is the highest in southwest New Mexico, is characterized by steep and rugged terrain. The west-facing flank is especially precipitous, as it constitutes a young fault scarp that has lifted the range. The range front is cut by deeply incised canyons that drain the interior reaches of the range. Because the faulting that has produced the present topography is itself very young, the stream canyons are very young, and canyon walls are particularly foreboding and precipitous, especially near the range front.

(3) History of the Mogollon Project

Silver-gold mineralization in veins was discovered by a soldier named Cooney during a scouting expedition in the early 1870's. He staked the first claims in 1875, but Indian problems prevented any development until 1879, when the first ore was shipped from what is now known as the Cooney Mine. The district was active in the late 1800's but consistent production was hampered by continued Indian attacks and low recoveries from sulfide ores until 1905. Numerous mines operated on various lodes in the district during the period 1879-1905. Application of the cyanide process improved recoveries and rejuvenated the district until about 1925, when a fixed gold price and increasing costs caused the mines to shut down. In 1937 the Consolidated Mine began operations and produced silver and gold ores until being shut down by order of the War Production Board due to the advent of World War II.

The district was idle until 1976, when a private company initiated exploration in the district. Lawsuits and funding issues prevented any sustained exploration or development until 1984, when Sage optioned the property to the Cordex Syndicate of Reno, Nevada. Cordex conducted mapping, sampling and drilling activities in 1984, 1988 and 2010, but no development or production resulted from this work. The property again was idle until 2016, when One World elected to continue efforts to define potentially economic silver-gold mineralization and entered into an option agreement with Columbus Silver, a Vancouver-based public company that had acquired the property from Cordex.

(4) Geological Setting

Regional Geology

The Mogollon Mining District is located within the Datil-Mogollon volcanic field, a large mid Tertiary volcanic center that was active about 20-28 million years ago. The majority of volcanic rocks in the field are ash-flow tuffs, but intermediate lavas are present in the section. The volcanic rocks were erupted from several large calderas. Subsequent regional faulting related to the east-west extensional tectonics of the western U.S. and Mexico disrupted the volcanic rocks in southwest New Mexico.

Property Geology

The Mogollon District is located on the western margin of one of the calderas in the region, known as the Bursum Caldera. In addition to the ash-flow tuffs and subordinate andesite and dacite, rhyolite intrusive domes and flows were also emplaced late in the caldera's life along ring-fractures. Productive veins in the Mogollon District are hosted mostly by the Last Chance and Mogollon Andesites, and by the Fanney Rhyolite, which exhibits both intrusive and extrusive relationships to the other layered volcanic rocks.

(5) Exploration

Prior to 1942 virtually all exploration was conducted by underground drifting on known veins. The district lay idle from 1942 until 1976, when private company Sage Associates evaluated the district, staked claims and began modern exploration. Through 1980, Sage conducted extensive geologic mapping, geochemical sampling, and 7,370 feet of core drilling. The company that had supported Sage's efforts decided to concentrate its efforts on mine development in Nevada, and quitclaimed its interest to Sage.

Sage very shortly vended its property interest to the Cordex Syndicate, a private Nevada-based company financed by Canadian interests. Cordex at the time was run by John Livermore, noted for the discovery of the original Carlin, Pinson, Preble, and Marigold mines in Nevada. Cordex had previously expressed strong interest in Mogollon, and initiated a drill program in July 1984. By December 1984 Cordex had drilled 36 core holes on multiple vein targets in the district. Most of the holes were drilled in the vicinity of intersections of WNW faults with the Queen Fault. Litigation with a landowner delayed further work until 1988. Upon successful resolution of the lawsuit in favor of Sage, exploration drilling resumed.

Sage, under the supervision of Cordex, drilled four holes (MGR-38, 39, 40, 41) to test the extension along strike and down dip of silver-gold mineralization on the Queen Vein at the Consolidated Mine, where active mining was suspended in 1942. Each drill hole intersected the Queen Vein. Three of the four holes cut potentially economic mineralization. MGR-38 cut a true vein width of 33 feet grading 0.13 oz/ton Au and 6.4 oz/ton Ag. MGR-39 cut a true vein width of 4 feet

grading 0.15 oz/ton Au and 4.25 oz/ton Ag. MDR-40 cut a true width of 10 feet grading 0.125 oz/ton Au and 7.8 oz/ton Ag. The successful confirmation of potentially economic mineralization in the north Queen Fault area where Consolidated Mines had suspended mining due to WWII led Cordex to initiate permitting for an expanded drill program. Unfortunately, market conditions impacted both gold prices and capital availability and Cordex accordingly suspended active operations.

In 2010 Cordex optioned the Mogollon property to Columbus Silver Corporation, a Canadian junior mining company. Columbus resumed exploration under the supervision of Cordex personnel, but rather than expand upon the Ag-Au mineralization at the Consolidated Mine area, Columbus elected to explore other areas and targeted the intersections of WNW veins with the Queen Fault. Three holes were drilled on the Queen Fault to the north of the Consolidated Mine workings; five holes were drilled at the Independence-Ida May vein intersection with the Queen Fault, and three holes were completed at the intersection of the Last Chance/Anna vein with the Queen Fault. Although each of the holes intersected the veins, mineralization was weak or too narrow to consider economic. Columbus suspended further exploration but maintained the property.

In 2016 Columbus negotiated an option agreement with One World Investments. Under the guidance of Sage Associates principal David Hackman, One World contracted Independent Mining Consultants of Tucson ("IMC") to evaluate all known data relative to the Consolidated Mine Workings to determine the status of known silver-gold mineralization in the Consolidated area of the Queen Vein. IMC concluded that data is insufficient to qualify any of the Consolidated mineralization as a mineral resource. IMC stated that to upgrade the Consolidated Ag-Au mineralization to a resource status would require independent confirmation of historic assay information, and confirmation of vein continuity between historic drill intercepts.

In order to better understand the geologic and geochemical controls of the emplacement of Ag-Au mineralization on the Queen Vein, One World retained consultant Richard Loring to conduct detailed mapping and sampling of the Queen Vein in the area of the Consolidated workings and to the north along the trace of the Queen Vein. This work is ongoing.

(6) Mineralization

Mineralization in the Mogollon District is in epithermal quartz-calcite veins along faults and fractures. The main ore minerals in the veins include argentite and native gold. Base metal sulfides are present at depth as is increasing amounts of pyrite. Overall, sulfides constitute a low percentage (less than 1%) of the veins. Secondary silver and copper minerals are present in the upper oxidized portions of the veins.

Silver to gold ratios vary from 60:1 to 20:1, and the district average is 48:1. The average grade from documented tonnage and recovery is 0.18 opt Au and 9.2 opt Ag (see table 2 above).

Vein widths range from 90 feet wide to a few inches. Mined stopes vary from four feet to fifteen feet wide, with a known maximum of twenty feet. Stopes in the Last Chance Mine average twelve feet, 8-10 feet in the Fanney Mine, and twelve feet in the Consolidated Mine. Ore values were best where the veins were widest, but usually only the footwall or hanging wall portion constituted mineable ore.

Gangue minerals are quartz, calcite, adularia, and fluorite. Gangue and sulfide minerals are rhythmically banded with alternating layers of thin quartz, calcite, and other minerals. Several types of quartz are present, including early chalcedony and ore-stage granular, crystalline quartz are present. In general, veins are richer in quartz and poorer in calcite as ore shoots are approached.

Many of the ore shoots were blind to the surface and were found only by underground prospecting. At the surface above the blind shoots there is little indication of ore-grade Au-Ag mineralization at depth, and surface expression is commonly limited to minor barren silica and calcite along a thin trace of the fault that hosts the vein in which the ore shoots occur. The productive portions of the veins pass downward into more base metal values, lower silver values, and reportedly narrower vein widths.

(7) Drilling

Other than the historic drilling detailed above, there has been no recent drilling on the project.

(8) Sampling, Analysis and Data Verification

Because the known Ag-Au mineralization in the veins in the district, and particularly at the Consolidated Mine has been stoped out, and because there is no safe access to underground workings, no sampling was undertaken. There are no Ag-Au veins that crop out at the surface to allow for safe sampling either.

The author reviewed the historic data and believes the district production numbers in the tables below are the best available data to verify the existence of potentially economic Ag-Au mineralization at Mogollon. No sampling could be undertaken of mineralized intercepts from 1984 or 1988 drilling due to vandalism of core stored in open buildings on the property.

Table 1 Mogollon Mining District Production 1904-1942

Year	Tons	Au (oz)	Au (oz/t)	Ag (oz)	Ag (oz/ton)
1904	11,276	2,994	0.266	79,014	7.01
1905	15,534	4,700	0.303	240,943	15.51
1906	16,075	6,188	0.385	268,567	16.71
1907	20,698	5,100	0.246	418,338	20.21
1908	19,546	5,632	0.288	278,939	14.27
1909	23,945	5,393	0.225	249,413	10.42
1910	50,514	14,717	0.291	595,669	11.79
1911	102,219	25,707	0.251	1,067,038	10.44
1912	101,361	25,392	0.251	1,093,158	10.78
1913	115,739	29,990	0.259	1,306,766	11.29
1914	136,124	30,436	0.224	1,410,327	10.36
1915	119,710	24,633	0.206	1,301,059	10.87
1916	118,257	18,049	0.153	1,008,483	8.53
1917	111,934	12,512	0.112	722,642	6.46
1918	56,540	5,791	0.103	302,902	5.36
1919	56,531	7,167	0.127	382,800	6.77
1920	41,895	6,078	0.145	329,489	7.86
1921	48,870	6,134	0.126	310,774	6.36
1922	48,106	6,876	0.143	322,460	6.70
1923	47,644	8,677	0.182	398,714	8.37
1924	72,736	11,174	0.154	618,094	8.50
1925	52,118	7,911	0.152	449,659	8.53
years 1926-1936 no production records available					
1937	45,508	7,236	0.159	278,054	6.11
1938	64,352	9,138	0.142	456,899	7.10
1939	60,165	8,303	0.138	420,553	6.99
1940	68,548	10,214	0.149	533,664	8.87
1941	61,460	8,357	0.136	537,073	8.74
1942	22,237	2,891	0.130	207,916	9.35
Total	1,709,642	317,390	0.188	15,589,407	9.32

Table 2 Mogollon Production by Mine and Year

Mine	Ounces Recovered			Mine Grade (oz/ton)		Years	Notes
	Tons	Ag	Au	Ag	Au		
Last Chance	25,000			15-20?	0.2	1900-1904	
Little Fanney	85,000			20-30 Ag equivalent		1890-1904	
Confidence	90,000			20-30 Ag equivalent		1890-1904	
Maud S	65,000			20-30 Ag equivalent		1890-1904	
Cooney	100,000			\$17/ton estimate		1879-1909	
	365,000	3,650,000	36,500			1879-1909	totals based on estimated grade 20oz/ton, 50% recovery
Last Chance	621,191	5,600,000	114,000	10	0.21	1904-1925	ounces estimated from tonnage produced, 90% recovery
Little Fanney	521,989	5,100,000	110,000	10.9	0.203	1909-1925	
Deadwood	55,578	400,000	7,000	7.69	0.148	1911-1914,1919-1925	
Confidence	90,000	800,000	13,000	8-9	0.16-0.17	1919-1925	
Fanney and other	98,000					1904-1925	
	1,386,758	11,900,000	244,000			1904-1925	
Last Chance	8,989	103,000	2,500	12.79	0.31	1938-1941	
Maud S	8,226	64,000	1,600	8.66	0.22	1937-1942	
Consolidated	292,993	2,030,000	30,000	7.7	0.113	1937-1942	
Other	12,061					1937-1942	
	322,269	2,197,000	34,100			1937-1942	
District totals	2,074,027	17,747,000	314,600	11-12	0.18	1879-1942	

FORM 2A – LISTING STATEMENT

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Note that three mines were operating from 1937 until 1942, when mining was suspended due to the order by the War Production Board to stop non-essential mining activities.

(9) Security of Samples

Because no samples could be taken, security provisions were unnecessary.

(10) Mineral Resources and Mineral Reserves

There is no mineral resource that meets NI 43-101 standards.

(11) Mining Operations

There are no active mining operations at Mogollon.

(12) Exploration & Development

The author of the NI 43-101 report concluded that additional work is warranted to confirm potentially economic mineralization left in the face of active drifts by Consolidated Mines when shut down by order of the War Production Board in 1942, and to verify assays from 1984 and 1988 drilling.

A two-phase program is recommended. Phase 1 will consist of drilling a twin of one of the 1984 holes to compare grades and thicknesses at a projected cost of \$79,354. The author suggests twinning MGR-8. Phase 2, dependent upon successful confirmation of historical grades and thicknesses in a 1984 hole, will consist of twinning one more 1984 hole and one 1988 hole to further confirm historical grades and thicknesses at a cost of \$124,058. The individual budgets are set forth in the complete technical report entitled NI 43-101 Technical Report on the Mogollon Project, Catron County, New Mexico, USA.

(13) Recent Expenditures on the Mogollon Property

The following are expenditures incurred over the last year on the Mogollon Property:

1. Project management by David Hackman, PhD, Tucson, AZ (CDN \$13,000);
2. Project assessment by Independent Mining Consultants, Tucson, AZ (CDN \$19,500);
3. Detailed geochemical sampling by Richard Loring, Consultant, Denver, CO (CDN \$44,177); and
4. Geophysical assessment and report by James Fink, Tucson, AZ (CDN \$18,069).

Each of the above categories totaling CDN \$94,686 represents work done in the last year to prepare the property for additional mapping, sampling, and drilling. The work by Independent Mining Consultants confirmed the mineral targets at the Consolidated Mine developed by prior drill results. In addition, geophysical and geochemical work on the property itself was conducted successfully to determine the potential to develop additional mineralized targets at Mogollon. In particular, Loring's work has identified gold and silver geochemical anomalies north of the Consolidated workings on the Queen Vein, in areas where there has been no prior work. Fink's geophysical work has not only confirmed the structural setting at Mogollon, but identified a geophysical signature that is consistent with the occurrence of a potential porphyry copper target at depth.

4.4 Companies with Oil and Gas Operations

The Company does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1 Annual Information

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the audited annual financial statements including the notes thereto for the years ended December 31, 2015, 2014 and 2013 (the "Annual Financial Statements"), which are presented in accordance with International Financial Reporting Standards ("IFRS") and with the Company's accounting policies, as those are described in the notes to the Annual Financial Statements, and presented in Canadian Dollars, the Company's reporting currency.

	Year Ended December 31,		
	2015	2014	2013
	(\$)	(\$)	(\$)
Total revenue	-	-	-
Net loss and comprehensive loss	330,567	242,795	261,287
Loss per share	0.07	0.05	0.05
Total assets	647	27,279	70,932
Current liabilities	1,768,508	1,464,573	1,265,431
Cash dividends	-	-	-

5.2 Quarterly Information

The following table sets out selected financial information of the Company for the current eight quarterly periods ending with December 31, 2015:

Three months ended	Dec/15	Sept/15	June/15	Mar/15	Dec/14	Sept/14	June/14	Mar/14
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Total revenue	-	-	-	-	-	-	-	-
Loss before other items	119,221	83,003	35,285	93,058	87,244	62,903	37,688	54,960
Net Loss	119,221	83,003	35,285	93,058	87,244	62,903	37,688	54,960
Loss per share	0.02	0.02	0.01	0.02	0.02	0.01	0.01	0.01

5.3 Dividends

The Company has paid no dividends in the three previously completed fiscal years. Management of the Company intends to retain earnings to finance the growth of the Company and does not expect paying any dividends on its securities in the foreseeable future.

5.4 Foreign GAAP

The Company presents its Financial Statements in accordance with IFRS.

6. Management's Discussion and Analysis

In addition to the excerpts from the Company's Management's Discussion and Analysis ("MD&A") and selected information presented below, the Company's MD&A documents can be found in their entirety on SEDAR at www.sedar.com

Forward-Looking Information

The Company's information, materials and documentation may contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks Related to the Company's Business" in the Company's publicly available materials. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks Related

to the Company's Business" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements are made as of the date of the documentation and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Risks and Uncertainties Related to the Company's Business

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

Exploration. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such

evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price. *The Company's exploration projects are primarily related to exploration for gold, other precious metals and base metals. These minerals have recently been the subject of significant price fluctuations, and as such, there can be no assurance that that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.*

Title. *Although the Company exercises the usual due diligence with respect to title to any properties in which it holds or may hold an interest, has or may have an interest in, or earn or be in the process of earning an interest in, there is no guarantee that title to the property(ies) will not be challenged or impugned. The Company's mineral property interests, if any, may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.*

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

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

Key Personnel. *The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the*

availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

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

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

Environmental and Other Regulatory Requirements. *The current or future operations of the Company, including development activities and commencement of production on its properties, generally require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities could experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial*

authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

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

Legal Proceedings. *As at the date of this document, there are no proceedings by the Company, and the Company is not aware of any legal proceedings against it.*

Critical Accounting Estimates. *In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has used its best judgment to estimate of these*

factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

Description of Business

The Company was created by amalgamation, under the British Columbia Act, on November 9, 1982, under the name of Equus Petroleum Corporation. The amalgamating companies were; (a) Diana Exploration Ltd. (NPL) which was incorporated on April 13, 1966, (b) Arabian Petroleum Corporation, which was incorporated on November 18, 1977; and (c) Persian Petroleum Corporation, which was incorporated on January 25, 1978. On September 30, 1997, the Company changed its name to Nuequus Petroleum Corporation and consolidated its common stock as to five old shares for one new share. On November 28, 2002, the Company changed its name to Equus Energy Corporation. On August 26, 2008, the Company consolidated its share capital as to one new share for ten old shares and changed its name to Habibi Resources Corp. Effective December 31, 2009 the Company changed its named to One World Investments Inc. and consolidated its share capital as to one new share for eight old shares. All current and comparative share and per share amounts have been retroactively adjusted to reflect prior consolidations.

The Company's common shares became listed on the Vancouver Stock Exchange on November 9, 1982. Until December 17, 2015, Company was listed on the TSX Venture Exchange (the "Exchange" or the "TSX.V") (symbol OWI). Effective December 18, 2015, the Company's shares were listed for trading on the NEX (symbol OWI.H).

The Company's administrative office is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6 and its Registered and Records Office is 800 – 885 West Georgia Street, Vancouver, BC, V6E 2H6.

ANNUAL MD&A - Selected Management's Discussion and Analysis for the Year Ended December 31, 2015

This Management Discussion and Analysis of the Company and results of operations of the Company, prepared April 28, 2016 (the "Annual Report Date"), should be read in conjunction with the Audited Financial Statements for the years ended December 31, 2015 and 2014, which are presented in accordance with

International Financial Reporting Standards IFRS and with the Company's accounting policies, as those are described in the notes to the Audited Financial Statements.

The Audited Financial Statements reflect the Company's restated statement of financial position as at December 31, 2014 and January 1, 2014, its statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficit for the year ended December 31, 2014. Management conducted a review of certain accounting issues and determined that the following items required adjustment in the financial statements for the year ended December 31, 2014:

- Interest accrued on an outstanding loan balance was previously calculated on a compound basis when the simple method of interest was specified in the loan agreement terms; and
- Outstanding taxes payable balances relating to Part XII.6 taxes and associated penalties and interest were not fully accrued.
The misstatements identified resulted in an increase in opening accumulated deficit and current liabilities. Similarly, ending current liabilities increased along with ending deficit for the year ended December 31, 2014. The following describes the impact of the adjustments to the financial statements:
- The Company identified \$49,474 of interest that should have accrued on Part XII.6 taxes payable. An additional \$10,751 was identified as unrecorded late-filing tax penalties. As a result, total misstatement of \$60,225 was attributable to an understatement in the January 1, 2014 opening deficit of \$51,631 and \$8,594 attributable to the year ended December 31, 2014.
- The Company identified an error in the carrying value of loans payable and opening deficit as at January 1, 2014. The cumulative error was a result of a calculation error of ending balances at year-end 2013 and an inappropriate use of the compound method to calculate interest. As a result, both the opening deficit and opening loan payable balance was understated by \$784.
- As at December 31, 2014, both the ending carrying value of the loan and interest expense for fiscal 2014 were overstated by \$829 as a result of the incorrect usage of the compound interest method and the cumulative carrying value error previously noted.
- Additional discussion on the restatements is included in the Financial Statements.

The Audited Financial Statements, together with this information, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. Unless otherwise indicated, all comparative financial information in this Report reflects the Company's restated amounts in its Audited Financial Statements. Unless otherwise indicated, all dollars in this Report are in Canadian dollars.

Highlights, significant events and transactions

On May 30, 2012, the Company entered into a definitive share purchase agreement, as amended on April 10, 2013 and November 13, 2013 (the “Chilean Agreement”), to purchase 80% of the issued and outstanding shares of Andes Silver S.A. Cerrada (“Andes”), a private Chilean company (see *Resource Properties* in this Report). The transaction was scheduled to close by February 28, 2014. On August 31, 2015, the Company elected not to proceed with this proposed reverse takeover transaction (“RTO”).

As a result of the withdrawal of its RTO application to the Exchange and not pursuing any other active businesses, the Company was unable to maintain the requirements for a TSX.V Tier 2 company, and on December 19, 2015, the Company’s listing transferred to the NEX Board of the TSX.V (the “NEX”), a separate board of the TSX.V. The Company shares are listed on NEX under the symbol OWI.H.

During the year ended December 31, 2015, there were changes to the members of the Board of Directors and the Officers of the Company, such that as at December 31, 2015 and at the Annual Report Date, the Directors of the Company are Douglas Fulcher, Alan Williams and Terri Anne Welyki, the President and Chief Executive Officer of the Company is Douglas Fulcher, and the Chief Financial Officer (“CFO”) and the Corporate Secretary of the Company is Jeannine Webb. Each of the Directors and Officers of the Company has many years of experience in their capacity within the junior mineral sector.

RESOURCE PROPERTIES

The Company is in the business of evaluating, and if deemed appropriate, acquiring interests in, exploring and developing, natural resource properties. The Company capitalizes all costs related to the mineral properties. The Board of Directors is responsible for a quarterly review of the properties and any decisions toward impairment. If the property is considered impaired, accumulated costs are expensed at that time.

In connection with the Chilean Agreement, the Company entered into a definitive share purchase agreement to purchase 80% of the issued and outstanding shares of Andes. Andes owns the titles in properties known as Chanarcillo, Yervas Buenas, Pircas, Chimbeos and Lomas Bayas properties (collectively, the “Chilean Properties”). 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, TSX-V (the “Exchange”) acceptance of National Instrument 43-101 compliant technical reports on the Chilean Properties, payment of a finder’s fee, entry into a joint venture shareholders’ agreement, shareholders and Exchange approval of the

proposed name change and Exchange approval of the agreement. Consideration for the purchase consisted of payment of a non-refundable deposit of US\$25,000, the issuance of 21,000,000 common shares of the Company, a cash payment of \$276,750 and the granting 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. On August 31, 2015, the Company elected not to proceed with the proposed RTO transaction with Andes.

At December 31, 2015 and the Annual Report Date, the Company does not have any rights to resource properties, and is actively seeking property(ies) of merit.

RESULTS OF OPERATIONS

- *Quarter ended December 31, 2015 (“Quarter”) results as compared with the quarter ended December 31, 2014 (“2014 Quarter”)*

	Three months ended December 31,		Variance	
	2015 (\$)	2014 (\$)	(\$)	(%)
Professional fees	38,621	1,014	37,607	3,709
Management and director fees	7,882	14,500	(6,618)	(46)
Office, rent and phone	3,000	3,218	(218)	(7)
Transfer agent and filing fees	2,083	441	1,642	372
	51,586	19,173	32,413	169
Interest and financing costs	29,147	27,430	1,717	6
Foreign exchange loss	17,249	15,684	1,565	10
Exploration expenditures (recovery)	(5,645)	-	(5,645)	
Write off unrecoverable tax	26,884	-	26,884	
Impairment of other assets	-	24,957	(24,957)	(100)
	119,221	87,244	31,977	37

The Company had no revenue for the Quarter and 2014 Quarter. General administrative expenditures increased, as to \$51,586 for the Quarter and \$19,173 for the 2014 Quarter. Professional fees increased to \$38,621 for the Quarter and as compared with \$1,014 for the 2014 Quarter due to legal fees incurred to return the Company to trading on NEX, adjustments to accounting fees and the audit fee. Management and director fees decreased to \$7,882 for the Quarter as compared with \$14,500 for the 2014 Quarter as a result of change of directors and financial constraints. Interest and financing costs were incurred in respect of loans and promissory notes, and the Company incurred a foreign exchange loss in connection with of an amount due in US dollars. 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. During the Quarter, the Company wrote off an unrecoverable sales tax in the amount of \$26,884. Management of the Company continues to monitor its expenditures in light of poor market conditions.

- Year ended December 31, 2015 (the "Period") compared with the year ended December 31, 2014 (the "Comparative Period")

	Year ended December 31,		Variance	
	2015	2014	(\$)	(%)
	(\$)	(\$)	(\$)	(%)
Professional fees	55,366	18,369	36,997	201
Management and director fees	41,775	57,226	(15,451)	(27)
Office, rent and phone	12,000	12,218	(218)	(2)
Transfer agent and filing fees	12,220	4,836	7,384	153
	121,362	92,649	28,713	31
Interest and financing costs	96,802	88,337	8,465	10
Foreign exchange loss	91,165	36,852	54,313	147
Exploration expenditures (recovery)	(5,645)	-	(5,645)	
Write off unrecoverable tax	26,884	-	26,884	
Impairment of other assets	-	24,957	(24,957)	(100)
Net Loss and Comprehensive Loss	330,567	242,795	87,772	36

The Company had no revenue for the Period and the Comparative Period. General administrative expenditures increased in the Period by approximately 31% over the Comparative Period, primarily as a result of legal fees incurred to return the Company to trading on NEX, adjustments to accounting fees and the audit fee.

The foreign exchange loss pertains to an amount owing in US\$. The Company received \$5,645 (Comparative Period: \$Nil) in respect of exploration expenditures recovered from the Government of Alberta, and wrote off an unrecoverable sales tax in the amount of \$26,884 (Comparative Period: \$Nil).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information of the Company for the current eight quarterly periods ending with December 31, 2015:

Three months ended	Dec/15	Sept/15	June/15	Mar/15	Dec/14	Sept/14	June/14	Mar/14
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Total revenue	-	-	-	-	-	-	-	-
Loss before other items	119,221	83,003	35,285	93,058	87,244	62,903	37,688	54,960
Net Loss	119,221	83,003	35,285	93,058	87,244	62,903	37,688	54,960
Loss per share	0.02	0.02	0.01	0.02	0.02	0.01	0.01	0.01

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements.

	Year Ended December 31,		
	2015	2014	2013
	(\$)	(\$)	(\$)
Total revenue	-	-	-
Net loss and comprehensive loss	330,567	242,795	261,287
Loss per share	0.07	0.05	0.05
Total assets	647	27,279	70,932
Current liabilities	1,768,508	1,464,573	1,265,431
Cash dividends	-	-	-

LIQUIDITY AND FINANCIAL CONDITION

As at December 31, 2015 and 2014, the Company had the following:

	December 31,	
	2015	2014
	(\$)	(\$)
Current assets		
Cash	647	395
Sales tax receivable	-	26,884
	647	27,279
Current liabilities		
Accounts payable and accrued liabilities	467,251	368,752
Loans payable	435,275	401,463
Promissory notes payable	579,083	429,448
Due to relate parties	286,898	264,910
	1,768,508	1,464,573
Working capital (deficit)	(1,767,861)	(1,437,294)

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

acceptable to the Company in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

TRANSACTIONS WITH RELATED PARTIES

Compensation of Key Management Personnel

Key management personnel consists of current and former Directors and Officers of the Company, as to the President, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Corporate Secretary of the Company. At the Annual Report Date, key management personnel consisted of Douglas Fulcher (President, CEO and a Director), Jeannine Webb (CFO and Corporate Secretary), and Alan Williams and Terri Anne Welyki (Directors).

Fees incurred for services by key management personnel during the years ended December 31, 2015 and December 31, 2014 were as follows:

Services	Party	Year ended	Year ended
		December 31, 2015	December 31, 2014
		(\$)	(\$)
Management Fees	a company controlled by a former Director and Officer of the Company	7,500	27,226
	former Director and Officer of the Company	15,000	30,000
Professional Fees	an accounting firm of which a partner is a former Director and Officer of the Company	2,500	12,400
	a company owned by an officer of the Company	7,590	-
Rent	a company controlled by a former Director and Officer of the Company	3,000	12,000

The following amounts were owed to related parties as at December 31, 2015 and December 31, 2014:

	Year ended	Year ended
	December 31, 2015	December 31, 2014
	(\$)	(\$)
a company controlled by a former Director and Officer of the Company	105,700	94,675
former Director and Officer of the Company	77,500	62,500
an accounting firm of which a partner is a former Director and Officer of the Company	7,823	9,870
a company owned by an officer of the Company	7,590	-
	<u>198,613</u>	<u>167,045</u>
a company with a former Director in common	286,898	264,910
	<u>485,511</u>	<u>431,955</u>

During year ended December 31, 2015, \$198,613 (2014: \$167,045) was owing to related parties and were included in accounts payable and accrued liabilities, have no fixed terms of repayment, non-interest bearing and unsecured. Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the Period.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its assets and its ability to continue as a going concern, to pursue the development of its exploration and evaluation assets, if any, 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 primarily 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, and there were no changes to the Company's approach to capital management during the period.

OFF-BALANCE SHEET ARRANGEMENTS

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

New accounting standards 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.
- IAS 1, "Disclosure Initiative" is effective for annual periods beginning on or after January 1, 2016.
- IFRS 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.
- IAS 24, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.

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.

Financial Instruments & Financial Risk Management

The Company has classified accounts payable and accrued liabilities, loans payable, promissory notes payables and due to related parties as other financial liabilities.

The carrying values of 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.

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.

(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.

(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, and foreign currency 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 exposed to foreign currency risk as it holds a promissory note denominated in US Dollars. As at December 31, 2015, the carrying value of the promissory note was \$550,228 (2014: \$429,448). All other monetary assets and liabilities are denominated in Canadian dollars.

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

DISCLOSURE OF OUTSTANDING SHARE DATA

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

<u>At Annual Report Date</u>	
Common shares	5,055,506
Stock options	-
Warrants	-
Fully diluted	5,055,506

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions that have been approved by the board of directors. Management of the Company continues to review and evaluate potential exploration properties.

SUBSEQUENT EVENTS

- On February 11, 2016, the Company changed auditors, from Dale Matheson Carr-Hilton Labonte LLP to BDO Canada LLP.
- On March 1, 2016, the Company announced a non-brokered private placement ("Private Placement") of unsecured convertible notes (the "Convertible Notes") in the aggregate principal amount of up to \$400,000. The Convertible Notes will bear interest of 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 (a) \$0.05 and (b) the Market Price (as that term is defined under the policies of the TSX-V) on the date of a conversion notice. In connection with the Private Placement, the Company may, subject to regulatory acceptance, pay finders' fees to parties on the proceeds raised.

INTERIM MD&A - Selected Management's Discussion and Analysis for the Period Ended September 30, 2016

This Management Discussion and Analysis of the financial condition of the Company and results of operations of the Company, prepared October 12, 2016 (the "Interim Report Date"), should be read in conjunction with the unaudited condensed interim financial statements including the notes thereto for the nine

months ended September 30, 2016 and 2015 (the "Interim Financial Statements") and the Audited Financial Statements, which are presented in accordance with IFRS and with the Company's accounting policies, as those are described in the notes to the Interim Financial Statements and the Audited Financial Statements. The Interim Financial Statements and the Audited Financial Statements are collectively referred to as the "Financials".

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.

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 5,000,000 shares upon closing of the Agreement (the "Closing Date")
- pay \$200,000 and issue 5,000,000 shares on the first anniversary of the Closing Date
- issue 5,000,000 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.

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 NI 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:

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

Results of Operations

- **Quarter ended September 30, 2016 (“2016 Quarter”) results as compared with the quarter ended September 30, 2015 (“2015 Quarter”)**

The Company had no revenue for the 2016 Quarter and 2015 Quarter. General administrative expenditures rose due to the costs and activity related to the Company’s focus to listing on the CSE, as to \$19,500 during the 2016 Quarter (2015 Quarter: \$9,922) in professional fees, \$15,000 (2015 Quarter: \$7,500) in management and director fees and \$12,064 (2015 Period: \$3,000) in respect of office, rent and phone. Interest and financing costs were incurred in respect of loans and promissory notes, and the Company incurred a foreign exchange loss in connection with of an amount due in US dollars. Management of the Company continues to monitor its expenditures in light of continued poor market conditions.

- **Nine months ended September 30, 2016 (“Period”) results as compared with the nine months ended September 30, 2015 (“2015 Period”)**

The Company had no revenue for the Period and the 2015 Period. General and administrative expenses for the Period increased in comparison to the 2015 Period, due to the time required and attendant expenditures incurred in the process of delisting from the TSX.V and listing on the CSE. The Company also incurred \$41,570 (2015 Period: \$73,916) in foreign exchange loss and \$68,862 (2015 Period: \$67,655) in interest and financing costs.

	Nine months ended September 30		Variance	
	2016	2015		
Professional fees	\$ 53,707	\$ 16,745	\$ 36,962	220.7%
Management and director fees	45,000	33,893	11,107	32.8%
Office, rent and phone	30,320	9,000	21,320	236.9%
Transfer agent and filing fees	13,710	10,137	3,573	35.3%
	\$ 142,737	\$ 69,775	\$ 72,963	104.6%
Foreign exchange loss	41,570	73,916	(32,346)	(43.8%)
Interest and financing costs	68,862	67,655	1,207	1.8%
	\$ 253,169	\$ 211,346	\$ 41,824	19.8%

Summary of Quarterly Results

The following table sets out selected financial information of the Company for the current eight quarterly periods ending with September 30, 2016:

Three months ended	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	-	-	-	-	-
Loss before other items	75,990	76,374	100,805	119,221	83,003	35,285	93,058	87,244
Net loss	75,990	76,374	100,805	119,221	83,003	35,285	93,058	87,244
Loss per share	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01

Liquidity and Financial Condition

As at September 30, 2016 and December 31, 2015, the Company had the following:

	September 30, 2016	December 31, 2015
	(\$)	(\$)
Current Assets		
Cash	477	647
Non-current Assets	25,000	-
	<u>25,477</u>	<u>647</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	547,584	467,251
Loans payable	554,935	435,275
Promissory notes payable	639,409	579,083
Due to a former related party	304,579	286,898
	<u>2,046,507</u>	<u>1,768,508</u>
Working Capital (deficit)	(2,046,030)	(1,767,861)

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

Transactions with Related Parties

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

Compensation of Key Management Personnel

Key management personnel consist of current and former Directors and Officers of the Company, as to the President, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Corporate Secretary of the Company. At the Report Date, key management personnel consisted of Douglas Fulcher (President, CEO and a Director), Jeannine Webb (CFO and Corporate Secretary), and Allan Williams and Terri Anne Welyki (Directors).

Fees incurred for services by key management personnel during the periods ended September 30, 2016 and 2015 were as follows:

Services	Party	Nine month period ended September	
		2016	2015
		(\\$)	(\\$)
Management Fees	Bryce A Clark & Associates, a company controlled by Bryce A. Clark a former Director and Officer of the Company	-	7,500
	Halsey Johnston, a former Director of the Company	-	15,000
Rent	Bryce A Clark & Associates, a company controlled by Bryce A. Clark a former Director and Officer of the Company	-	3,000
Professional Fees	Minni Clark & Co., an accounting firm of which Bryce A. Clark is a partner, and a former Director and Officer of the Company	-	2,500
	Venturex Consulting - a company owned by Jeannine Webb the CFO and Corporate Secretary of the Company	37,500	-

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

Party	Nine month period ended September	
	2016	2015
	(\\$)	(\\$)
Bryce A Clark & Associates, a company controlled by Bryce A. Clark a former Director and Officer of the Company	-	105,700
Halsey Johnston, a former Director of the Company	-	77,500
Kevin Beaulieu, a former Director of the Company	-	3,750
Minni Clark & Co., an accounting firm of which Bryce A. Clark is a partner, and a former Director and Officer of the Company	-	7,822
Venturex Consulting - a company owned by Jeannine Webb the CFO and Corporate Secretary of the Company	37,500	-
	<u>\$ 37,500</u>	<u>\$ 194,772</u>

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the Period.

Capital Management

The Company's objectives when managing capital are to safeguard its assets and its ability to continue as a going concern, to pursue the development of its exploration and evaluation assets, if any, 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 primarily 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, and there were no changes to the Company's approach to capital management during the period.

Off-Balance Sheet Arrangements

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

Additional Disclosure for Venture Issuers

New accounting standards

- 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.

Financial Instruments & Financial Risk Management

The Company has classified accounts payable and accrued liabilities, loans payable, promissory notes payables and due to related parties as other financial liabilities.

The carrying values of 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.

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.

Disclosure of Outstanding Share Data

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

<u>At Report Date</u>	
Common shares	5,055,506
Stock options	-
Warrants	-
Fully diluted	5,055,506

Proposed Transactions

The Company does not have any proposed transactions that have been approved by the board of directors. Management of the Company continues to review and evaluate potential exploration properties.

7. Market for Securities

The Company's securities are currently listed and posted for trade on the NEX Board of the TSX-V. The Company has applied to have its common shares listed and posted for trading or quoted on the CSE and intends to delist its securities from the TSX-V NEX Board.

8. Consolidated Capitalization

The authorized share capital of the Company consists of an unlimited number of Shares without par value and without special rights or restrictions. After taking into effect the Debt Settlement Shares and the Vend In Shares, as those are described in *3.1 General Business* in this document, a total of 52,761,383 shares of the Company will be issued and outstanding. Should the Conversion Shares, as those are described in *3.1 General Business* in this document, Loan Warrants as those are described in *4.1 General* in this document, and Stock Options, as those are described in *9. Options to Purchase Securities* in this document, be converted or exercised, as appropriate, a total of 54,961,383 shares of the Company will be issued and outstanding

The following common shares, debt settlement shares, vend in shares, conversion shares, warrants from loan and stock options were outstanding as of the date of this Listing Statement:

	Number of Shares
Common shares issued and outstanding	5,055,506
Debt Settlement Shares (Note 1)	32,376,737
Vend In Shares - Mogollon Property (Note 2)	5,000,000
Conversion Shares - convertible debenture (Note 3)	10,329,140
Issued and Outstanding	52,761,383
Loan Warrants	500,000
Stock Options	1,700,000
Fully Diluted Shares Outstanding	54,961,383

- (1) The Debt Settlement Shares will be held in escrow, to be released as to 25% each on the date that is 4,7,10 and 13 months and one day from the Listing Date.
- (2) The Vend In Shares will be held in escrow, to be released 100% on the date that is 4 months and one day from the Listing Date.
- (3) The Conversion Shares will be held in escrow, to be released as to 25% each on the date that is 4,7,10 and 13 months and one day from the Listing Date.

9. Options to Purchase Securities

The Company has in place a “rolling” stock option plan (the “Option Plan”) re-approved by the Shareholders at the Company’s Annual and Special Meeting of Shareholders which was held on March 15, 2016. The Option Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the appropriate regulatory requirements, grant to directors, officers, employees, and consultants to the Company, non transferable options to purchase common shares of the Company. The terms of the Option Plan provide for stock 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. On the date of this listing Statement, and in accordance with the Option Plan, the Company granted stock options to officers, directors and consultants to the Company, allowing for the purchase of up to, in the aggregate, 1,700,000 shares of the Company at a price of \$0.05 per share for a period of five years from the date of grant, such that as at the date of this Listing Statement, the Company had stock options as follows:

	Number of Options	Weighted Average
Balance, December 31, 2016	0	\$ -
Granted , as of the date of this Listing Statement	1,700,000	\$ 0.05
Balance, date of Listing Statement	1,700,000	\$ 0.05

A complete copy of the Option Plan may be reviewed at www.sedar.com.

10. Description of the Securities

10.1 The holders of the Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders, except meetings at which only holders of a specified class of shares are entitled to vote, and each Share confers the right to one vote in person or by proxy at all such meetings of the Shareholders. The holders of the Shares are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of the Company's assets among its Shareholders by way of repayment of capital, the net equity of the Company shall be distributed among the holders of the Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Shares.

10.2 Debt securities – 10.2- 10.6

Not applicable.

10.7 Prior Sales

There have been no shares sales in the previous 12 months.

10.8 Stock Exchange Price:

The common shares of the Company were listed and posted for trading on the TSX Venture Exchange ("OWI") and NEX Board ("OWI.H") The following table sets forth the daily high and low closing trading prices and the volume of the trading of the common shares, on which there was trading activity.

Year	Month/Period Ended		High (\$)	Low (\$)	Close (\$)	Volume (#)
2016	December	Note 1	0.04	0.04	0.04	0
	November		0.04	0.04	0.04	0
	October		0.04	0.04	0.04	0
	September		0.04	0.04	0.04	0
	August		0.04	0.04	0.04	0
	July		0.04	0.04	0.04	0
	Q2 2016		0.05	0.04	0.04	5,223
	Q1 2016		0.10	0.03	0.05	44,957
	2015	December 18-31		0.33	0.015	0.03
October 01-December 17		Note 2	0.00	0.00	0.00	0
Q3 2015			0.00	0.00	0.00	0
Q2 2015			0.00	0.00	0.00	0
Q1 2015			0.00	0.00	0.00	0
Q4 2014			0.00	0.00	0.00	0

Note 1: The shares during the period June 07, 2016 to January 12, 2017 were halt traded.

Note 2: The shares during the period July 01, 2014 to December 17, 2015 were halt traded.

11. Escrowed Securities

- 11.1 The escrowed securities outstanding as of the date of this Listing Statement are summarized as follows;

ESCROWED SECURITIES

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common Shares	47,705,877	90.42 %

Of these escrowed securities 32,376,737 are the result of the Debt Settlement of \$1,618,837 at a deemed price of \$0.05 per share and will contain a restriction on transfer in accordance with the following schedule:

- i.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT

- TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISTING DATE]”;
- ii.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS SEVEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”;
 - iii.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”; and
 - iv.* 25% of the Debt Settlement Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS THIRTEEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”

In addition, 10,329,140 of the escrowed securities are a result of a Convertible Note of \$516,457 being converted into common shares of the Company at a price of \$0.05 per Convertible Note Share and will contain a restriction on transfer in accordance with the following schedule:

- i.* 25% of the Convertible Note Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISTING DATE]”;
- ii.* 25% of the Convertible Note Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS SEVEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”;
- iii.* 25% of the Convertible Note Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”; and
- iv.* 25% of the Convertible Note Shares will be subject to a restrictive period with a legend that states, “THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS THIRTEEN MONTHS AND ONE DAY FROM [THE LISTING DATE]”

and the balance of the escrowed securities representing 5,000,000 Vend In Shares in respect of the Mogollon property acquisition, which shares will contain a restriction on transfer in accordance with the following schedule:

100% of the Vend In Shares will be subject to a restrictive period with a legend that states, "THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM [THE LISTING DATE]".

12. Principal Shareholders

To the best of the knowledge of the Company, after taking into effect the issuance of the Debt Settlement Shares, the Vend In Shares and the Convertible Note Shares there will be no person who will own or exercise control or direction over securities of the Company carrying more than 10% of the issued and outstanding common shares of the Company as at the date of this Listing Statement:

13 Directors and Officers

13.1 -13.3

The Articles of the Company provide that the number of directors should not be fewer than three directors. The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

The following table provides the names of the directors and officers, municipalities of residences, province and country, respective positions and offices held with the Company, their principal occupation for the past five years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Company, as of the date hereof;

Name, Province/State, Country of Residence and Position(s) with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽²⁾	Percentage of Issued and Outstanding Common Shares
Douglas Fulcher BC, Canada <i>President, CEO and Director</i>	President & CEO, Abacus Mining & Exploration from 2003 to 2010; President of Burnstone Ventures Inc. from March 2011 to June 30, 2016; President of Maritime Resources Corp. since June 2014; and President of True Grit Resources Ltd. since July 2014.	Director since September 23, 2015 Officer since September 23, 2015	50,000	.09%
Alan Williams BC, Canada <i>Director</i>	Self-employed over past 5 years. Independent consultant for the past 26 years. Director of Maritime Resources Corp. since March 2008; President and CEO of Maritimes Resources Corp. from March 2008 to October 2010; Director of Invenio Resources Corp. since July 2003; Director of Goldrush Resources Ltd. from October 2003 to December 2015.	Director since September 23, 2015	50,000	.09%
Terri Anne Welyki BC, Canada <i>Director</i>	Self-employed over the past 5 years. Independent consultant with 15 years of capital market experience raising capital for private and public companies.	Director since November 10, 2015	Nil	0%
Jeannine Webb BC, Canada <i>CFO and Secretary</i>	Principal of Venturex Consulting; CFO of True Grit Resources Corp. since September, 2011 and Secretary from July 2014 to September, 2016; CFO of Maritime Resources Corp. since January 2013; CFO of Abacus Mining and Exploration Corp. since August 2014 and Secretary since February 2015; CFO of Alto Ventures Inc. since January 2015; CFO of Forum Uranium Corp. since November, 2015; Director of China Minerals Mining Corporation since May 2015.	Officer since November 02, 2015	Nil	0%

(1) The information as to country and province or state of residence, and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.

(2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof is based upon information furnished to the Company by the respective nominees. Unless otherwise indicated, such Shares are held directly.

13.4 Board Committees

The Company has two committees, the Compensation Committee and the Audit Committee.

The members of the Compensation Committee of the Board are as follows:

Member	Independent⁽¹⁾
Douglas Fulcher	Not Independent ⁽²⁾
Alan Williams	Independent
Terri Anne Welyki	Independent

⁽¹⁾ A member of the Compensation Committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ Mr. Fulcher is not independent as he is the President and CEO of the Company.

The members of the Audit Committee of the Board are as follows:

Member	Independent⁽¹⁾
Douglas Fulcher	Not Independent ⁽²⁾
Alan Williams	Independent
Terri Anne Welyki	Independent

⁽¹⁾ A member of the Compensation Committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ Mr. Fulcher is not independent as he is the President and CEO of the Company.

13.5 See table above.

13.6 Cease Trade Orders or Bankruptcies

Other than set forth below, To the knowledge of the Company no director or officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the

subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

On July 16, 2015, True Grit Resources Ltd. ("True Grit") made application to the British Columbia Securities Commission ("BCSC") for a Management Cease Trade Order ("MCTO") under section 164 of the Securities Act, to allow for the renegotiation of an option agreement and completion of True Grit's audited financial statements for the year ended March 31, 2015, which was delayed due to financial reasons. At that time, Douglas Fulcher was President, CEO and a director, Jeannine Webb was CFO and Secretary and Al Williams was Chairman of the Board and a director of True Grit. The MCTO was issued by the BCSC on July 30, 2015 and True Grit's audited financial statements for the year ended March 31, 2015 were approved and filed on September 25, 2015, and the MCTO was revoked on September 28, 2015.

13.7 Penalties or Sanctions

To the knowledge of the Company no director or officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 **Personal Bankruptcies**

To the knowledge of the Company no director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

13.10 **Conflicts of Interest**

Certain directors and officers of the Company are also directors and officers of other natural resource companies. The directors of the Company are bound by provisions of the *Business Corporations Act (BC)* to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the knowledge of the Company, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company's directors or officers or other members of management of the Company or of any proposed director, officer or other member of management as a result of their outside business interests except that certain directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

13.11 **Management**

Douglas Fulcher, 61 serves as Chief Executive Officer and President of the Company. Mr. Fulcher is a seasoned industry veteran with over 35 years of mineral exploration experience. He has worked with numerous senior and junior mining companies domestically and at an international level, both publicly and privately. Mr. Fulcher is currently the President, CEO of Maritime Resources Corp., President, CEO of Burnstone Venture Inc. and most recently Mr. Fulcher was the President, CEO of Abacus Mining and Exploration from 2003 until 2010 where he was instrumental in the development of the Afton Ajax project. Mr. Fulcher also serves on the Boards of Burnstone Ventures Inc., Redstar Gold Corp. and True Grit Resources Ltd and previously was the President of Skygold Ventures Ltd and a director Niblack Mining Corp which was formed as a spin out company of Abacus Mining. Mr. Fulcher will dedicate as much time as required to the Company in order to perform the duties of CEO and President.

Jeannine Webb, 56, serves as Chief Financial Officer (“CFO”) and Corporate Secretary of the Company. Ms. Webb is a chartered professional accountant (CPA, CGA) with over 25 years of extensive financial experience in the resources industry. She is the CFO of various mining companies (including Abacus Mining & Exploration Corp., Maritime Resources Corp. and Forum Uranium Corp.) and a Director of China Minerals and Mining Corporation. Since 2008, through her company, Venturex Consulting, she has acted as CFO and provided financial management services to junior public resource issuers. Until 2007, Ms. Webb was a partner of Badger & Co. Management Corp. (“Badger & Co.”), a private company providing a full range of financial, corporate and geological management services to junior private and public mineral exploration companies. During this time, Ms. Webb served as CFO and Corporate Secretary for companies under management with Badger & Co., as well as Director for various companies.

As CFO and Corporate Secretary of the Company, Ms. Webb is responsible for compiling and reporting on financial results in accordance with IRFS, budgeting, ensuring that appropriate internal policies and controls are in place, that the Company remains in good standing and in compliance with the appropriate corporate and jurisdictional rules and regulations, and adheres to good corporate governance. Ms. Webb provides services pursuant to an independent consulting agreement with the Company, which agreement includes certain non-disclosure and non-compete covenants. Ms. Webb will dedicate as much time as required to the Company in order to perform the duties of CFO and Corporate Secretary.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	% of Issued (non- diluted)	% of Issued (fully- diluted)
<u>Public Float</u>				
Total outstanding (A)	52,761,383	54,961,383	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	35,875,749	37,575,749	68.00%	68.37%
Total Public Float (A-B)	16,885,634	17,385,634	32.00%	31.63%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	47,705,877	47,705,877	90.42%	86.80%
Total Tradeable Float (A-C)	5,055,506	7,255,506	9.58%	13.20%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Public Security holders (Registered)

Class of Security

<u>Size of Holding</u>	Number of Holders	Total Number of Securities
1 – 99 securities	254	2,177
100 – 499 securities	7	1,522
500 – 999 securities	4	2,542
1,000 – 1,999 securities	2	2,831
2,000 – 2,999 securities	2	5,000
3,000 – 3,999 securities	1	3,000
4,000 – 4,999 securities	0	0
5,000 or more securities	41	14,770,683

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Public Security holders (Beneficial)

Class of Security

<u>Size of Holding</u>	Number of Holders	Total Number of Securities
1 – 99 securities	234	7,130
100 – 499 securities	162	33,618
500 – 999 securities	64	42,331
1,000 – 1,999 securities	58	81,440
2,000 – 2,999 securities	13	31,468
3,000 – 3,999 securities	11	38,179
4,000 – 4,999 securities	4	17,750
5,000 or more securities	53	1,808,859
Unable to confirm		37,104

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Public Security holders (Registered)

Class of Security

<u>Size of Holding</u>	Number of Holders	Total Number of Securities
1 – 99 securities	0	-
100 – 499 securities	0	-
500 – 999 securities	0	-
1,000 – 1,999 securities	0	-
2,000 – 2,999 securities	0	-
3,000 – 3,999 securities	0	-
4,000 – 4,999 securities	0	-
5,000 or more securities	9	35,875,749

4.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants ⁽¹⁾	500,000	500,000
Stock Options ⁽²⁾	1,700,000	1,700,000

⁽¹⁾ Each warrant is exercisable for one common share of the Company at a price of \$0.20 per common share expiring two (2) years following the Listing Date.

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⁽²⁾ Each option is exercisable for one common share at a price of \$0.05 per common share expiring five (5) years from the Listing Date.

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

The balance of the Vend In Shares representing 10,000,000 common shares will be issued as follows:

(1) 5,000,000 common shares will be issued on the first anniversary date of the Listing Date.

(2) 5,000,000 common shares will be issued on the second anniversary date of the Listing Date.

15. Executive Compensation

In making compensation decisions the Compensation Committee strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is recommended by the Compensation Committee and determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Given the Company's current stage of development, the implications of the risks associated with the Company's compensation policies and practices have not been considered by the Board or its Compensation Committee. Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Share-based and Option-based Awards

The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore,

the long-term success of the Company. The Company established a formal plan under which stock options may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel which is critical to the Company's success. The Board is responsible for administering the Company's stock option plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company including the awards of any stock options under a stock option plan. Stock options are typically part of the overall compensation package for executive officers and employees. The Company's current Option Plan is a 10% rolling plan, whereby the aggregate number of Common Shares reserved for issuance under the Option Plan, including any other plan or agreement of the Company shall not exceed 10% of the total number of issued and outstanding Common Shares at the time an option is granted, subject to Shareholder and regulatory approval.

All grants of stock options to the NEOs are reviewed and approved by the Board upon recommendations from the Compensation Committee. In evaluating option grants to an NEO, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

Summary Compensation Table

Particulars of compensation paid to each individual that was a NEO in the financial year ended December 31, 2015 are set out in the summary compensation table below for the Company's financial years ended December 31, 2013, 2014 and 2015:

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					(\$)				
					Annual Incentive Plans	Long-term Incentive Plans			
Kevin Beaulieu	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<i>Former CEO and Director⁽⁴⁾</i>	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bryce Clark	2014	27,226	Nil	Nil	Nil	Nil	Nil	Nil	27,226

<i>Former CFO, Secretary and Director⁽⁵⁾</i>	2013	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
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- (1) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (3) "Option based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
- (4) Kevin Beaulieu resigned as President, CEO and director of the Company on August 31, 2015 and was replaced by Halsey Johnston who was appointed as CEO and President. On September 23, 2015 Halsey Johnston resigned as CEO, President and director of the Company and was replaced by Douglas Fulcher who was appointed as CEO, President and director of the Company. For the year ended December 31, 2015 Douglas Fulcher received no compensation.
- (5) Bryce Clark resigned as the CFO, Secretary and a director on May 6, 2015 and was replaced by Halsey Johnston who was appointed CFO and Secretary of the Company. On September 23, 2015, Halsey Johnston resigned as CFO and Secretary of the Company and was replaced by John N. Hamilton who was appointed CFO and Secretary. On November 02, 2015, John N. Hamilton resigned as CFO and Secretary of the Company and was replaced by Jeannine Webb, who was appointed CFO and Secretary of the Company. For the year ended December 31, 2015 Jeannine Webb is to receive \$7,590.

Narrative Discussion

Other than as set forth in the foregoing, no NEO of the Company during the financial year ended December 31, 2015 received compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or
- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

Subsequent to the financial year ended December 31, 2015, the Company has not entered into any management agreements with its NEOs, although management fees and professional fees were paid, in the ordinary course of business, to companies which have certain directors in common with the Company. See the unaudited consolidated

interim financial statements of the Company for the nine months ended September 30, 2016 available on SEDAR at www.sedar.com.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets forth the outstanding share-based awards and option-based awards for each of the NEOs of the Company outstanding as at December 31, 2015:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin Beaulieu <i>Former CEO and Director</i> ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bryce Clark <i>Former CFO</i> ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Kevin Beaulieu resigned as President, CEO and a director of the Company on August 31, 2015.

(2) Bryce Clark resigned as the CFO, Secretary and a director of the Company on May 6, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEOs:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kevin Beaulieu <i>Former CEO and Director</i> ⁽¹⁾	Nil	N/A	N/A
Bryce Clark <i>Former CFO and Director</i> ⁽²⁾	Nil	N/A	N/A

(1) Kevin Beaulieu resigned as President, CEO and a director of the Company on August 31, 2015.

(2) Bryce Clark resigned as the CFO, Secretary and a director of the Company on May 6, 2015.

Narrative Discussion

On May 5, 2015, Bryce Clark resigned as CFO, Secretary and a director of the Company and was replaced by Halsey Johnston who was appointed CFO and Secretary of the Company. On August 31, 2015, Kevin Beaulieu resigned as President, CEO and a

director of the Company and was replaced, by Halsey Johnston who was appointed as CEO and President of the Company. On September 23, 2015 Halsey Johnston resigned as President, CEO, CFO, Secretary and a director of the Company and was replaced, respectively, by Douglas Fulcher who was appointed as CEO, President and a director of the Company and John N. Hamilton who was appointed CFO and Secretary of the Company. On November 2, 2015, John N. Hamilton resigned as CFO and Secretary of the Company and was replaced, by Jeannine Webb who was appointed CFO and Secretary of the Company.

Subsequent to the financial year ended December 31, 2015 and on the Listing Date, Douglas Fulcher received stock options allowing for the purchase of up to, in the aggregate, 300,000 shares of the Company at a price of \$0.05 per share expiring five (5) years following the Listing Date and Jeannine Webb received stock options allowing for the purchase of up to, in the aggregate, 150,000 shares of the Company at a price of \$0.05 per common share expiring five (5) years following the Listing Date.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company does not have any other plan or arrangement whereby any NEO may be compensated in the event of that NEOs resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the NEOs responsibilities following such a change of control.

Director Compensation

Director Compensation Table

The following table sets forth the details of compensation provided to the Company's directors, other than the NEOs, during the Company's financial year ended December 31, 2015:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Halsey Johnston ⁽¹⁾	30,000	Nil	Nil	Nil	Nil	Nil	30,000
David Hackman ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Halsey Johnston became a director of the Company on September 28, 2011 and resigned on September 23, 2015.

⁽²⁾ Morris Elden Schorn became a director of the Company on June 9, 2004 and resigned on September 23, 2015.

⁽³⁾ David Hackman became a director of the Company on August 15, 2012 and resigned on September 25, 2015.

Narrative Discussion

Other than as set forth in the foregoing, no director of the Company, during the financial year ended December 31, 2014, who was not an NEO has received compensation pursuant to:

- (d) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (e) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (f) any arrangement for the compensation of directors for services as consultants or experts.

Subsequent to the financial year ended December 31, 2014, on September 23, 2015, Halsey Johnston and Morris Elden Schorn both resigned as directors of the Company and were replaced by Douglas Fulcher and Alan Williams on the same date. On September 25, 2015, David Hackman resigned as a director of the Company and on November 10, 2015, Terri Anne Welyki was appointed as a director of the Company.

Subsequent to the financial year ended December 31, 2014, the Company has not entered into any management agreements with any of its directors although management fees and professional fees were paid or accrued, in the ordinary course of business, to companies which have certain directors in common with the Company. See the unaudited consolidated interim financial statements of the Company for the nine months ended September 30, 2016 available on SEDAR at www.sedar.com.

Incentive Plan Awards for Directors

Outstanding Share-based Awards and Option-based Awards

The following table sets forth the outstanding share-based awards and option-based awards for each of the directors of the Company that were outstanding as at December 31, 2015:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Halsey Johnston ⁽¹⁾	Nil	Nil	Nil	N/A	N/A	N/A
Morris Elden Schorn ⁽²⁾	Nil	Nil	Nil	N/A	N/A	N/A
David Hackman ⁽³⁾	Nil	Nil	Nil	N/A	N/A	N/A

(1) Halsey Johnston became a director of the Company on September 28, 2011 and resigned on September 23, 2015.

(2) Morris Elden Schorn became a director of the Company on June 9, 2004 and resigned on September 23, 2015.

(3) David Hackman became a director of the Company on August 15, 2012 and resigned on September 25, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2015.

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Halsey Johnston ⁽¹⁾	Nil	Nil	N/A
Morris Elden Schorn ⁽²⁾	Nil	Nil	N/A
David Hackman ⁽³⁾	Nil	Nil	N/A

(1) Halsey Johnston became a director of the Company on September 28, 2011 and resigned on September 23, 2015.

(2) Morris Elden Schorn became a director of the Company on June 9, 2004 and resigned on September 23, 2015.

(3) David Hackman became a director of the Company on August 15, 2012 and resigned on September 25, 2015.

Narrative Discussion of Incentive Plan Awards for Directors

Subsequent to the financial year ended December 31, 2015, Alan Williams received stock options allowing for the purchase of up to, in the aggregate, 150,000 shares of the Company at a price of \$0.05 per share expiring five (5) years following the Listing Date and Terri Anne Welyki received stock options allowing for the purchase of up to, in the aggregate, 100,000 shares of the Company at a price of \$0.05 per share expiring five (5) years following the Listing Date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company's financial year ended December 31, 2015.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans previously approved by securityholders ⁽¹⁾	Nil	N/A	505,550
Equity compensation plans not previously approved by securityholders	N/A	N/A	N/A
Total	Nil	N/A	505,550

⁽¹⁾ The Company's Option Plan is a 10% rolling plan, whereby the aggregate number of Common Shares reserved for issuance under the Plan, including any other plan or agreement of the Company (including the Option Plan) shall not exceed 10% of the total number of issued and outstanding Common Shares at the time an option is granted. As at December 31, 2015, there were no stock options outstanding.

A copy of the Plan is available for review at the office of the Company at Suite 615 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6 or at the registered offices of the Company, at 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1 during normal business hours up to and including the date of the Meeting.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Listing Statement.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

Not Applicable.

17. Risk Factors

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in forward looking statements related to the Company. These include wide spread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the mineral exploration and development industry. An investment in the Company shares, as well as the Company's prospects, are highly speculative due to the high risk nature of its business and the present stage of its operations. The Company shareholders may lose their entire investment. The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's business or operations. If any of the following risks actually occur, the Company's business, financial condition, operating results and prospects could be adversely affected.

Single Mineral Property

The Company's only mineral property is the Mogollon Property. Any adverse development affecting this property would have a material and adverse effect on the Company.

No Operating Revenues and History of Losses

The Company has had no operating revenues and history of losses, and no operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. The Company will continue to experience losses unless and until it can successfully develop and begin profitable commercial production at one of its mining properties. There can be no assurance that the Company will be able to do so.

No History of Operations

The Company is an exploration and development company and has no history of mining or refining mineral products. The Company has no history of operations or earnings. As such, any future revenues and profits are uncertain. The Company is subject to many risks common to such enterprises, including under capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on the Mogollon Property and the likelihood of success must be considered in light of its early stage of operations.

There can be no assurance that the Mogollon Property or any other property will be successfully placed into production, produce minerals in commercial quantities or otherwise generate operating earnings. Advancing projects from the exploration stage into development and commercial production requires significant capital and time and will be subject to further technical studies, permitting requirements and construction of mines, processing plants, roads and related works and infrastructure. The Company will continue to incur losses until mining related operations successfully reach commercial production levels and generate sufficient revenue to fund continuing operations. There is no certainty that the Company will generate revenue from any source, operate profitably or provide a return on investment in the future.

No History of Mineral Production

The Company has never had an interest in a mineral producing property. There is no assurance that commercial quantities of minerals will be discovered at any future properties, nor is there any assurance that any future exploration programs of the Company with respect to the Mogollon Property or any other properties will yield any positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of mineral resources are explored, availability of additional capital and financing and the nature of any mineral deposits.

No History of Profitability

The Company is a development stage company with no history of revenues or profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company will require additional financing to further explore, develop, acquire, and achieve commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its property interests and carry out its business plan.

Nature of Mineral Exploration and Development

The Company is engaged in the business of exploring and evaluating and developing the Mogollon Property, which is a highly speculative endeavour. The Company's viability and potential success lie in its ability to explore and evaluate, develop, exploit and generate revenue out of the Mogollon Property. The exploration and evaluation and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful analyses, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately

developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or any future programs on the Mogollon Property will result in a profitable commercial mining operation.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any products produced. The prices for gold and silver have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot be accurately predicted.

Competition

The mining business is competitive in all of its phases. The company competes with numerous other companies and individuals including competitors with greater financial, technical and other resources than the Company, in the development of the Mogollon Property, and in the search for markets for any products which may be produced. There is no assurance that the Company will continue to be able to compete successfully with its competitors in developing the Mogollon Property or finding markets for the products which may be produced.

Financing Risks

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and evaluation and development of the Mogollon Property. Although the Company was successful in the past in obtaining financing through the sale of equity securities or loans, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and evaluation and development of the Mogollon Property.

Estimates of Mineral Resources

The figures for mineral resources presented in this Listing Statement are estimates and no assurance can be given that the anticipated tonnage and grades will be achieved or that the indicated level of recovery will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Establishment of a reserve and development of a mine does not assure a profit on the investment or recovery of costs. In addition, geological complexity, mining hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from a mine. These conditions include delays in obtaining governmental approvals or consents, or other geological and mechanical conditions. While diligent mine

supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels.

The quantity of a given mineral tends to vary in all types of deposits. Due to the nature of drilling and building reserves, small variances both positive and negative must be anticipated. Inferred resources are estimated and must account for large sections of ore bodies that are believed to contain what the average overall results demonstrate.

Market Price of the Company Shares

Securities of micro-cap and small cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Company shares is also likely to be significantly affected by short term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company shares include the following: (i) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; (ii) lessening in trading volume and general market interest in The Company's securities may affect an investor's ability to trade significant numbers of the Company Shares; (iii) the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and (iv) a substantial decline in the price of the Company's shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Company's shares at any given point in time may not accurately reflect the Company's long term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Company's shares may affect the pricing of the Company's shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Company's shares and the extent of the regulations to which the Company is subject to.

Dividend Policy

No dividends on the Company's shares have been paid by the Company to date. Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

Future Sales of the Company Shares by Major Shareholder

Sales of a large number of the Company Shares in the public markets, or the potential for such sales, could decrease the trading price of the Company's shares and could impair the Company's ability to raise capital through future sales of the Company's shares.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving The Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporation Act (British Columbia) and other applicable laws.

Environmental Risks and Regulatory Requirements

The current or future operations of the Issuer, including the exploration activities and commencement of production on the properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Issuer may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective

measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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

18. Promoters

Douglas Fulcher is considered a promoter of the Issuer. Please refer to the chart under the heading "Section 13 Directors and Officers" for information with respect to Mr. Fulcher's share holdings and any history with regard to securities that have been ceased traded. Mr. Fulcher will not receive any consideration for acting as promoter.

19. Legal Proceedings

The Company is not party to any legal proceedings and is not aware of any proceeding know to be contemplated.

19.1 Regulator Actions Not Applicable.

20. Interest of Management and Others in Material Transactions

Except as described herein, no director, officer, proposed management nominee for director or person who, to the knowledge of the directors or officers of the Company, beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to all outstanding common shares of the Company, informed person or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company.

21. Auditors, Transfer Agents and Registrars

21.1 Auditor

The auditor of the Company is BDO Canada LLP, Chartered Accountants, 925 West Georgia Street, Vancouver BC V6C 3L2.

21.2 Transfer Agent and Registrar

The registrar and transfer agent of the Company is Computershare, 510 Burrard Street, Vancouver BC V6C 3B9.

22. Material Contracts

Except for contracts made in the ordinary course of business, there are no material contracts entered into by the Company within the two years before the date of this Listing Statement which are currently in effect.

23. Interest of Experts

No person or company named in this document as having prepared or certified a part of the document or report described in this document and no solicitor or any partner of a responsible solicitor's firm, holds and beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company.

24. Other Material Facts

There are no other material facts that are not disclosed elsewhere herein which are necessary in order for this document to contain full, true and plain disclosure of all the material facts relating to the Company.

25. Financial Statements

The following financial statements have been posted and are available on SEDAR at www.sedar.com and are incorporated herein by reference:

- i. Annual audited financial statements of the Company including the auditor's report, for the financial year ended December 31, 2015, December 31, 2014 and December 31, 2013.
- ii. Interim unaudited financial statements of the Company for the nine month period ended September 30, 2016 (prepared by management).

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver

this 22nd day of February, 2017.



Chief Executive Officer Douglas Fulcher



Chief Financial Officer Jeannine Webb



Promoter Douglas Fulcher



Director Allan Williams



Director Terri Anne Welyki

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver

this 22nd day of February, 2017.



Chief Executive Officer Douglas Fulcher



Chief Financial Officer Jeannine Webb



Promoter Douglas Fulcher



Director Allan Williams



Director Terri Anne Welyki

One World Investments Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

In Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of One World Investments Inc.:

We have audited the accompanying financial statements of One World Investments Inc., which comprise the statements of financial position as at December 31, 2013 and 2012, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of One World Investments Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

A handwritten signature in black ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
April 25, 2014

ONE WORLD INVESTMENTS INC.

In Canadian Dollars

STATEMENTS OF FINANCIAL POSITION

	Note	December 31, 2013	December 31, 2012
ASSETS			
Current Assets			
Cash		\$ 23,431	\$ 39,509
Sales tax receivable		22,544	48,108
Marketable securities	6	-	50
		<u>45,975</u>	<u>87,667</u>
Non-current Assets			
Other asset	7	24,957	24,957
Exploration and evaluation assets	7	-	2
		<u>\$ 70,932</u>	<u>\$ 112,626</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 234,575	\$ 191,777
Promissory note payable - current	9	365,175	-
Loans payable - current	9	368,658	-
Due to related parties – current	10	244,608	-
		<u>1,213,016</u>	<u>191,777</u>
Non-current liabilities			
Promissory note payable	9	-	316,541
Loan payable	9	-	259,483
Due to related parties	10	-	225,622
		<u>1,213,016</u>	<u>993,423</u>
EQUITY			
Share capital	12	8,430,700	8,430,700
Share-based payment reserve	12	10,340	10,340
Deficit		(9,583,124)	(9,321,837)
		<u>(1,142,084)</u>	<u>(880,797)</u>
		<u>\$ 70,932</u>	<u>\$ 112,626</u>
Nature of operations and going concern	1		
Commitments	7		

“Kevin Beaulieu”
Kevin Beaulieu, Director

“Bryce Clark”
Bryce Clark, Director

ONE WORLD INVESTMENTS INC.

In Canadian Dollars

STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended December 31, 2013	Year ended December 31, 2012
EXPENSES			
Consulting fees	11	\$ 1,000	\$ -
Professional fees	11	50,004	109,495
Interest and financing costs	9,10	74,382	61,703
Management and directors fees	11	60,000	71,132
Office, rent and phone	11	16,345	28,893
Marketing, development and investor relations	11	15,814	2,346
Travel		5,189	11,516
Transfer agent and filing fees		16,089	23,569
Foreign exchange (gain)/loss		22,412	(7,032)
		(261,235)	(301,622)
OTHER ITEMS			
Impairment of exploration and evaluation assets	7	2	-
Impairment of marketable securities	6	50	-
Net and comprehensive loss		\$ (261,287)	\$ (301,622)
Basic and diluted loss per share		\$ (0.05)	\$ (0.06)
Weighted average number of shares outstanding – basic and diluted		5,055,506	5,055,506

ONE WORLD INVESTMENTS INC.

In Canadian Dollars

STATEMENT OF CHANGES IN EQUITY

	Issued Capital		Share-based Payment Reserve	Deficit	Total
	Shares	Amount			
BALANCE AT JANUARY 1, 2012	5,055,506	\$ 8,430,700	\$ 10,340	\$(9,020,215)	\$ (579,175)
Net and comprehensive loss for the year	-	-	-	(301,622)	(301,622)
BALANCE AT DECEMBER 31, 2012	5,055,506	8,430,700	10,340	(9,321,837)	(880,797)
Net and comprehensive loss for the year	-	-	-	(261,287)	(261,287)
BALANCE AT DECEMBER 31, 2013	5,055,506	\$ 8,430,700	\$ 10,340	\$(9,583,124)	\$(1,142,084)

ONE WORLD INVESTMENTS INC.

In Canadian Dollars

STATEMENTS OF CASH FLOWS

	Note	Year ended December 31, 2013	Year ended December 31, 2012
OPERATING ACTIVITIES			
Net loss for the year		\$ (261,287)	\$ (301,622)
Items not affecting cash:			
Foreign exchange loss (gain)		22,412	(7,032)
Interest		74,382	46,715
Impairment of exploration and evaluation assets		2	-
Impairment of marketable securities		50	-
		(164,441)	(261,939)
Net change in non-cash working capital:			
Sales tax receivable		25,564	(20,339)
Other current assets		-	(19,257)
Accounts payable and accrued liabilities		42,799	(49,429)
		(96,078)	(350,964)
FINANCING ACTIVITIES			
Loan payable		80,000	-
		80,000	-
Change in cash for the year		(16,078)	(350,964)
Cash - beginning		39,509	390,473
Cash - ending		\$ 23,431	\$ 39,509

ONE WORLD INVESTMENTS INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

In Canadian Dollars

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, exploration and development of exploration and evaluation assets. The Company's shares are listed on the TSX Venture Exchange ("Exchange") and the Company is currently halted for trading as it is in the process of acquiring a private company in Chile (Note 7).

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 December 31, 2013 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 April 25, 2014 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 and its subsidiary.

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.

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

b. Foreign currency translation (cont'd)

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 loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. 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 directly to the Company's foreign currency translation reserve in equity. 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.

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.

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

e. Share-based payments

The Company operates a stock option plan. 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.

Deferred income tax

Deferred income tax is provided using the asset and liability 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.

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

f. Income taxes (cont'd)

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

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 using 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.

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.

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

i. Exploration and evaluation (cont'd)

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.

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.

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

k. Financial instruments (cont'd)

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.

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

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after 1 January 2014 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position:

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.

4. Accounting standards issued but not yet effective (cont'd)

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date of IFRS 9 has not been specified.

New interpretation IFRS 21 "Levies"

This is an interpretation of IAS 37 "Provisions, contingent liabilities and contingent assets". The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

Amendments to IAS 32 "Financial Instruments: Presentation"

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after 1 January 2014.

The Company has not early adopted these standards and is currently assessing the impact that these standards 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.

5. Financial Instruments and Risk Management

Financial instrument classification and measurement

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

5. Financial Instruments and Risk Management (cont'd)

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.

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. Marketable Securities

Marketable securities consisted of an investment in shares of a company listed on the Exchange. During the year ended December 31, 2013, the Company fully impaired the investment, previously recorded at \$50.

7. Exploration and evaluation assets

a) Northeast Milliken Prospect and Sangudo Property

During the year ended December 31, 2013, the Company fully impaired these two properties, previously recorded at \$2.

b) Chilean Properties

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 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 transaction was scheduled to close by February 28, 2014, but was not completed by this date; however neither party has taken action to terminate the agreement and negotiations are still ongoing.

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 May 1, 2012 as a non-refundable advance; and (3) a 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.

ONE WORLD INVESTMENTS INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

In Canadian Dollars

7. Exploration and evaluation assets (cont'd)

b) Chilean Properties (cont'd)

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

8. Accounts payable and accrued liabilities

	December 31, 2013		December 31, 2012	
Accounts payable	\$	18,015	\$	35,698
Accrued liabilities		11,550		22,016
Taxes payable		116,475		116,475
Due to related parties (Note 11)		88,535		17,588
	\$	234,575	\$	191,777

9. Loans and promissory note payable

a) Promissory note payable

The note is unsecured and bears interest at a rate of 8% per annum, payable semi-annually. The principal balance of US\$ 318,164 and accrued interest were payable on December 31, 2014. The movement in the promissory note payable balance is as follows:

	Year ended December 31, 2013		Year ended December 31, 2012	
Balance, beginning	\$	316,541	\$	323,573
Interest		26,222		-
Effect of foreign exchange		22,412		(7,032)
Balance, ending	\$	365,175	\$	316,541

b) Loans payable

The first loan is unsecured and bears interest at a rate of 8% per annum. The principal and accrued interest were payable on December 31, 2014. The movement in the loan payable balance is as follows:

	Year ended December 31, 2013		Year ended December 31, 2012	
Balance, beginning	\$	259,483	\$	-
Assigned on January 30, 2012 (Note 10)		-		219,032
Increase in loan (unpaid interest)		-		23,323
Interest		20,759		17,128
Balance, ending	\$	280,242	\$	259,483

ONE WORLD INVESTMENTS INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

In Canadian Dollars

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

b) Loans payable (cont'd)

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. The movement in the loan payable balance is as follows:

	Year ended December 31, 2013		Year ended December 31, 2012	
Balance, beginning	\$	80,000	\$	-
Interest		8,416		-
Balance, ending	\$	88,416	\$	-

10. 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:

	Year ended December 31, 2013		Year ended December 31, 2012	
Balance, beginning	\$	225,622	\$	438,390
Increase (unpaid interest and other advances)		-		4,984
Repayments		-		(14,988)
Assigned to third party (Note 9)		-		(219,032)
Interest		18,986		16,268
Balance, ending	\$	244,608	\$	225,622

11. Related party transactions

The Company incurred the following costs with directors, officers and companies controlled by directors and officers of the Company for the year ended December 31, 2013:

- Management fees of \$30,000 (2012 - \$44,632) was paid or accrued to companies controlled by directors;
- Management fees of \$30,000 (2012 - \$26,500) was paid or accrued to a director of the Company;
- Professional fees of \$9,470 (2012 - \$19,634) was paid or accrued to an accounting firm of which a partner is a director of the Company;
- Investor relations fees of \$5,000 (2012 - \$Nil) were paid to a company controlled by a director; and
- Office rent of \$12,000 (2012 - \$17,666) was paid to companies with common directors.

ONE WORLD INVESTMENTS INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

In Canadian Dollars

11. Related party transactions (cont'd)

The following amounts owing to related parties are included in accounts payable and accrued liabilities as at December 31, 2013 (Note 8):

- a) \$52,675 (2012 - \$7,840) owing to a company controlled by a director of the Company;
- b) \$32,500 (2012 - \$2,500) owing to a director of the Company; and
- c) \$3,360 (2012 - \$7,248) owing to an accounting firm of which a partner is a director of the Company.

12. Share capital

a) Authorized

Unlimited common shares without par value.

b) Issued

No shares were issued during the years ended December 31, 2013 or 2012.

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 years ended December 31, 2013 or 2012.

d) Warrants

The 2,899,834 share warrants with exercise price of \$0.40 granted on September 9, 2011 expired on September 1, 2013. No warrants are outstanding as of December 31, 2013.

e) 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.

13. 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 December 31, 2013	Year ended December 31, 2012
Net loss before income taxes	\$ (261,287)	\$ (301,622)
Statutory tax rate	25%	25%
Expected income tax recovery at the statutory tax rate	(65,322)	(75,406)
Permanent differences and other	28,877	(40,316)
Change in valuation allowance	36,445	115,722
Income tax recovery	\$ -	\$ -

ONE WORLD INVESTMENTS INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

In Canadian Dollars

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

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

	December 31, 2013	December 31, 2012
Non-capital losses	\$ 942,000	\$ 897,000
Exploration and evaluation assets	264,000	264,000
Eligible capital expenditures	57,000	66,000
	1,263,000	1,227,000
Valuation allowance	(1,263,000)	(1,227,000)
Net deferred tax assets	\$ -	\$ -

The non-capital losses expire as follows:

2014	\$ 302,162
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	277,463
	\$ 3,767,669

14. 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.

One World Investments Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

In Canadian Dollars



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Independent Auditor's Report

To the shareholders of One World Investments Inc.

We have audited the accompanying financial statements of One World Investments Inc. which comprise the statement of financial position as at December 31, 2015, and the statement of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of One World Investments Inc. as at December 31, 2015 and the results of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that the Company has incurred operating losses since inception and has an accumulated deficit of \$10,208,901. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Restated Comparative Information

The statement of financial position as at January 1, 2014 has been derived from the statement of financial position as at December 31, 2013 (not presented herein). The financial statements of the Company for the year ended December 31, 2014 and 2013 (prior to the restatement described in Note 2a to the financial statements) were audited by another auditor who expressed an unmodified opinion on those financial statements on April 30, 2015 respectively.

As part of our audit of the financial statements of the Company for the year ended December 31, 2015, we also audited the adjustments described in Note 2a that were applied to restate the financial statements for the year ended December 31, 2014 and to derive the statement of financial position as at January 1, 2014. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the financial statement of the Company for the years ended December 31, 2014 and 2013 or to the statement of financial position as at January 1, 2014 other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the financial statements for the years ended December 31, 2014 and 2013 or the statement of financial position as at January 1, 2014 taken as a whole.

(signed) "BDO CANADA LLP"

Chartered Professional Accountants
Vancouver, Canada
April 28, 2016

ONE WORLD INVESTMENTS INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

		December 31, 2015	December 31, 2014	January 1, 2014
	Note	(\$)	(Restated - Note 2a) (\$)	(Restated - Note 2a) (\$)
Assets				
Current Assets				
Cash		\$ 647	\$ 395	\$ 23,431
Sales tax receivable	6	-	26,884	22,544
		<u>647</u>	<u>27,279</u>	<u>45,975</u>
Non - Current Assets				
Other Assets		-	-	24,957
		<u>\$ 647</u>	<u>\$ 27,279</u>	<u>\$ 70,932</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	8, 12	\$ 467,252	\$ 368,752	\$ 286,206
Loans payable	9	435,275	401,463	369,442
Promissory notes payable	10	579,083	429,448	365,175
Due to related parties	12	286,898	264,910	244,608
		<u>1,768,508</u>	<u>1,464,573</u>	<u>1,265,431</u>
Shareholders' Deficit				
Share capital	11	8,430,700	8,430,700	8,430,700
Share-based payments reserve	11	10,340	10,340	10,340
Deficit		<u>(10,208,901)</u>	<u>(9,878,334)</u>	<u>(9,635,539)</u>
		<u>(1,767,861)</u>	<u>(1,437,294)</u>	<u>(1,194,499)</u>
		<u>\$ 647</u>	<u>\$ 27,279</u>	<u>\$ 70,932</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board by:

"Douglas Fulcher"
 Douglas Fulcher, Director

"Alan Williams"
 Alan Williams, Director

ONE WORLD INVESTMENTS INC.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		December 31, 2015	December 31, 2014
			(Restated - Note 2a)
	Note	(\$)	(\$)
EXPENSES			
Professional fees	12	55,366	\$ 18,369
Interest and financing costs	9, 10	96,802	88,337
Management, Consulting, and director fees	12	41,775	57,226
Office, rent and phone	12	12,000	12,218
Transfer agent and filing fees		12,220	4,836
Foreign exchange loss		91,165	36,852
Exploration expenditures (recovery)	7	(5,645)	-
Write off unrecoverable tax	6	26,884	-
Impairment of other assets	7	-	24,957
		330,567	242,795
Net Loss and Comprehensive Loss		\$ (330,567)	\$ (242,795)
Basic and Diluted Loss per Common Share		(0.07)	(0.05)
Weighted Average Number of Shares Outstanding		5,055,506	5,055,506

ONE WORLD INVESTMENTS INC.

Statement of Changes in Shareholders' Deficit

(Expressed in Canadian Dollars)

	Share Capital		Share-based payments reserve (\$)	Deficit (\$)	Total shareholders' deficit (\$)
	Shares (#)	Amount (\$)			
Balance - January 1, 2014 (Restated - Note 2a)	5,055,506	8,430,700	10,340	(9,635,539)	(1,194,499)
Net loss for the year (Restated - Note 2a)	-	-	-	(242,795)	(242,795)
Balance - December 31, 2014 (Restated - Note 2a)	5,055,506	8,430,700	10,340	(9,878,334)	(1,437,294)
Net loss for the year	-	-	-	(330,567)	(330,567)
Balance - December 31, 2015	5,055,506	8,430,700	10,340	(10,208,901)	(1,767,861)

ONE WORLD INVESTMENTS INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	December 31, 2015	December 31, 2014
		(Restated - Note 2a)
	(\$)	(\$)
OPERATING ACTIVITIES		
Net loss for the period	\$ (330,567)	\$ (242,795)
Items not affecting cash:		
Foreign exchange loss	91,165	36,852
Interest and financing costs	96,497	88,337
Write off unrecoverable tax	26,884	-
Impairment of other asset	-	24,957
Net change in non-cash working capital		
GST receivable	-	(4,340)
Accounts payable and accrued liabilities	89,466	73,953
	(26,555)	(23,036)
FINANCING ACTIVITIES		
Promissory notes payable	26,807	-
Increase (decrease) in cash for the year	252	(23,036)
Cash - beginning of the year	395	23,431
Cash - end of year	\$ 647	\$ 395
Non-cash investing and financing activities and other information:		
Interest received	\$ -	\$ -
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

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 of the TSX Venture Exchange ("Exchange").

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

At December 31, 2015, the Company has a working capital deficit of \$1,767,861, has not identified a project to explore, has commitments due in the coming fiscal year and had an accumulated deficit of \$10,208,901 since inception and expects to incur further losses, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be successful in doing so in the future.

2. Restatement, basis of presentation and statement of compliance

(a) Restatement

The Company restated its statement of financial position as at December 31, 2014 and January 1, 2014, its statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficit for the year ended December 31, 2014.

Management conducted a review of certain accounting issues and determined that the following items required adjustment in the financial statements for the year ended December 31, 2014:

- i. Interest accrued on an outstanding loan balance was previously calculated on a compound basis when the simple method of interest was specified in the loan agreement terms; and
- ii. Outstanding taxes payable balances relating to Part XII.6 taxes and associated penalties and interest were not fully accrued.

The misstatements identified resulted in an increase in opening accumulated deficit and current liabilities. Similarly, ending current liabilities increased along with ending deficit for the year ended December 31, 2014.

The following describes the impact of the adjustments to the financial statements:

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- (a) The Company identified \$49,474 of interest that should have accrued on Part XII.6 taxes payable. An additional \$10,751 was identified as unrecorded late-filing tax penalties. As a result, total misstatement of \$60,225 was attributable to an understatement in the January 1, 2014 opening deficit of \$51,631 and \$8,594 attributable to the year ended December 31, 2014.
- (b) The Company identified an error in the carrying value of loans payable and opening deficit as at January 1, 2014. The cumulative error was a result of a calculation error of ending balances at year-end 2013 and an inappropriate use of the compound method to calculate interest. As a result, both the opening deficit and opening loan payable balance was understated by \$784.

As at December 31, 2014, both the ending carrying value of the loan and interest expense for fiscal 2014 were overstated by \$829 as a result of the incorrect usage of the compound interest method and the cumulative carrying value error previously noted.

The following tables present the impact of the restatement adjustments on the Company's previously reported financial statements as at and for the year ended December 31, 2014 as well as the impact on the statement of financial position as at January 1, 2014.

The restated statement of financial position at December 31, 2014 has been reconciled to the previously reported statement of financial position as follows:

	Previously reported	Adjustments	As restated
Accounts payable and accrued liabilities	\$ 308,527	\$ 60,225	\$ 368,752
Loans Payable	402,292	(829)	401,463
Total Liabilities	1,405,177	59,396	1,464,573
Deficit	\$ (9,818,938)	\$ (59,396)	\$ (9,878,334)
Total Shareholders' Deficit	(1,377,898)	(59,396)	(1,437,294)

The restated statement of financial position at January 1, 2014 has been reconciled to the previously reported statement of financial position as follows:

	Previously reported	Adjustments	As restated
Accounts payable and accrued liabilities	\$ 234,575	\$ 51,631	\$ 286,206
Loans Payable	368,658	784	369,442
Total Liabilities	1,213,016	52,415	1,265,431
Deficit	\$ (9,583,124)	\$ (52,415)	\$ (9,635,539)
Total Shareholders' Deficit	(1,142,084)	(52,415)	(1,194,499)

The restated statement of net loss and comprehensive loss for the year ended December 31, 2014 has been reconciled to the previously reported statement of net loss and comprehensive loss as follows:

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	Previously reported	Adjustments	As restated
Interest and Financing costs	\$ 81,356	\$ 6,981	\$ 88,337
Net Loss and Comprehensive Loss for the year	235,814	6,981	242,795

There were no changes to cash used in or from operating, investing, or financing activities.

(b) Basis of presentation and statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared on an historical basis, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

The Company’s functional and presentation currency is the Canadian dollar.

These financial statements were authorized for issuance by the Board of Directors on April 28, 2016.

3. Significant accounting policies

The financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value.

(a) Use of estimates and judgment

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 revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these financial statements include:

- Going Concern Assumption - 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
- Recoverability of Sales Tax Receivable – Management has determined collectability of sales tax receivable during fiscal 2015 was unlikely due to a government agency’s assessment of the Company’s lack of current commercial activity.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(b) Cash

Cash consists of cash on hand and demand deposits that are subject to an insignificant risk of change in value.

(c) Exploration and evaluation ("E&E") assets

Once the legal right to explore a property has been obtained, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase.

Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of the project are deemed to be impaired. As a result those E&E costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses E&E assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit is the smallest identifiable group of E&E assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(d) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its former properties that may result in material liability to the Company. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of

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exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

(e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(f) Financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i. Financial assets

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are held to maturity, and are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the reporting period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

ii. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities, loans payable, promissory notes payable, and due to related parties.

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(g) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period during which the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the 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 offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

(i) Flow-through shares and unit offerings

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through share premium") as follows:

- Share capital – the market value of non-flow-through share
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature based on the residual value method.
- Warrants – recorded as reserves based on the residual value method.

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Thereafter, as qualifying resource expenditures are incurred, these costs are expensed and the flow-through share premium is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares.

For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(j) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, for the years ended December 31, 2015 and 2014, no options or warrants were outstanding to be included in the calculation of diluted loss per share.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(k) Segmented information

The Company has one operating segment and operates in one geographical segment, being Canada.

(l) 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.
- IAS 1 – Disclosure Initiative, is effective for annual periods beginning on or after January 1, 2016.
- IFRS 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.
- IAS 24, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.

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

4. Financial instruments

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The Company has classified accounts payable and accrued liabilities, loans payable, promissory notes payables and due to related parties as other financial liabilities.

The carrying values of accounts payable and accrued liabilities, loans payable, promissory notes payables and due to related parties are measured at amortized costs and approximate their fair values due to the short-term maturity of these financial instruments.

5. 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.

(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.

(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, and foreign currency risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(i) 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

(ii) 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 exposed to foreign currency risk as it holds a promissory note denominated in US Dollars. As at December 31, 2015, the carrying value of the promissory note was \$550,228 (2014: \$429,448). All other monetary assets and liabilities are denominated in Canadian dollars.

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

6. GST receivable

During the year ended December 31, 2015, the Company determined GST receivable was unrecoverable, and wrote-off the amount of \$26,884 in the statement of loss and comprehensive loss.

7. Exploration and evaluation assets

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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: (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 May 1, 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. During the year ended December 31, 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 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.

8. Accounts payable and accrued liabilities

	December 31, 2015	December 31, 2014 (Restated - Note 2a)
	(\$)	(\$)
Accounts payable	74,405	19,007
Accrued liabilities	8,500	6,000
Part XII.6 tax payable	185,734	176,700
Due to related parties (Note 12)	198,613	167,045
	467,252	368,752

9. Loans payable

	Loan #1		Loan #2		Total	
	December 31, 2015	December 31, 2014 Restated - Note 2a	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014 Restated - Note 2a
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning of year	98,800	89,200	302,663	280,242	401,463	369,442
Interest	9,600	9,600	24,212	22,421	33,812	32,021
Balance - end of year	108,400	98,800	326,875	302,663	435,275	401,463

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. This note is held by a director of the Company, through a corporation.

Both loans are unsecured and now in default; however, no demands for repayment have been made. Management is exploring options with respect to extinguishing the loans.

10. Promissory notes payable

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	Promissory Note #1		Promissory Note #2		Promissory Note #3		Promissory Note #4		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balance - beginning of year	429,448	365,175	-	-	-	-	-	-	429,448	365,175
Additions during the year	-	-	15,000	-	10,000	-	1,807	-	26,807	-
Interest	29,615	27,421	1,348	-	674	-	26	-	31,662	27,421
Foreign exchange	91,165	36,852	-	-	-	-	-	-	91,165	36,852
Balance - end of year	550,228	429,448	16,348	-	10,674	-	1,833	-	579,083	429,448

Promissory Note #1: The note 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. The promissory note is held by a director of the Company.

Promissory Note #2: Funds were received on February 5, 2015. The note bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made.

Promissory Note #3: Funds were received on April 28, 2015. The note bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made.

Promissory Note #4: Funds were received on November 9, 2015. The note bears interest at 10% per annum and matured on December 31, 2015; however, no demands for repayment have been made.

All promissory notes are unsecured. All promissory notes are unsecured and now in default; however, no demands for repayment have been made. Management is exploring options with respect to extinguishing the promissory notes.

11. Share capital

a) Authorized

Unlimited common shares without par value.

b) Issued

No shares were issued during the years ended December 31, 2015 or 2014.

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 years ended December 31, 2015 or 2014.

d) Warrants

No warrants are outstanding as at December 31, 2015 or 2014.

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e) Share-based payments reserve

Share-based payments reserves includes the value of stock option grants and share purchase warrants prior to exercise.

12. 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 years ended December 31, 2015 and December 31, 2014 were as follows:

Services	Party	Year ended	Year ended
		December 31, 2015 (\$)	December 31, 2014 (\$)
Management Fees	A company controlled by a former Director and Officer of the Company	7,500	27,226
	Former Director and Officer of the Company	15,000	30,000
Professional Fees	An accounting firm of which a partner is a former Director and Officer of the Company	2,500	12,400
	A company owned by an officer of the Company	7,590	-
Rent	A company controlled by a former Director and Officer of the Company	3,000	12,000

The following amounts were owed to related parties as at December 31, 2015 and December 31, 2014:

	Year ended December 31, 2015 (\$)	Year ended December 31, 2014 (\$)
A company controlled by a former Director and Officer of the Company	105,700	94,675
Former Director and Officer of the Company	77,500	62,500
An accounting firm of which a partner is a former Director and Officer of the Company	7,823	9,870
A company owned by an officer of the Company	7,590	-
	<u>198,613</u>	<u>167,045</u>
A company with a former director in common	286,898	264,910
	<u>485,511</u>	<u>431,955</u>

During year ended December 31, 2015, \$198,613 (2014: \$167,045) was owing to related parties and were included in accounts payable and accrued liabilities, have no fixed terms of repayment, non-interest bearing and unsecured (Note 8).

13. Management of capital

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern in order to facilitate the development of mineral properties and to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met; and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, contributed surplus and deficit.

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The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management policies on an ongoing basis. During the year ended December 31, 2015, there has been no change in the Company's management of capital policies.

14. Income tax expense and deferred tax assets

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

	December 31, 2015	December 31, 2014
	(\$)	(\$)
Net loss before income taxes	(330,567)	(242,795)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory rate	(86,000)	(63,000)
Non-deductible and other	10,000	93,000
Effect of changes in tax rates	-	(51,000)
Expiry of loss carryforward	77,000	-
Change in unrecognized deferred tax assets	(1,000)	21,000
Income tax expense / recovery	-	-

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

	December 31, 2015	December 31, 2014
	(\$)	(\$)
Non-capital losses	1,033,000	1,058,000
Exploration and evaluation assets	176,000	176,000
Eligible capital expenditures	55,000	56,000
Other	25,000	-
	1,289,000	1,290,000
Valuation allowance	(1,289,000)	(1,290,000)
Net deferred tax assets	-	-

The non-capital losses expire as follows:

	(\$)
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	242,904
2035	204,405
	3,975,265



ONE WORLD
INVESTMENTS INC

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 position

Unaudited - expressed in Canadian dollars

		September 30, 2016	December 31, 2015
	Note	(\$)	(\$)
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 changes in shareholders' equity

Unaudited - expressed in Canadian dollars

	Share Capital		Share-based payments reserve (\$)	Deficit (\$)	Total shareholders' deficit (\$)
	Shares (#)	Amount (\$)			
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
	<u>(172,837)</u>	<u>(165,595)</u>
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(25,000)	-
	<u>(25,000)</u>	-
FINANCING ACTIVITIES		
Loans payable	119,660	27,493
Promissory notes payable	60,326	122,519
Advances from related parties	17,681	16,326
	<u>197,667</u>	<u>166,338</u>
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

ONE WORLD INVESTMENTS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
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functional currency, and were authorized for issue on October 13, 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

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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 payments and an aggregate 1% net smelter returns royalty payable with respect to each of the Chanarcillo, YervasBuenas, 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.

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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:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
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

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	(\$)	(\$)
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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
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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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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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

ONE WORLD INVESTMENTS INC.
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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:

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Party	Nine month period ended	Nine month period ended
	September 30, 2016	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	Nine month period ended
		September 30, 2016	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.

APPENDIX A:

NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT

(AS FOLLOWS)



**43-101 Technical Report
on the
Mogollon Project
Catron County, New Mexico, USA**

UTM 705 035E 3 698 618N
WGS 84 Datum – Zone 12S

One World Investments Inc.

By

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Appendix A Summary of Mining Claims and Property

Appendix B Independent Mining Consultants Memo

Summary

The author has been retained by the directors of One World Investments Inc. (“One World” or the “Company”) to prepare a NI 43-101 report on the Mogollon Project in Catron County, New Mexico. This report will summarize all known previous work on the property and make recommendations for future exploration and possible development.

One World identified the Mogollon Project as a candidate for acquisition as a result of discussions with Dr. David Hackman, a former director of One World, DR. Hackman is a geologist who worked on the Mogollon Project in the 1970s and 1980s.

The Mogollon property covers most of the entire mining district, which is a classic epithermal mineral occurrence. The district was first discovered in 1879, and suffered from its remote location, Indian attacks, and low silver-gold recoveries until 1904. The application of cyanide extraction technology greatly improved recoveries, and the district prospered until 1925, when increasing costs and a fixed gold price caused the mines to shut down. Production resumed in 1937 when the price of gold was increased. The mines were again shut down by order of the War Production Board in 1942. The district lay idle until 1976, when Sage Associates, a private exploration company, began exploring the district. The principal targets of exploration were the mines that were active in 1942 on east-west veins, plus exploration on east-west veins east of the Queen Vein.

Historical production of the Mogollon mining district is about 1.7 million tons grading 0.18 oz/ton Au and 9.2 oz/ton Ag. The Consolidated Mine is reported to have produced 320,00 tons grading 0.18 oz/ton Au and 10 oz/ton Ag between 1937 and 1942, when it was shut down due to World War II. Sage Associates optioned the property to the Cordilleran Exploration Syndicate (“Cordex”) in 1984. Drilling was conducted by Cordex in 1984, but subsequent litigation delayed further work until 1988, when the lawsuit was settled in favor of Sage and Cordex. Drilling in 1988 confirmed the existence of potentially economic Ag-Au mineralization at the Consolidated Mine, but market and economic downturns impacted additional exploration until 2015 when Stand Up Investment signed an option to purchase the Mogollon property which was subsequently assigned to One World (collectively referred to as “One World”).

One World commissioned Dr. Hackman and a mining engineering firm to collect and digitize all data available and to make recommendations for additional exploration at the Consolidated Mine. The firm recommended work to confirm historical drill and assay data, and additional drilling to elevate the Consolidated Mine target area to geologic resource status or better enroute to calculation of a NI 43-101 compliant resource.

Because no Ag-Au mineralization is accessible to sample and confirm, the author has reviewed and relied upon all available data, including historical district production, drill records and assays, geologic and geochemical information. Based on these analyses, the author concurs with the mining engineering firm and its recommendations, and has prepared a program and budget to explore the Consolidated Ag-Au zone.

Introduction and Terms of Reference

1.1 Introduction

This report provides a summary of the exploration and mining history, geological setting, and mineral potential of the Mogollon Project located in southwest New Mexico, United States (figure 1).

1.2 Terms of Reference

One World has requested that Geological Consultant John Hiner visit and review the Mogollon Project proposed for acquisition in New Mexico and prepare a technical summary report. One World proposes to acquire the project by transfer of the property from a private company, Stand Up Investments Ltd., and assume the obligations of the purchase option held by SUI. The SUI purchase option is shown in Appendix C.

This report has been prepared under the guidelines of National Instrument 43-101 and is to be submitted as a Technical Report to the Canadian Securities Exchange (CSE).

Currency used throughout this report is the United States of America dollar.

Table 1 List of Abbreviations

Abbreviation	Unit or Term
%	Percent
⁰	Degrees of longitude, latitude, compass bearing, gradient, or temperature
<	Less than
>	Greater than
AA	Atomic absorption
Ac.	Acre or Acres (1 acre=43.650 square feet, approximately40% of a hectare)
Au	Gold
⁰ C	Degrees Celsius
3-D	Three-dimensional
cm	Centimetres
cm ³	Cubic centimetres
Cu	Copper
EOH	End of hole
Ft	feet
g	Grams
g/cm ³	Grams per cubic centimetre
g/t	Grams per tonne
GPS	Global positioning system
ha	Hectares
ICP	Induction coupled plasma
in	Inches
l or liter(s)	Liter(s)
Li	Lithium
l/s	Liters per second
kg	Kilograms
kg/t	Kilograms per tonne

km	Kilometre(s)
km ³	Cubic kilometre(s)
M	Million(s)
m	Metre(s)
Mg/l	Milligrams per Liter
m ³	Cubic metre(s)
N	North
NSR	Net Smelter Return
Opt or oz/t	Ounces per ton
ppb	Parts per billion
ppm	Parts per million
RC	Reverse circulation (a drilling method)
S	South
SG	Specific gravity
t	Short tons, being 2,000 pounds (907kg)
US	United States
US\$	US dollars
UTM	Universal Transverse Mercator

This report utilizes the Universal Transverse Mercator Geographic Coordinate System (UTM) to establish locations noted in the report. The UTM system divides the world into 60 north-south zones, each consisting of six degrees of longitude in width. The first zone begins at the International Dateline (180° using geographic coordinate system). The zones are numbered from west to east, with zone 60 completing the circumference (174° to the International Dateline).

The origin for north-south location values depends on whether you are in the northern or southern hemisphere. In the northern hemisphere, the origin is the equator and all distances north (“northings”) are measured in meters from the equator. In the southern hemisphere the origin is the South Pole and all northings are measured from there. The reason for the separate origins in northern and southern hemispheres is to eliminate the need for any negative numbers.

UTM coordinates are generally given with the UTM zone noted first, then the east location (“easting”), then the northing. Eastings are always a six digit number, whereas the northing figure is almost always a seven digit value. For additional reference, the reader is referred to http://en.wikipedia.org/Global_Positioning_System.

1.3 Purpose of Report

The purpose of this report is to provide an independent evaluation of the exploration and mining done to date, and of the exploration and development potential of the Mogollon Project. This report makes recommendations for further work to evaluate the potential for epithermal gold mineral occurrences at Mogollon.

1.4 Sources of Information

Outside sources of information utilized in the preparation of this report consist of exploration, geological, mining history data, and other reports available in the public

record and from private corporate files. Tucson-based Independent Mining Consultants (“IMC”), a well-known and respected mining engineering firm, has been engaged to prepare a geologic resource calculation based on presently available drill data. Their report is appended herein.

1.5 Personal Inspection

From November 12 through November 15 2015 Mr. Hiner visited and examined the Mogollon Project for the purpose of reviewing geology, to examine areas of previous mining, to examine areas of anomalous gold silver geochemistry, and to examine in detail, where possible, known mineral occurrences. There has been no substantive new scientific or technical information developed with respect to Mogollon, excepting ongoing work by IMC to develop a geologic resource based on prior drill hole data and geologic mapping and sampling along the north-trending Queen Vein north of the main district. Mr. Hiner has also confirmed with local property owners, the officers and directors of One World, and with other technical people knowledgeable about the property that there has been no substantive scientific or technical information developed with respect to Mogollon since Mr. Hiner’s site inspection in November 2015.

2.0 Reliance on Other Experts

In the preparation of this report, the author has relied on information obtained through a review of public and private documents, reports, and data. The author also relied upon input from Cordex and Sage Associates personnel and other technical experts who would not be considered Qualified Persons under NI 43-101, but who have the necessary qualifications and experience at Mogollon to provide input and opinions regarding the Mogollon Project.

Independent Mining Consultants was engaged to review and quantify results of prior drilling with an eye to providing a calculation of a geologic resource. IMC has operated for over 30 years providing mine engineering consulting services for the base and precious metals markets. IMC’s team of engineers and geologists specialize in feasibility studies, open pit mine design, ore reserve estimation and verification, and a variety of production related activities. IMC’s clients range from small exploration firms to Fortune 500 companies. IMC’s documents have been reviewed and accepted by leading financial institutions for investment decisions. The author has known and worked with the principals of IMC for several years, and attests to the quality of the company’s work.

The author relied upon the experience of H.D. Neel, an independent professional landman who was engaged to provide a summary of land status, and confirmation of title of properties involved in the Mogollon Project. The study included confirmation of title for both the patented mining claims and unpatented mining claims involved in the Mogollon Project. In addition, Neel examined land status and ownership as well as availability for expansion if One World elects to expand the project’s footprint. The

author has known and worked with Neel on other projects, and respects Neel's abilities and thoroughness.

3.0 Property Description and Location

3.1 Area and Location

The Mogollon Project is located in Catron County in southwest New Mexico. The approximate center of the district in UTM coordinates is 705,035E-3,698,618N (WGS 84, zone 12S). Under the United States Public Land Survey System (rectangular coordinates), the Mogollon Project is located in Townships 10 and 11 South, Range 19 West. Topographic map coverage is good. The Clifton 1:250,000 scale AMS sheet covers the region surrounding Mogollon, including eastern Arizona and western New Mexico. The adjacent sheet to the south is the Silver City 1:250,000 scale AMS map sheet, which provides interstate and state highway information that provides access to Mogollon from the east. Additional coverage is provided by a 30°X60° 1:100,000 map sheet called Mogollon Mountains. The best coverage, and most used of the USGS series of maps is the 1:24,000 scale Mogollon map sheet, which provides good topographic detail for general exploration work. For more detailed mine exploration and areal reconnaissance, private companies that have worked in the area have developed maps of various scales from flight photography.

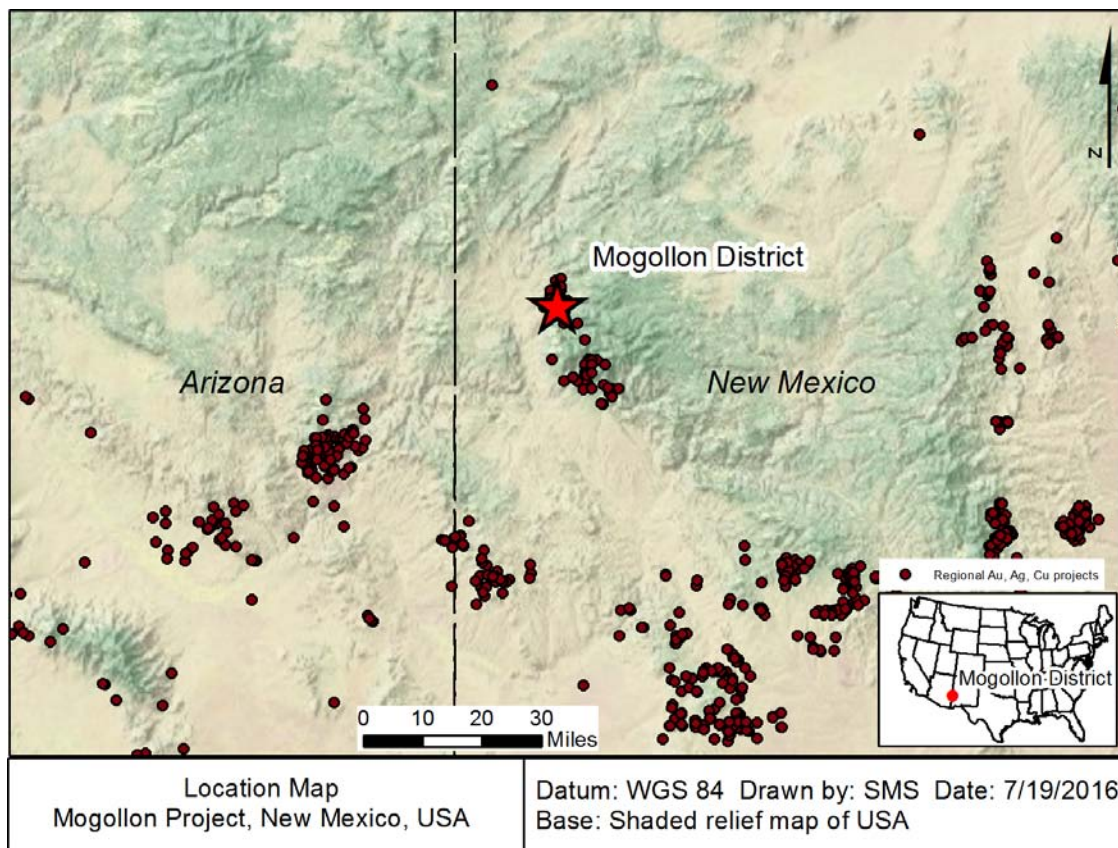


Figure 1 Project Location Map

3.2 Mineral Property and Title in the western United States and New Mexico

In New Mexico, as elsewhere in the United States, mining is nominally regulated under the auspices of the Mining Law of 1872, with its many revisions. Implemented to encourage westward migration and resource development, the Mining Law has been provided mechanisms for staking claims and establishing control of minerals on public lands. The Law also provided for conversion of mining land to private ownership via the process of patenting mining claims. The patent process was suspended in the 1990's by the U.S. government. Over time, regulatory authority has been increasingly assumed by several federal agencies (Bureau of Land Management and the U.S. Forest Service), and some state regulatory agencies as well.

There are two entities that govern mining activities in New Mexico under the state's Mining Act of 1993, consisting of the Mining Commission and the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department (EMNRD). The Mining Commission is charged with developing the rules necessary to implement the Mining Act and hearing appeals of permitting and enforcement actions by MMD. The Mining Commission consists of eleven members, four appointed by the Governor and seven ex officio. The seven ex officio members represent different government entities. The appointed members, consisting of two voting members and two alternates, "shall be chosen to represent and to balance environmental and mining interests."

The New Mexico Mining Act asserts authority for all mining-related activities in New Mexico. Under the Mining Act, the requirements for a mining operation depend on how the operation is classified. The major categories of operations are existing mining operations, new mining operations, and exploration operations. Within each of these categories, there is a subcategory of minimal impact operations. The act provides that reduced requirements should be applied to "operations that have minimal impact on the environment."

Generally, minimal impact mining operations are 10 acres or less in size, and minimal impact exploration operations are 5 acres or less in size.

A permit for an exploration operation is the simplest to obtain. Exploration permits are valid for one year and may be renewed. Exploration operations must reclaim any disturbed areas within two years after completion of the operation.

3.3 Environmental Issues and Liability

Exploration and mining operations in the United States and New Mexico in particular are subject to a number of regulatory regimes. These include water and air quality rules of the state Environmental Department and the federal Environmental Protection Agency (EPA). On public lands, exploration and mining operations are subject to the rules of management agencies such as the federal Department of Interior Bureau of Land

Management (BLM), the federal Department of Agriculture U.S. Forest Service, and the state of New Mexico's State Land Office.

Under the auspices of the New Mexico Mining Act, Mining Act permits are treated as umbrella permits that require the operator to have obtained all other necessary permits and additionally to obtain a determination from the state Environment Department that the permitted exploration or mining activities will achieve compliance with environmental standards.

As regards liability at Mogollon, there are open stopes and mine shafts that could create liability if not properly fenced and posted as dangerous. The ores and wall rocks that were mined at Mogollon do not contain deleterious elements such as mercury, asbestos, arsenic, antimony, or uraniferous minerals.

3.4 Permits

A permit for an exploration program under the New Mexico Mining Act is relatively simple to obtain, as long as ground disturbance is less than 5 acres. Exploration permits are valid for one year and may be renewed. Exploration operations must reclaim any disturbed areas within two years after completion of the operation. The Mining Act requires that each operator post, prior to obtaining a permit, financial assurance sufficient to assure the completion of the performance requirements of the permit, including closure and rehabilitation. Traditionally, mining companies have relied upon surety bonds as the primary form of financial assurance. However, changes in the insurance industry have made surety bonds very difficult and expensive to obtain. Recognizing this, the Mining Commission amended its rules to allow additional forms of financial assurance, including trust funds, financial guarantees, collateral, and letters of credit.

3.5 Land Status at Mogollon

As is typical of old mining districts in the western United States, the Mogollon District is a large patchwork of patented (private) mining claims interspersed and surrounded by unpatented mining claims. The property package includes 81 patented mining claims and 86 unpatented mining claims. An exact acreage has not been calculated due to overlapping claims, differing claim sizes, and odd-shaped boundaries, but the claims cover significant portions of sections 27, 28, 29, 33, and 34 in T10S-R19W, and sections 3 and 4 in T11S-R19W. The complex property status is outlined in Appendix A of this report, and shown in figure 2 below.

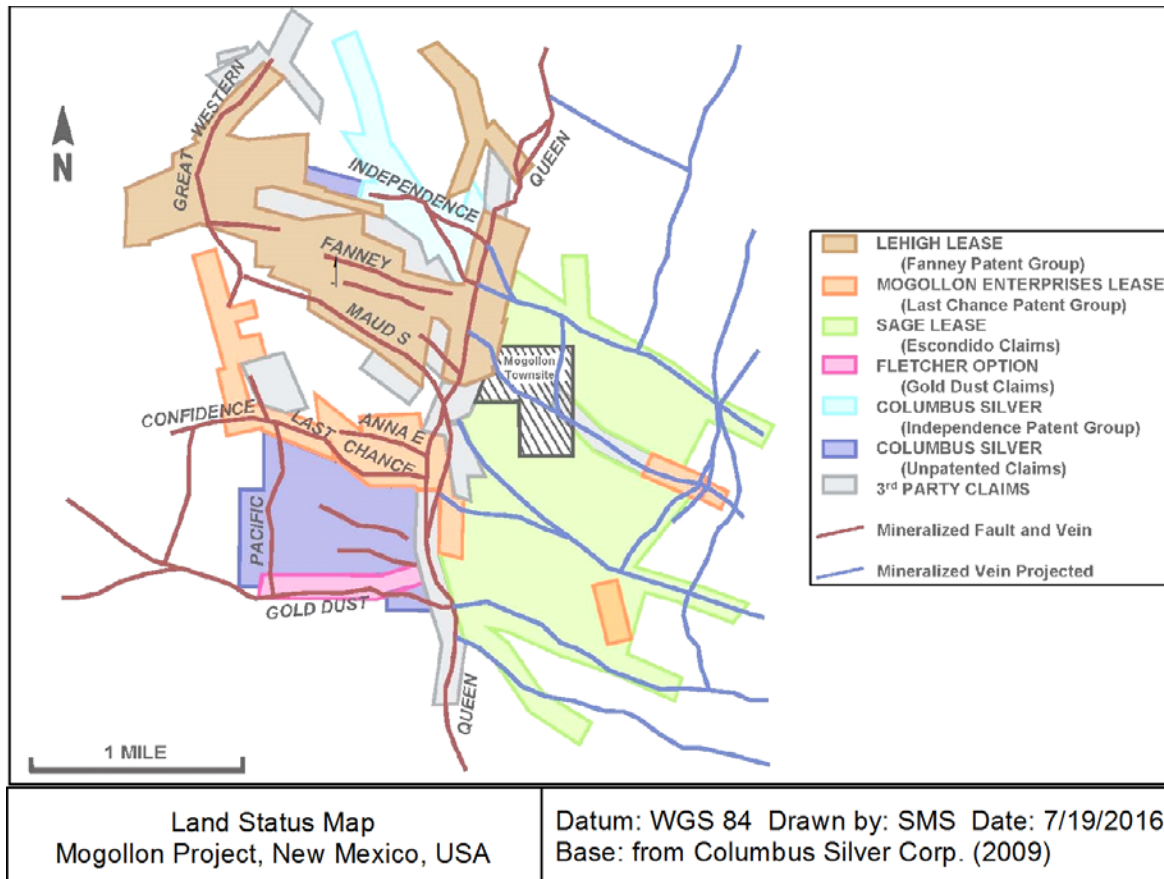


Figure 2 Land Status at Mogollon

Under the option agreement between Columbus Gold and One World Investments, the following payments must be made to acquire 100% of the Mogollon Project:

1. \$50,000 by January 31 2016 (paid);
2. \$200,000 by December 31 2016 and December 31 2017; and
3. \$275,000 by December 31 2018 and December 31 2019.

In addition, underlying property owners retain a net smelter royalty of 3% for Au-Ag, which increases to 4% if Au exceeds \$1,000.

Sage Associates retains a net smelter royalty of 0.5% until \$500,000 has been paid, and 1% thereafter in perpetuity.

In addition, under the Letter Agreement with Stand Up Investments Ltd. ("SUI") One World must make the following payments to SUI.

1. \$25,000 on execution of letter of agreement (paid);
2. \$75,000 on the closing date; and
3. \$200,000 twelve months from the closing date.

As well on commencement of commercial production SUI will be paid a net smelter royalty of 1%.

4.0 Access, Climate, Local Resources and Infrastructure and Physiography

4.1 Access

Interstate Highway 10 traverses the southwest United States, and passes through southern Arizona and southern New Mexico. A number of state highways and subsidiary paved roads provide access to the Mogollon Project.

From Tucson, travel east on Interstate Highway 10 about 85 miles to Arizona state highway 191, which leads north and east about 100 miles and terminates at New Mexico state highway 180. Proceed north on highway 180 to the Mogollon turnoff, which is New Mexico state road 159. Road 159 leads eastward into the steep Mogollon Mountains and is paved to the small town of Mogollon, which is situated in a narrow valley in the middle of the Mogollon Project land holdings.

From Las Cruces, travel west approximately 53 miles to the intersection of New Mexico state highway 180. Proceed northerly on state highway 180 through the town of Silver City to the Mogollon turnoff, a distance of 118 miles. Turn east on state road 159 about nine miles to the town of Mogollon.

From the town of Mogollon a network of graded and unimproved dirt roads provide access to the numerous mines, prospect pits, and vein outcrops in the project area.

4.2 Climate

Elevations in the project area range from 5900-7900 feet. Winter snow is common, but not long-lasting. Average winter snowfall amounts to 50 inches. Winter temperatures range from a low of 19 degrees Fahrenheit to highs in the mid 50's Fahrenheit. Summers are temperate, with low temperatures in the high 40's Fahrenheit and summer highs in the mid 80's Fahrenheit. In the higher reaches of the Mogollon Mountains, thundershowers are common in the late summer months.

The lower plains west of the Mogollon Mountains exhibit vegetation characteristic of the semiarid southwest U.S., with sagebrush, rabbitbrush, and cactus being the dominant species. In the Mogollon Mountains, the hills are commonly covered with a mix of small oak trees, mountain mahogany all interspersed with the common pinion-juniper trees that dominate most of the project area. To the east of the Mogollon area, the high reaches of the Mogollon Mountains are more heavily wooded, where pine and fir trees are the dominant species.

4.3 Local Resources and Infrastructure

There are limited services in the area. Gasoline, water and food supplies can be obtained in Glenwood, a small town west of Mogollon that services a ranching community. Several small motels are available to house exploration personnel, and a few restaurants exist in Glenwood and Alma, another small town north of Glenwood. The largest city in the area is Silver City 85 miles distant to the south, which is a railhead and former mining town itself. The population of Silver City is adequate to provide a skilled work force. Electricity is available in Mogollon, but it is likely that additional electrical capacity would need to be added to accommodate modern mining activities.

4.4 Physiography

The Mogollon mining district is in the western part of the Mogollon Range. The range, which is the highest in southwest New Mexico, is characterized by steep and rugged terrain. The west-facing flank is especially precipitous, as it constitutes a young fault scarp that has lifted the range. The range front is cut by deeply incised canyons that drain the interior reaches of the range. Because the faulting that has produced the present topography is itself very young, the stream canyons are very young, and canyon walls are particularly foreboding and precipitous, especially near the range front. The Mogollon is situated in this rugged terrain, although to the east of the district the topography is less rugged and the canyons not as deeply incised.

5.0 History

Credit for the discovery of gold-silver mineralization goes to a Sergeant James Cooney of the Eighth Cavalry of the U.S. Army. Sergeant Cooney led a scouting expedition into the Mogollon Range and noted the prominent vein outcrops of the region. In 1875 he returned to the area and staked mining claims that subsequently became the Cooney Mine. Ongoing problems with Indians prevented Cooney from doing any development until 1879, when the first ore was shipped from the mine. The district was active in the late 1800's but consistent production was hampered by continued Indian attacks and low recoveries from sulfide ores until 1905. Numerous mines operated on various lodes in the district during the period 1879-1905. Application of the cyanide process improved recoveries and rejuvenated the district until about 1925. The largest producers were the Fanny and Confidence Mines. At one point as many as ten mills were processing ores from Mogollon veins. Increasing costs and a fixed gold price impacted production until about 1937, when the Consolidated Mine began operations on the Queen Vein. All the gold mines in the district were closed by order of the War Production Board due to the advent of World War Two.

As of 1942, three mines were in full operation: the Last Chance, the Maud S, and the Consolidated. All three mines suspended operations as a function of the War, not a lack of ore in sight. Table 2 lists Mogollon production by year.

Table 2 Mogollon Mining District Production (1904-1942)

Year	Tons	Au (oz)	Au (oz/t)	Ag (oz)	Ag (oz/ton)
1904	11,276	2,994	0.266	79,014	7.01
1905	15,534	4,700	0.303	240,943	15.51
1906	16,075	6,188	0.385	268,567	16.71
1907	20,698	5,100	0.246	418,338	20.21
1908	19,546	5,632	0.288	278,939	14.27
1909	23,945	5,393	0.225	249,413	10.42
1910	50,514	14,717	0.291	595,669	11.79
1911	102,219	25,707	0.251	1,067,038	10.44
1912	101,361	25,392	0.251	1,093,158	10.78
1913	115,739	29,990	0.259	1,306,766	11.29
1914	136,124	30,436	0.224	1,410,327	10.36
1915	119,710	24,633	0.206	1,301,059	10.87
1916	118,257	18,049	0.153	1,008,483	8.53
1917	111,934	12,512	0.112	722,642	6.46
1918	56,540	5,791	0.103	302,902	5.36
1919	56,531	7,167	0.127	382,800	6.77
1920	41,895	6,078	0.145	329,489	7.86
1921	48,870	6,134	0.126	310,774	6.36
1922	48,106	6,876	0.143	322,460	6.70
1923	47,644	8,677	0.182	398,714	8.37
1924	72,736	11,174	0.154	618,094	8.50
1925	52,118	7,911	0.152	449,659	8.53
years 1926-1936 no production records available					
1937	45,508	7,236	0.159	278,054	6.11
1938	64,352	9,138	0.142	456,899	7.10
1939	60,165	8,303	0.138	420,553	6.99
1940	68,548	10,214	0.149	533,664	8.87
1941	61,460	8,357	0.136	537,073	8.74
1942	22,237	2,891	0.130	207,916	9.35
Total	1,709,642	317,390	0.188	15,589,407	9.32

Production records prior to 1904 are incomplete. Recovery of gold and silver from stamp mills was low, due both to the inherent inefficiencies of stamp mills and the difficulties of recovering metals from sulfide ores. Table 3 below lists known and estimated production by mine and year from 1879 through 1942.

Table 3 Mogollon Production by mine and year

Mine	Ounces Recovered			Mine Grade (oz/ton)		Years	Notes
	Tons Ag	Au		Ag	Au		
Last Chance	25,000			15-20?	0.2	1900-1904	
Little Fanney	85,000			20-30 Ag equivalent		1890-1904	
Confidence	90,000			20-30 Ag equivalent		1890-1904	
Maud S	65,000			20-30 Ag equivalent		1890-1904	
Cooney	100,000			\$17/ton estimate		1879-1909	
	365,000	3,650,000	36,500			1879-1909	totals based on estimated grade 20oz/ton, 50% recovery
Last Chance	621,191	5,600,000	114,000	10	0.21	1904-1925	ounces estimated from tonnage produced, 90% recovery
Little Fanney	521,989	5,100,000	110,000	10.9	0.203	1909-1925	
Deadwood	55,578	400,000	7,000	7.69	0.148	1911-1914,1919-1925	
Confidence	90,000	800,000	13,000	8-9	0.16-0.17	1919-1925	
Fanney and other	98,000					1904-1925	
	1,386,758	11,900,000	244,000			1904-1925	
Last Chance	8,989	103,000	2,500	12.79	0.31	1938-1941	
Maud S	8,226	64,000	1,600	8.66	0.22	1937-1942	
Consolidated	292,993	2,030,000	30,000	7.7	0.113	1937-1942	
Other	12,061					1937-1942	
	322,269	2,197,000	34,100			1937-1942	
District totals	2,074,027	17,747,000	314,600	11-12	0.18	1879-1942	

With early production estimates combined with later recordkeeping, the district has produced about 2 million tons of ore, from which over 17 million ounces of silver and 314 thousand ounces of gold were recovered.

6.0 Geological Setting and Mineralization

6.1 Regional Geology

The Mogollon Mining District is located within the Datil-Mogollon volcanic field, a large mid Tertiary volcanic center that was active about 20-28 million years ago. The majority of volcanic rocks in the field are ash-flow tuffs, but intermediate lavas are present in the section. The volcanic rocks were erupted from several large calderas.

The volcanic rocks were subsequently subjected to regional faulting, which may have been in response to east-west extension tectonics in the western U.S. and Mexico.

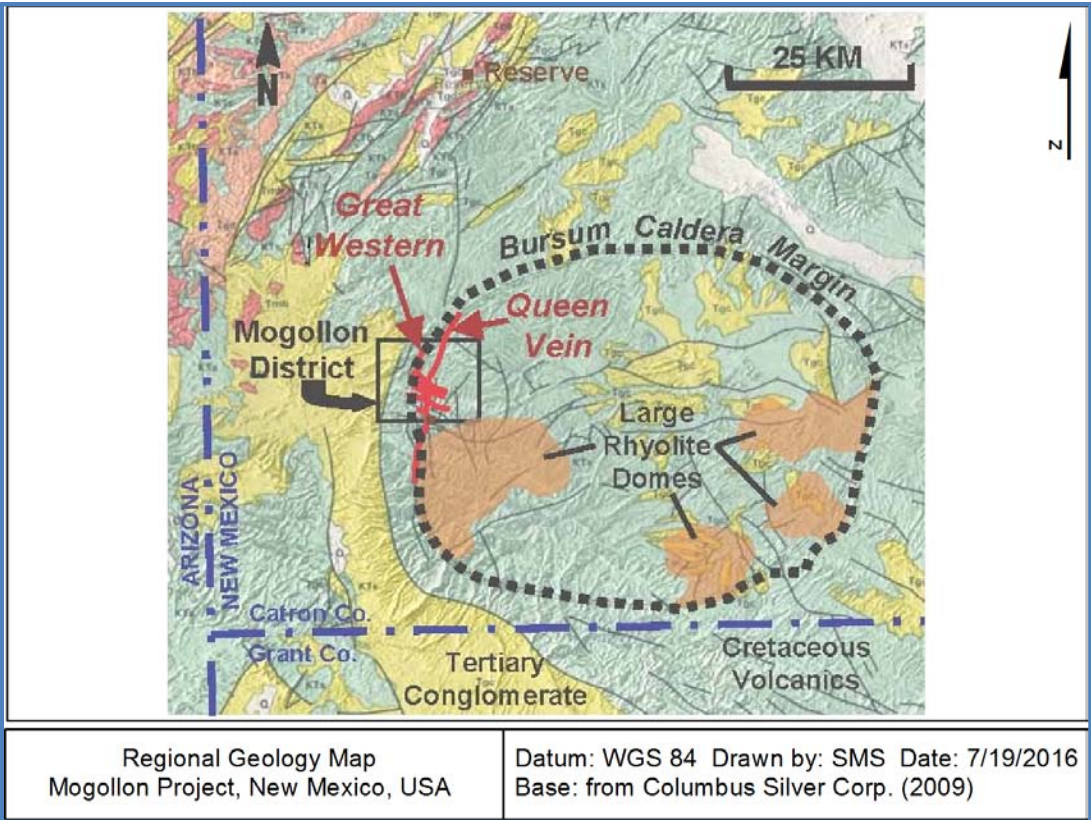


Figure 3 Regional Geology

6.2 Local Geology

The Mogollon District is located on the western margin of one of the calderas in the region, known as the Bursum Caldera. In addition to the ash-flow tuffs and subordinate andesite and dacite, rhyolite intrusive domes and flows were also emplaced late in the caldera's life along ring-fractures. Productive veins in the Mogollon District are hosted

Local geology is shown in figure 5 below. Again, the relationships of andesites and the Fanney Rhyolite appear to play an important role in the deposition of Ag-Au in veins in the district.

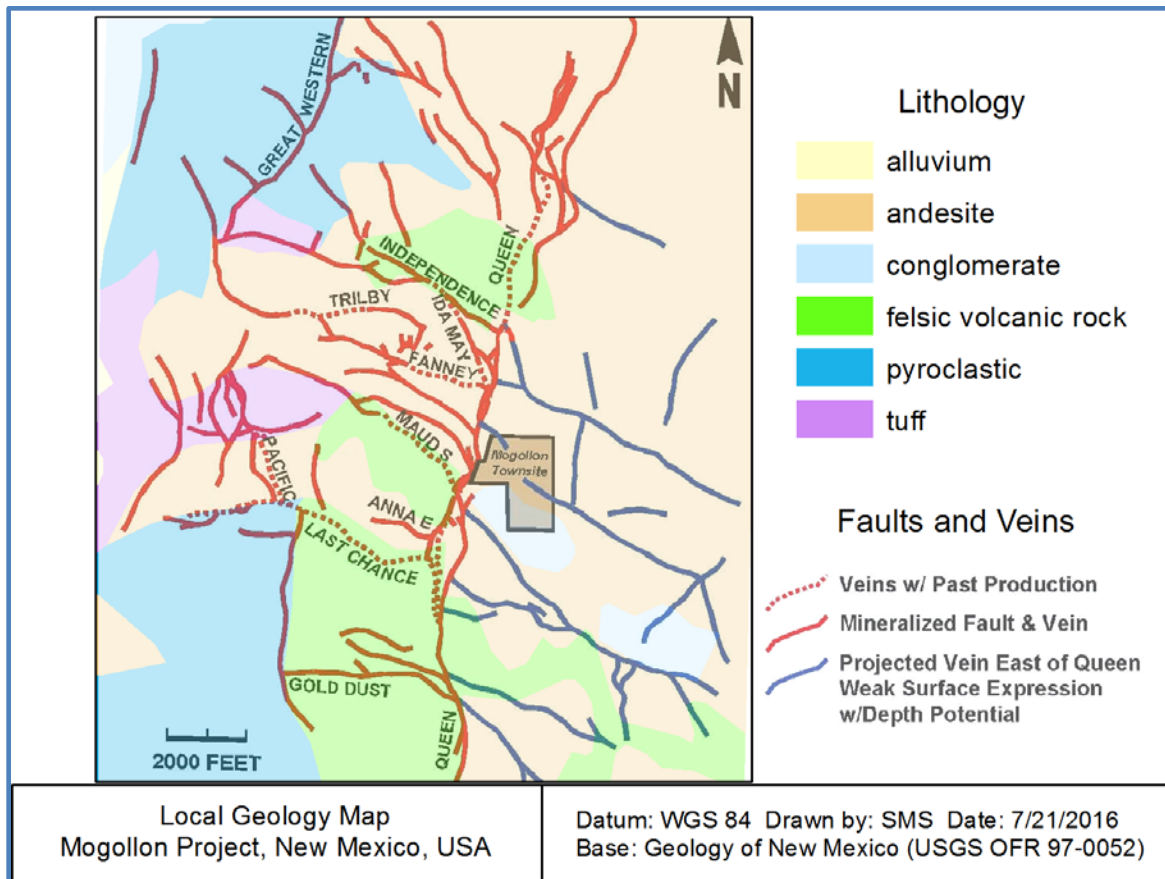


Figure 5 Local Geology

At least one of the ring fractures of the Bursum Caldera passes beneath the mining district, but is buried by the later caldera infill volcanic rocks. The ring fracture controls much of the distribution of the older ash-flow volcanic rocks in the western part of the district and the younger moat-filling volcanic in the central part of the district. Most of the known faults in the district developed after the caldera event although they may be in part reactivated along or above the buried ring fracture weaknesses. Two groups of faults are present in the Mogollon District: a west-northwest set and a northerly set. Both groups are normal or block faults. The westerly set creates a graben, coincident with Silver Creek in the central district. Faults north of Silver Creek dip south and are down to the south. Faults south of Silver Creek dip north and are offset down to the north. Two northerly trending fault systems appear to offset the westerly graben faults. These faults, named the Queen and Great Western-Pacific, dip steeply east. Close inspection of fault relationships suggests that both fault systems occurred synchronously or nearly so. The westerly faults (and the veins they host) change strike

as they approach the north-trending faults. This relationship is particularly striking on the Maud S. and Last Chance structures, which change strike to nearly parallel with the Queen Fault and then merge into it. Both fault sets are host to the vein mineralization that has been exploited in the district. The block diagram below shows the relationship of faults in the Mogollon District.

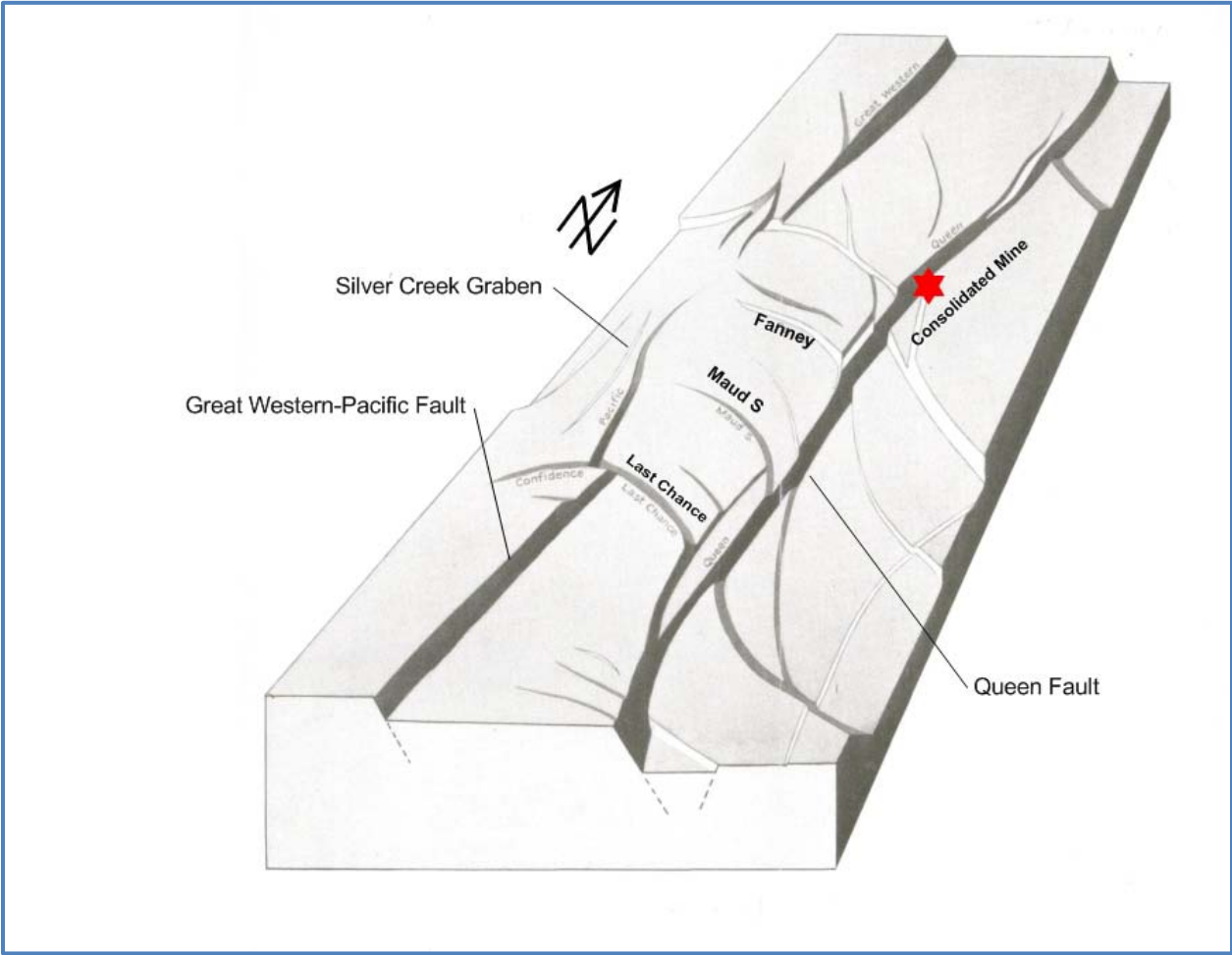


Figure 6 Block Diagram of Mogollon District, showing structural setting (after Ferguson, 1928)

6.2 Mineralization

Mineralization in the Mogollon District is in epithermal quartz-calcite veins along faults and fractures. The main ore minerals in the veins include argentite and native gold. Base metal sulfides are present at depth as is increasing amounts of pyrite. Overall,

sulfides constitute a low percentage (less than 1%) of the veins. Secondary silver and copper minerals are present in the upper oxidized portions of the veins.

Silver to gold ratios vary from 60:1 to 20:1, and the district average is 48:1. The average grade from documented tonnage and recovery is 0.18 opt Au and 9.2 opt Ag (see table 2 above).

Vein widths range from 90 feet wide to a few inches. Mined stopes vary from four feet to fifteen feet wide, with a known maximum of twenty feet. Stopes in the Last Chance Mine average twelve feet, 8-10 feet in the Fanney Mine, and twelve feet in the Consolidated Mine. Ore values were best where the veins were widest, but usually only the footwall or hanging wall portion constituted mineable ore.

Gangue minerals are quartz, calcite, adularia, and fluorite. Gangue and sulfide minerals are rhythmically banded with alternating layers of thin quartz, calcite, and other minerals. Several types of quartz are present, including early chalcedony and ore-stage granular, crystalline quartz are present. In general, veins are richer in quartz and poorer in calcite as ore shoots are approached.

Many of the ore shoots were blind to the surface and were found only by underground prospecting. At the surface above the blind shoots there is little indication of ore-grade Au-Ag mineralization at depth, and surface expression is commonly limited to minor barren silica and calcite along a thin trace of the fault that hosts the vein in which the ore shoots occur. The productive portions of the veins pass downward into more base metal values, lower silver values, and reportedly narrower vein widths.

7.0 Deposit Types

All of the precious metal mineralization that has been mined in the Mogollon District is of classic epithermal origin. The mineralized ore shoots in veins hosted by faults in the district are classified as "bonanza" type. The style of mineralization is very similar in mineralogy, structure, and geologic setting to such districts in the western United States and Mexico as the Comstock Lode and Tonopah (Nevada), and Guanajuato and Tayoltita (Mexico), and many other epithermal districts in western North America.

As is the case with other epithermal deposits, the ore shoots at Mogollon exhibit a fairly strict vertical range. The maximum known vertical extent of mineralization was 1,100 feet at the Fanney Mine. The Last Chance Mine had about 800 feet of productivity. Other veins were less, likely due to erosion at the top of the shoots. The Fanney and the Last Chance, the best mines in the district, were basically blind discoveries and the entire vertical range of mineralization was thus preserved for mining (see table 3 above).

The elevation of good mineralization is reasonably consistent throughout the district, allowing for exploration for vein projections beneath cover. The elevation of mineralization is also consistent throughout the district from one fault block to another, suggesting there was little post-ore movement.

Two exceptions to the consistency of known elevations of productive intervals are the Cooney Mine, which contained more copper-silver than other mines in the district and less gold, suggesting the mine was either at the edge of the district or the elevation of mineralization was lower in the epithermal profile. The other exception is the main north-south Queen Vein, which is poorly known. The prevailing thought during the active life of the district was that the westerly faults and veins were more productive than the northerly faults. This partly explains why the Consolidated Mines operation on the Queen Vein did not occur until 1937, despite being partially exposed at the surface. When mining was suspended at the Consolidated in 1942, there was still ore in the face and in the floor of the lowest drift- the 1,000 level. At the Consolidated, the upper level of mineralization may be about 6,600'. The lower level remains unknown, although drill intercepts indicate substantial depth potential may exist.

Table 4 Topographic elevations of known productive levels

Productive Levels		
Mine	Maximum elevations	Main elevations
Last Chance/Confidence	6100-7200' elevation	6200-6800'
Pacific		6200-6600'
Maud S.		6200-6800'
Fanney	5900-7100'	6000-6900'
Johnson		6400-6800'
Eberle-Clifton		?-6600'
Cooney		5700-6400

Ore controls along the strike of the veins include cross-structures, possible strike and dip variations, and wall rock type. The veins are stronger and mineralization more consistent where one wall is rhyolite and the other wall is andesite. Experience in the district suggests that any other combination is less productive. In the Fanney and Last Chance mines veins where rhyolite was the hanging wall and andesite the footwall, 47% of the vein was ore. Where the rhyolite constitutes the footwall and andesite the hanging wall, then 25% was ore. Where both hanging wall and footwall were the same rock type, either andesite or rhyolite, then 10% was ore. Particularly striking is the correlation of the Fanney rhyolite with ore. Elsewhere in the district, most notably in the outer parts, ash-flow tuffs constitute the wall rocks. Where these tuffs are the wall rock, veins are less continuous and not as thick, which is likely a function of differences in the manner of fracturing of the tuff.

Mining conditions were good. The walls stand well, particularly the rhyolite. Clay is abundant locally near the surface and in the outlying mines in the district, but is uncommon in the central parts of the district. Veins dip 65-70 degrees on average. Old stopes remain open on the property, and range from 4-15 feet, probably averaging 10 feet, either on the footwall or hanging wall side of a wider vein. The remainder of the vein material is mineralized, with grades of 0.04-0.06 oz/ton Au and 2-3 oz/ton Ag.

8.0 Exploration

Prior to 1942 virtually all exploration was conducted by underground drifting on known veins. The district lay idle from 1942 until 1976, when private company Sage Associates evaluated the district, staked claims and began modern exploration. Through 1980, Sage conducted extensive geologic mapping, geochemical sampling, and 7,370 feet of core drilling on behalf of St. Joe American Corp. Upon the discovery in 1982 of the Bullfrog gold deposit near Beatty, Nevada, St. Joe American elected to drop its interest in Mogollon and in early 1984 quitclaimed its property holdings to Sage.

Sage very shortly vended its property interest to the Cordex Syndicate, a private Nevada-based company financed by Canadian interests. Cordex at the time was run by John Livermore, noted for the discovery of the original Carlin, Pinson, Preble, and Marigold mines in Nevada. Cordex had previously expressed strong interest in Mogollon, and initiated a drill program in July 1984. By December 1984 Cordex had drilled 36 core holes on multiple vein targets in the district. Most of the holes were drilled in the vicinity of intersections of WNW faults with the Queen Fault.

A lawsuit brought by an adjacent landowner delayed any further exploration work until 1988. Litigation was finally resolved in Sage and Cordex's favor in federal court in late 1987. Sage, under the supervision of Cordex, drilled four holes (MGR-38, 39, 40, 41) to test the extension along strike and down dip of silver-gold mineralization on the Queen Vein at the Consolidated Mine, where active mining was suspended in 1942. Each drill hole intersected the Queen Vein. Three of the four holes cut potentially economic mineralization. MGR-38 cut a true vein width of 33 feet grading 0.13 oz/ton Au and 6.4 oz/ton Ag. MGR-39 cut a true vein width of 4 feet grading 0.15 oz/ton Au and 4.25 oz/ton Ag. MDR-40 cut a true width of 10 feet grading 0.125 oz/ton Au and 7.8 oz/ton Ag. MGR-41 intersected the vein but mineralization was weak. Drill holes completed in 1984 in the same zone before the litigation ensued provided additional intercepts that were used to concoct a non 43-101 compliant geologic resource. The table below provides individual drill hole information.

DH #	Mineralization (Feet)	Au (oz/ton)	Au * thickness	Ag (oz/ton)	Ag (Ag * thickness)
MGR-35	7	0.21	1.47	15.3	107.1
MGR-8	11	0.14	1.54	10.7	117.7
MGR-13	14	0.14	1.96	8.9	1124.6
MGR-40	10	0.125	1.25	7.8	78.0
MGR-38	33	0.13	4.29	6.4	211.2
MGR-14	16	0.15	2.40	7.0	112.0
MGR-39	4	0.15	0.6	4.25	17.0

The successful confirmation of potentially economic mineralization in the north Queen Fault area where Consolidated had suspended mining led Cordex to design and begin permitting an aggressive drill program to further delineate the extent of Ag-Au mineralization along strike and down dip. Unfortunately, market conditions impacted

both gold prices and capital availability and Cordex accordingly suspended active operations.

In 2010, due to continuing difficulty in financing exploration projects, Cordex optioned the Mogollon property to Columbus Silver Corporation, a Canadian junior mining company. Columbus resumed exploration under the supervision of Cordex personnel, but rather than expand upon the Consolidated Mine area, Columbus elected to explore other areas and targeted the intersections of WNW veins with the Queen Fault. Three holes were drilled on the Queen Fault to the north of the Consolidated Mine workings; five holes were drilled at the Independence-Ida May vein intersection with the Queen Fault, and three holes were completed at the intersection of the Last Chance/Anna vein with the Queen Fault. Although each of the holes intersected the veins, mineralization was weak or too narrow to consider economic.

Columbus suspended exploration but maintained the property until 2015, when the company entered into a purchase option agreement with Stand Up Investments Ltd. ("SUI"), a private British Columbia company

SUI engaged David Hackman of Sage Associates to manage the continuing evaluation of the district. Under Hackman's guidance, SUI commissioned Independent Mining Consultants ("IMC") of Tucson, Arizona. IMC was directed to accumulate all available data relative to the Consolidated Mine workings and determine the status of known mineralization in this area of the Queen Vein. The IMC memo is appended to this report. IMC concluded that data are insufficient to qualify any of the Consolidated mineralization as a mineral resource. IMC stated that to upgrade the Consolidated Ag-Au mineralization to a resource status would require independent confirmation of historic assay information, and confirmation of vein continuity between historic drill intercepts.

In order to better understand the geologic and geochemical controls of the emplacement of Ag-Au mineralization on the Queen Vein, SUI retained consultant Richard Loring to conduct detailed mapping and sampling of the Queen Vein in the area of the Consolidated workings and to the north along the trace of the Queen Vein. This work is ongoing.

9.0 Drilling

Other than the historic drilling detailed above, there has been no recent drilling on the project.

10.0 Sample Preparation, Analyses, and Security

Because the known Ag-Au mineralization in the veins in the district, and particularly at the Consolidated Mine has been stoped out, and because there is no safe access to underground workings, no sampling was undertaken.

11.0 Data Verification

The author reviewed the historic data and believes the district production numbers tables 2 and 3 are the best available data to verify the existence of potentially economic Ag-Au mineralization at Mogollon. No sampling could be undertaken of mineralized intercepts from 1984 or 1988 drilling due to vandalism of core stored in open buildings on the property.



1988 drill core scattered on ground



Destroyed core in building

Drill logs and assays from both 1984 and 1988 were examined and determined to be consistent with district production records in terms of vein thicknesses and Ag-Au grades. Drill logs and assays from 2010 drilling were inspected, but core was locked in storage containers and access was not possible. However, drill core from 2010 does not contribute materially to developing a target at the Consolidated workings.

12.0 Adjacent Properties

The properties held by SUI constitute the majority of the district. Three small patented claims are held by absentee owners; the Eberle, The Bratton, and the Down Deep claims. Although not relevant to the exploration of the Queen Vein at the Consolidated workings, the claims represent inholdings that could affect future work on the district.

13.0 Mineral Processing and Metallurgical Testwork

There have been no mineral processing work or metallurgical studies conducted on Ag-Au mineralization by SUI or other modern owners.

14.0 Mineral Resource and Mineral Reserve Estimate

There is no mineral resource that meets NI43-101 standards.

15.0 Other Relevant Data and Information

Other than the IMC report that is appended, there is no other relevant information.

16.0 Interpretation and Conclusions

The author concurs with the geology and deposit characteristics that define Mogollon as an epithermal Ag-Au occurrence. That economic mineralization occurs in the district is undeniable, due largely to the lengthy history of the silver and gold production from the district and confirmed by historical drilling. In addition, the Consolidated Mine was actively mining when the War Production Board shut down gold mining at Mogollon in 1942. Subsequent drilling in 1984 and 1988 confirmed that potentially economic Ag-Au mineralization occurs along strike and down dip on the Queen Vein. Figure 7 below is a long section of the Consolidated workings with drill intercepts showing the Ag-Au intercepts from 1984 and 1988 drilling.

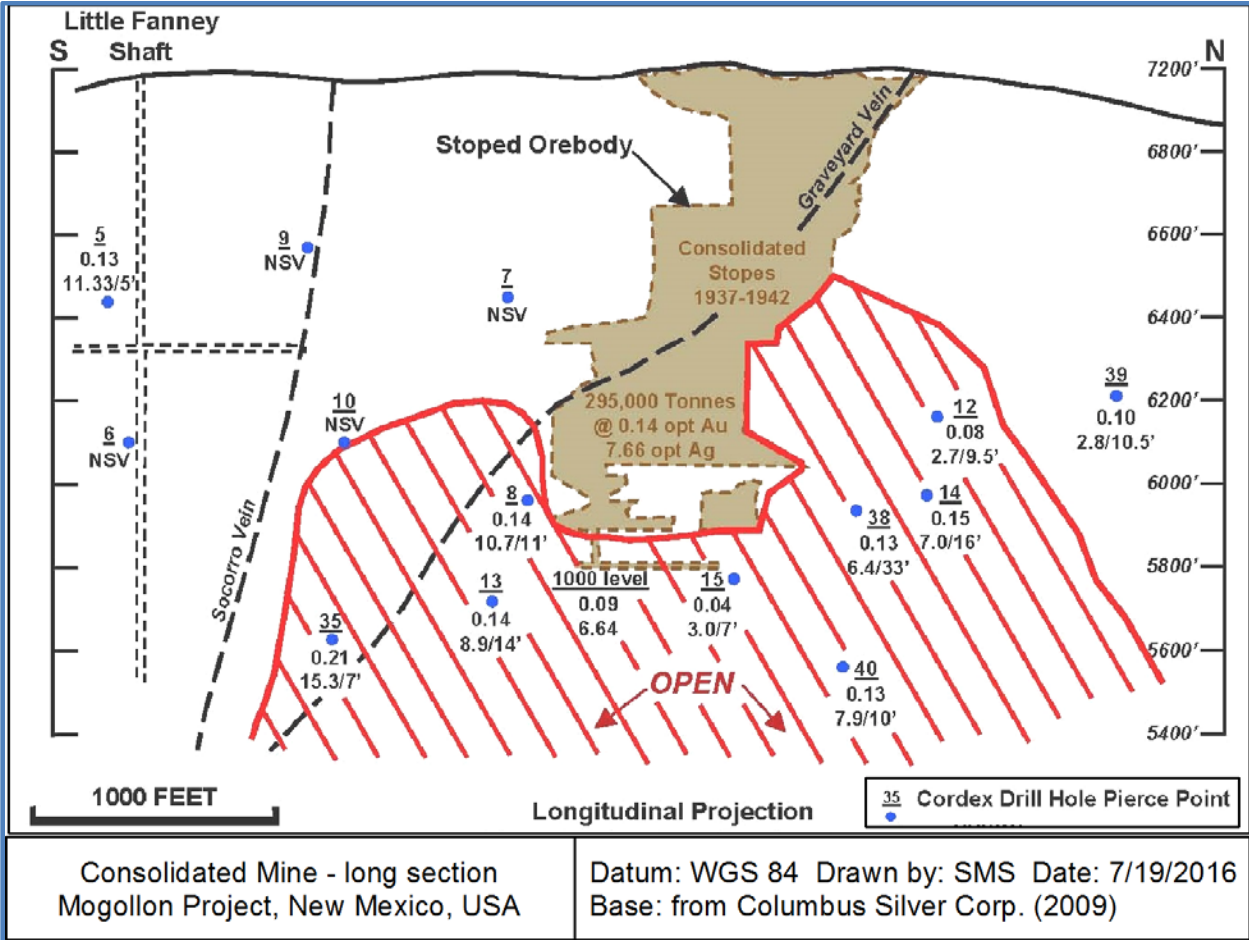


Figure 7 Long section at Consolidated Mine part of Queen Vein showing drill intercepts

The Mogollon District has a history of production that was interrupted sporadically by Indian unrest, poor recoveries until 1904, sustained production utilizing cyanide until 1925 when rising costs overwhelmed a fixed gold price. Production from several mines

resumed in 1937 only to be shut down by government dictate in 1942, and the mines that were shut down in 1942 did not close because of depletion of ore.

17.0 Recommendations

This author concludes that additional work at the Consolidated Mine area of the Queen Vein is warranted to confirm potentially economic mineralization left in the face of active drifts by Consolidated Mines, and to verify assays from 1984 and 1988 drilling. Figure 8 is a cross-section of the Queen Vein at the Consolidated Mine showing drill intercepts.

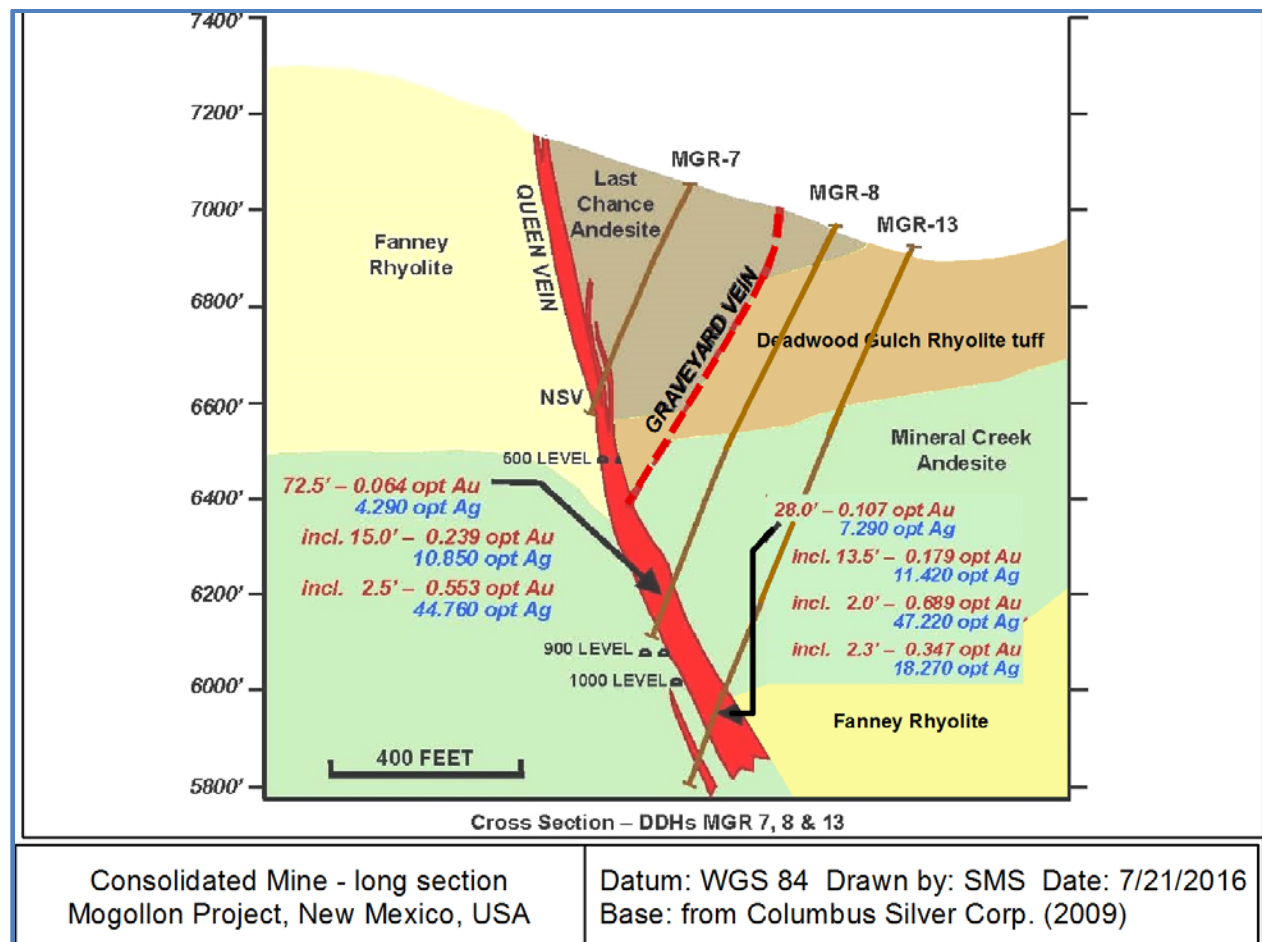


Figure 8 Cross section of Queen Vein at the Consolidated workings, showing drill intercepts

A three-phase program is recommended. Phase 1 will consist of drilling a twin of one of the 1984 holes to compare grades and thicknesses at a projected cost of \$79,354. The author suggests twinning MGR-8. Phase 2, dependent upon successful confirmation of historical grades and thicknesses in a 1984 hole, will consist of twinning one more 1984 hole and one 1988 hole to further confirm historical grades and thicknesses at a cost of \$124,058. Phase 3 will consist of a drill program sufficient to raise the Consolidated

Mine target area mineralization from target status to a measured reserve. The phase 3 budget projection is \$1,549,130. The individual budgets are set forth below.

18.0 Budget

Table 5 Phase 1 Budget - Mogollon

Description	Detail	Unit Cost	Total Cost
Permits and Bonding	ground disturbance bond or surety to NM State	\$20,000.00	\$20,000.00
Drilling			
	Mobilization in-out	\$10,000.00	\$10,000.00
	Twin MGR-8 (924ft) at \$35/ft	\$35.00	\$32,340.00
Geochemistry	Fire assay Ag-Au - estimate 20 samples at 25/smpl	\$25.00	\$500.00
	ICP 41 elements, \$45/sample	\$45.00	\$900.00
Geology & Supervision	assume 12 days, \$500/day	\$500.00	\$6,000.00
Field support & Logistics	assume \$200/day	\$200.00	\$2,400.00
	Subtotal		\$72,140.00
	Contingency @ 10%		\$7,214.00
	Program total		\$79,354.00

Table 6 Phase 2 Budget – Mogollon

Description	Detail	Unit Cost	Total Cost
Permits and Bonding	ground disturbance bond or surety to NM State	\$30,000.00	\$30,000.00
Drilling			
	Mobilization in-out	\$10,000.00	\$10,000.00
	Twin MGR-13 1099ft @ \$35/ft	\$35.00	\$38,465.00
	Twin MGR-38 1104 @ \$35/ft	\$35.00	\$38,640.00
	rig moves and rig time @ \$125/hr, est 15 hrs	\$125.00	\$1,875.00
Geochemistry	Fire Assay 40 samples @ \$25ea	\$25.00	\$1,000.00
	ICP analysis 40 samples @ \$45ea	\$45.00	\$1,800.00
Geology & Supervision	assume 30 days @ \$500/day	\$500.00	\$15,000.00
Field Support & Logistics	assume \$200/day	\$200.00	\$6,000.00
	subtotal		\$112,780.00
	Contingency at 10%		\$11,278.00
Program total			\$124,058.00

Table 7 Phase 3 Budget - Mogollon

Description	Detail	Unit Cost	Total Cost
Permits and Bonding	to cover roads and pads	75,000.00	75,000.00
Drilling	estimate 20 holes, 1500ft ea \$35/ft	35.00	1,050,000.00
	rig moves & rig time est100 hrs, \$125/hr	125.00	12,500.00
	mobilization estimate	15,000.00	15,000.00
Roads and Pads	estimate bulldozer 100 hrs @\$85/hr	85.00	8,500.00
Geochemistry	Fire Assay Au-Ag, est 350sampls @\$25	25.00	8,750.00
	ICP 41 @\$45 ea	45.00	15,750.00
Geology and Supervision	estimate 305 days @\$500/day	500.00	152,500.00
Field Support & Logistics	assume \$200/day	200.00	61,000.00
Reclamation	Roads & Pads 80 hrs @85/hr	85.00	6,800.00
	Reseeding & confirmation, 3 days @500	500.00	1,500.00
	Seed & supplies to USFS requirements	1,000.00	1,000.00
	Sutotal		1,408,300.00
	Contingency at 10%		140,830.00
Program total			1,549,130.00

19.0 References

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20. Date and Signature Page

Dated at Lynden, Washington this 26th day of August, 2016.

A handwritten signature in blue ink, appearing to be 'John E. Hiner', written on a light-colored background.

John E. Hiner, Licensed Geologist – Washington State
Registered Member SME #1448400RM

Statement of Qualification

John E. Hiner
Consulting Mining Geologist
Washington State Licensed Geologist #1804
9443 Axlund Road, Lynden, WA 98264
Ph (360) 318-8352
Email: jehcorp@pogozone.net

Certificate of Author

I, John E. Hiner, Licensed Geologist in the state of Washington, of 9443 Axlund Road, Lynden, Washington, 98264 do hereby certify that:

1. I am a Licensed Geologist #1804 in the State of Washington, a member of the National Board of State Boards of Geology (ASBOG).
2. I am a Registered Member of the Society for Mining, Metallurgy, and Exploration Inc. ("SME"). My registration number is 1448400RM.
2. I graduated with a B.Sc. degree in geology from San Diego State University, San Diego, California in 1972.
3. I obtained a M.Sc. degree in economic geology from the Mackay School of Mines, University of Nevada-Reno, Reno, Nevada in 1978.
4. As a result of my experience and qualifications I am a Qualified Person as defined in National Policy 43-101. I have practiced my profession continuously for 44 years. This experience includes 4 years of petroleum exploration experience in the United States and the United Kingdom, 4 years of geothermal exploration experience in the United States and Mexico, and 36 years of mineral exploration experience worldwide. This experience has included all aspects of the resource industry from field exploration and project generation through management of project exploration and development to senior exploration management responsibility. I have been involved in the exploration, discovery, and development of three geothermal fields in Nevada. I have been responsible for international and domestic project development, examination, evaluation and reporting on a variety of mineral deposit types and commodities including gold, copper, lead-zinc-silver, and phosphate.
5. I am the author and am responsible for the preparation of the technical report titled "43-101 Technical Report on the Mogollon Project, Catron County, New Mexico".
6. I am an independent as defined by section 1.4 of National Instrument 43-101. I have no direct or indirect interest in the subject property described in this report.

7. I have had no prior involvement with the property that is the subject of the Technical Report. As of the date of this certificate, to the best of the qualified person's knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

8. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

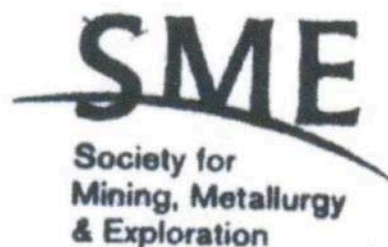
9. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their website accessible by the public, of the Technical Report.

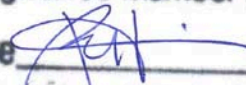
Dated at Lynden, Washington, this 26th day of August 2016.

Respectfully submitted,



John E. Hiner
Qualified Person



John E. Hiner
SME Registered Member No. 1448400
Signature 
Date Signed August 26 2016
Expiration date December 31 2016

APPENDIX A

Summary of Mogollon Mining Claims

From Option Agreement

- A. Pursuant to the *Mogollon Property Transfer Agreement* dated effective February 23, 2015 among the Optionors and Columbus Gold (U.S.) Corporation (the “**Transfer Agreement**”), CGTUSA owns
- i. 22 unpatented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Unpatented Claims**”); and
 - ii. 10 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Patented Claims**” and together with the Unpatented Claims, the “**Owned Claims**”);
- B. Pursuant to the *Mogollon Property Assignment Agreement* dated effective October 28, 2008 among the Optionors, and John Livermore (the “**Livermore Agreement**”), the Optionors hold certain rights and obligations respecting the Property (as herein defined) located in Catron County, New Mexico;
- C. Pursuant to a *Mining Lease* (the “**Sage Lease**”) dated effective April 9, 2009 between Sage Associates, Inc. (“**Sage**”) and CGTUSA, CGTUSA holds a lease of 63 unpatented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Sage Unpatented Claims**”);
- D. The Sage Unpatented Claims are subject to a royalty as set out in the Sage Lease (the “**First Sage Royalty**”)
- E. Pursuant to a *Mining Lease* (the “**Mack Lease**”) dated effective April 9, 2009 granted by John Mack, Wesley Parker, and Frederick Hott, CGTUSA holds a lease of 49 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Mack Patented Claims**”);
- F. The Mack Patented Claims are subject to a royalty as set out in the Mack Lease (the “**Mack Royalty**”)
- G. Pursuant to a *Mining Lease* (the “**Mogollon Enterprises Lease**”) dated effective April 9, 2009 granted by Mogollon Enterprises, Inc., CGTUSA holds a lease of 22 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto consisting of the White Water and the Last Chance Groups (the “**Mogollon Enterprises Patented Claims**”);

- H. The Mogollon Enterprises Patented Claims are subject to a royalty as set out in the Mogollon Enterprises Lease (the “**Mogollon Enterprises Royalty**”)
- I. Pursuant to a *Letter Agreement Mogollon Project* dated March 31, 2009 (the “**Sage Letter Agreement**”), a royalty is owed to Sage on production of the Mack Patented Claims and the Mogollon Enterprises Patented Claims (the “**Second Sage Royalty**”, and together with the First Sage Royalty, Mack Royalty, and Mogollon Enterprises Royalty, the “**Royalties**”), copies of which are attached hereto as Appendix “B”;
- J. The Livermore Agreement, Sage Lease, Mack Lease, Mogollon Enterprises Lease, and the Sage Letter Agreement are referred to collectively herein as the “**Underlying Agreements**”, and copies of which are attached hereto as Appendix “B”;
- K. The Owned Claims, Sage Unpatented Claims, Mack Patented Claims, and Mogollon Enterprises Patented Claims are referred to collectively herein as the “**Property**”

PROPERTY DESCRIPTION

The Unpatented Claims

Description: **22** unpatented lode mining claims located in Sections 28, 29, 32, 33, Township 10 South, Range 19 West and Section 4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>	<u>County Document Number/Book, Page</u>			
GOLD DUST #1	NMMC# 11900	Book	8	Page	219
GOLD DUST #2	NMMC# 11901	Book	8	Page	220
GOLD DUST #3	NMMC# 11902	Book	9	Page	23
GOLD DUST #4	NMMC# 148603	Book	41	Page	708
GD 1	NMMC# 187638	Doc#	20081942	Book	49 Page 463
GD 2	NMMC# 187639	Doc#	20081943	Book	49 Page 465
GD 3	NMMC# 187640	Doc#	20081944	Book	49 Page 467
GD 4	NMMC# 187641	Doc#	20081945	Book	49 Page 469

GD 5	NMMC# 187642	Doc# 20081946	Book 49	Page 471
GD 6	NMMC# 187643	Doc# 20081947	Book 49	Page 473
GD 7	NMMC# 187644	Doc# 20081948	Book 49	Page 475
GD 8	NMMC# 187645	Doc# 20081949	Book 49	Page 477
GD 9	NMMC# 187646	Doc# 20081950	Book 49	Page 479
GD 10	NMMC# 187647	Doc# 20081951	Book 49	Page 481
GD 11	NMMC# 187648	Doc# 20081952	Book 49	Page 483
GD 12	NMMC# 187649	Doc# 20081954	Book 49	Page 485
GD 13	NMMC# 187650	Doc# 20081955	Book 49	Page 487
GD 14	NMMC# 187651	Doc# 20081956	Book 49	Page 489
GD 15	NMMC# 187652	Doc# 20081957	Book 49	Page 491
GD 16	NMMC# 187653	Doc# 20081958	Book 49	Page 493
GD 17	NMMC# 187654	Doc# 20081959	Book 49	Page 495
Isabella 2	NMMC# 188199	Doc# 200900449	Book 49	Page 536

The Patented Claims

Description: **10** patented claims located in Sections 21, 28 and 33, Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Ida May	1372	28	13.192
Independence	1558	28	20.530
Anaconda	1558	28	17.446
Comet	1558	28	20.145

Union	1558	21 & 28	20.410
Don't Care	1558	28	17.818
New Chum	1558	28	20.582
Crescent	1558	28	16.556
Thursday	1558	28	20.156
Wolfstone	1558	21	20.630

TOTAL ACREAGE: 187.465

The Mogollon Enterprises Claims

WHITE WATER GROUP:

Description: **8** patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
North Alpine	883	29 & 32	20.66
South Alpine	876-A	32	20.34
Blackbird	877-A	32 & 33	18.34
Dutch Boy	1045	33	6.70
Confidence	873-A	32	12.07
Blue Bird	882	32	14.94
Red Bird	881	32	6.58
South Alpine Mill Site	876-B	32	5.00

TOTAL ACREAGE: 104.630

LAST CHANCE GROUP:

Description: **14** patented claims located in Township 10 & 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Hub #1	1551-C	33	20.292
Top	939-A	33	13.404
Frieda #2	1551-A	33	20.651
Anna E.	1551-B	33	20.615
Last Chance	980-A	33	17.430
Settle	980-C	33	16.280
Boise City	980-B	33	1.581
Jack Pot	1552	33 & 3	20.319
Boise City M.S.	979-B	33 & 34	1.003
Cross	979-A	34	20.661
Frieda #2 M.S.	1551-A	33	4.970
Lime Kiln	1553	3	20.661
Humming Bird	1550	33	0.351
Top M.S.	939-B	33 & 34	5.000

TOTAL ACREAGE: 199.718

Minimum Royalties:

\$5,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$10,000 + CPI each year thereafter (tied to Production Price Index for industrial Commoditise U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% for Au/Ag if gold prices exceeds US\$1,000.00 per troy ounce

The Sage Claims

Description: **64** unpatented lode mining claims located in Sections 27, 28, 33-35, Township 10 South, Range 19 West and Sections 3-4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>		<u>County /Book, Page</u>			
Escondido #1	NMMC#	9194	Book	19	Page	761
Escondido #2	NMMC#	9195	Book	19	Page	762
Escondido #3	NMMC#	9196	Book	19	Page	763
Escondido #4	NMMC#	9197	Book	19	Page	764
Escondido #5	NMMC#	9198	Book	19	Page	765
Escondido #6	NMMC#	2482	Book	19	Page	802
Escondido #7	NMMC#	115364	Book	49	Page	516
Escondido #8	NMMC#	115365	Book	49	Page	518
Escondido #9	NMMC#	9201	Book	19	Page	769
Escondido #10	NMMC#	9202	Book	19	Page	770
Escondido #11	NMMC#	9203	Book	19	Page	771
Escondido #12	NMMC#	9204	Book	49	Page	520
Escondido #13	NMMC#	9205	Book	49	Page	522
Escondido #14	NMMC#	9206	Book	19	Page	774
Escondido #15	NMMC#	9207	Book	19	Page	775
Escondido #16	NMMC#	9208	Book	19	Page	776
Escondido #17	NMMC#	9209	Book	19	Page	777

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One World Investments Inc.*

Escondido #18	NMMC#	9210	Book	19	Page	778
Escondido #19	NMMC#	9211	Book	19	Page	779
Escondido #20	NMMC#	9212	Book	19	Page	780
Escondido #21	NMMC#	2479	Book	19	Page	799
Escondido #22	NMMC#	2480	Book	19	Page	800
Escondido #23	NMMC#	2481	Book	19	Page	801
ESCONDIDO NO. 24	NMMC#	9153	Book	20	Page	153
Escondido No. 25	NMMC#	9154	Book	20	Page	229
Escondido No. 26	NMMC#	9155	Book	20	Page	230
Escondido No. 27	NMMC#	9156	Book	20	Page	231
Escondido No. 28	NMMC#	9157	Book	20	Page	232
Escondido No. 29	NMMC#	9158	Book	20	Page	233
Escondido No. 30	NMMC#	9159	Book	20	Page	234
Escondido No. 31	NMMC#	9160	Book	20	Page	235
Escondido No. 32	NMMC#	9161	Book	20	Page	161
Escondido No. 33	NMMC#	9162	Book	20	Page	162
Escondido No. 34	NMMC#	9163	Book	20	Page	163
Escondido No. 35	NMMC#	9164	Book	49	Page	524
Escondido No. 36	NMMC#	9165	Book	20	Page	165
Escondido No. 37	NMMC#	9166	Book	49	Page	526
Escondido No. 38	NMMC#	9167	Book	20	Page	167
Escondido No. 39	NMMC#	9168	Book	49	Page	528
Escondido No. 40	NMMC#	9169	Book	20	Page	169
Escondido No. 41	NMMC#	9170	Book	49	Page	530
Escondido No. 42	NMMC#	9171	Book	20	Page	171

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One World Investments Inc.*

Escondido No. 43	NMMC#	9172	Book	20	Page	172
Escondido No. 44	NMMC#	9173	Book	20	Page	173
Escondido No. 45	NMMC#	9174	Book	20	Page	174
Escondido No. 46	NMMC#	9175	Book	20	Page	175
Escondido No. 47	NMMC#	9176	Book	20	Page	176
Escondido No. 48	NMMC#	9177	Book	20	Page	711
Escondido No. 49	NMMC#	9178	Book	20	Page	712
ESCONDIDO NO. 53	NMMC#	9179	Book	49	Page	532
ESCONDIDO NO. 54	NMMC#	9180	Book	20	Page	237
Escondido No. 55	NMMC#	9181	Book	20	Page	238
ESCONDIDO NO. 56	NMMC#	9182	Book	20	Page	239
Escondido No. 57	NMMC#	9183	Book	20	Page	240
Escondido No. 58	NMMC#	9184	Book	20	Page	241
Escondido No. 59	NMMC#	9185	Book	20	Page	242
Escondido No. 60	NMMC#	9186	Book	20	Page	243
Escondido No. 61	NMMC#	9187	Book	20	Page	244
Escondido No. 62	NMMC#	9188	Book	20	Page	245
Escondido No. 63	NMMC#	9189	Book	20	Page	246
Escondido No. 64	NMMC#	9190	Book	20	Page	247
ESCONDIDO #65	NMMC#	9191	Book	20	Page	248
ESCONDIDO #66	NMMC#	9192	Book	20	Page	249
ESCONDIDO #68	NMMC#	147319	Book	41	Page	649

Minimum Royalties:

\$5,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$10,000 + CPI each year thereafter (tied to Production Price Index for industrial Commodities U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% for Au/Ag if gold prices exceeds US\$1,000.00 per troy ounce.

0.05% override to total payment of \$550,000 and 1.0% NSR override thereafter for any production off of Lehigh Metals and Mogollon Enterprises land

The Mack Claims

Description: **49** patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Little Fanney	840	28	20.660
Champion	1392	28	20.326
Johnson	1365	29	16.273
Little Charlie	1689	28	17.389
Maud S.	912-A		
Silver Link	912-B	28 & 33	39.040
Wilson	912-C		
Silver Fountain	304	28	14.700
Old Strike	524	27 & 28	17.630
Silver Bar	305	21 & 28	19.230
Leap Year	1070	21	15.395
Socorro No. 1	1392	27 & 28	19.014
Socorro No. 2	1392	28 & 33	20.059
Socorro No. 3	1546	33	4.285

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Socorro No. 4	1546	33	18.797
Socorro No. 5	1546	33	6.048
Andrew Jackson & Consolidated	1392	28	18.761
Lexington Contention	1392	28 & 33	9.715
Lexington Gunboat	1392	28	11.322
Virginia	1392	28	2.617
Clifton	1392	33	18.410
Lena	1689	28 & 29	8.826
Little Jiant	1689	28 & 29	20.524
Sandy	1689	28	11.611
Homestake	1689	28 & 33	19.778
Selma	1689	28 & 33	12.948
Iron Hat	1689	33	10.803
Waldorf	1547	33	8.006
Johnson #2	1625	29	19.855
Johnson #3	1625	29	17.493
Johnson #4	1625	29	19.293
Johnson #5	1625	29	17.409
Johnson #6	1625	29	17.409
Johnson #10	1653	29	16.273
Johnson #11	1625	28 & 29	20.512
Johnson #12	1625	29	17.649
Johnson #13	1625	28 & 29	20.512
Johnson #14	1625	29	11.559
Johnson #15	1625	29	7.424
Johnson #16	1625	29	17.642

Johnson #18	1625	29	11.274
Johnson #20	1653	28	8.001
Johnson #21	1653	28	16.732
Johnson #25	1625	28	10.959
Johnson #26	1625	28	8.522
First Attempt	1653	28 & 29	3.180
Last Attempt	967	28	8.289
Slayback	560 A	29	17.320
Free Milling	560 A	20 & 29	19.460

TOTAL ACREAGE: 399.263

The definition of “Property” as set out in the Agreement shall also include any easements, appurtenances, or hereditaments to the above described mining claims together with any water rights with points of diversion and/or places of use on or otherwise geographically associated with any of the Property. Each of the Optionors specifically represents that it is not aware of the existence of any such rights, but to the extent that each of the Optionors, or the grantors of the Underlying Agreements are vested with any such rights, it is the intent of this Agreement that such rights are included within the Property.

Minimum Royalties:

\$10,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$20,000 + CPI each year thereafter (tied to Production Price Index for industrial Commoditise U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% for Au/Ag if gold prices exceeds US\$1,000.00 per troy ounce.

APPENDIX B Independent Mining Consultants Analysis

INDEPENDENT MINING CONSULTANTS, INC.

2700 E. Executive Drive #140
Tucson, Arizona 85706
Ph: 520-294-9861 Fax 520-294-9865
jmarek@imctucson.com

MEMO

To: Dave Hackman

From: John Marek

Date: 23 May 2016

Subject: Exploration Target Potential for Mogollon Project, New Mexico

This memo summarizes recent work by IMC to define an Exploration Target at the Mogollon Project in New Mexico. The range of tonnage and grade that is presented for the exploration target is based on information contained in the drill logs from 27 historic drill holes plus additional geologic and historic information. At this time, there is no current validation or check on the historic data. As a result, Mogollon is an Exploration Target rather than an inferred mineral resource until the historic assay information can be validated.

The Mogollon project is understood to be vein hosted epithermal gold and silver. Historically, a number of veins have been explored and mined in the district. Any potential future mining would likely utilize mechanized underground vein mining techniques. The IMC exploration target is currently contained within two of the defined veins in the district: The Queen Main Vein, and the Queen East Vein.

The following exploration target estimate is presented in Metric units.
Tonnes means metric tonnes of 1,000 kt. Grades estimates for gold and silver are in grams / metric tonne (gm/t).

Table 1
Exploration Target Range for Mogollon Project

Tonnage	565,000 tonnes	to	1,500,000 Metric Tonnes
Gold Grade	4.81 gm/t	to	3.34 gm/t
Silver Grade	192.0 gm/t	to	139.1 gm/t
Contained Gold, Undiluted	87,300 troy ozs	to	161,000 troy ozs
Contained Silver, Undiluted	3,488,000 troy ozs	to	6,708,000 troy ozs

This exploration target is conceptual in nature and is not a statement of mineral resources. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

The high grade range estimate reflects a more selective narrow mining approach compared to the high tonnage range estimate which would reflect wider potential stopes.

The following information was used to define the Mogollon exploration target:

- 1) The drill logs with assay information from 27 drill holes that were drilled between 1976 and 2010. Of the 27 drill holes, 18 penetrated the Queen Main and Queen East veins
- 2) Reports of historic production from the Mogollon mining district
- 3) Surface mapping with rock type, vein and fault outcrops located on the surface.
- 4) Cross sections showing gold assays and interpreted veins and geologic contacts.
- 5) Maps showing regional historic mine workings and shaft locations.
- 6) Digital topography as AutoCAD 3D drawing files in metric units.
- 7) 3 D modeling of two mineral bearing veins, Main Queen Vein and Queen East Vein
- 8) Delineation of continuous areas of mineralized material within each vein.

The drilling data that this target is based on leaves the mineralization open in all directions, and tests less than ¼ of the potential 4.8 km of mineralized veins.

The tonnage and grade range was defined based on vein grade estimates prepared by IMC from the information listed above. An equivalent gold cutoff grade of approximately 3.5 gm/t was applied. The equation that was developed for equivalent gold cutoff was:

$$\text{Equivalent Gold} = \text{Gold} + (\text{Silver} * 0.01414)$$

The equivalent equation was based on process recovery information reported in the historic production reports and on metal prices of \$1,000 /Oz gold and \$15.00 /Oz silver.

The higher tonnage estimate of the exploration target is based on a search radius of 80 x 80m in the plane of the vein. The smaller tonnage high grade estimate was developed as a percentage of the 80 x 80m range based on a more narrow interpretation of the vein.

IMC completed the following tasks in order to prepare the exploration target estimate:

- 1) Assembled the drill hole data base, entering assays from the paper logs for 27 drill holes. Down hole information was initially entered in imperial units (feet).
- 2) The drill hole collars were digitized from a map that was provided. The coordinate system on the map was UTM, so metric UTM coordinates were utilized.

- 3) Topographic information was provided to IMC digitally. East and north coordinates were in the UTM system. Contour elevations were maintained in the metric elevation units as supplied in the digital files.
- 4) Down hole depths were converted to metric units and assay values are stored in both troy ounces/short ton and grams/metric tonne. At this time the project data is all consistently in the metric system.
- 5) Prepared a 3D interpretation of the 4 major veins in the area of interest. This 3D interpretation includes the surface geology map “draped” over the topography so that the surface geological information can be used along with the drill hole intercepts to interpret the vein geometries. The veins are the: Queen Main, Queen East, Ida May, and Independence.
- 6) Estimated grades in the Queen Main and Queen East veins are based on the contained drill hole assays that intercept the interpreted veins.
- 7) Tabulated the ranges of potential exploration target using an ore density of 12.5 cu ft/short ton = 2.56 metric tonnes/cu meter.

At this time, there is insufficient information to define a resource under the guidelines of NI43-101. Two items would be required to define a resources:

- 1) Independent confirmation of the historic assay information, and
- 2) Confirmation of the continuity of the veins between the historic drill hole intercepts.

APPENDIX B:

ADJUSTED FINANCIAL STATEMENTS AS AT NOVEMBER 30, 2016

ONE WORLD INVESTMENTS INC.

Adjusted condensed interim statements of financial position

Unaudited- expressed in Canadian dollars

	Nov 30, 2016	Debt Settlement Note (1)	Convertible Note Note (2)	Adjusted November 30, 2016
	(\$)	(\$)	(\$)	(\$)
Assets				
Current Assets				
Cash	\$ 2,949	-	\$ 406,456	\$ 409,405
	<u>2,949</u>			<u>409,405</u>
Non - Current Assets				
Exploration and evaluation assets	25,000	75,000		100,000
	<u>27,949</u>			<u>509,405</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	397,927	(98,750)	(25,000)	274,176
Loans payable	570,570	(485,570)	(85,000)	-
Promissory notes payable	644,793	(644,793)		-
Due to a former related party	308,653	(308,653)		-
	<u>1,921,943</u>			<u>274,176</u>
Non - Current Liabilities				
Long term Debt	183,200			183,200
Shareholders' Deficit				
Share capital	8,430,700	1,612,766	516,456	10,559,922
Share-based payments reserve	10,340			10,340
Deficit	(10,518,234)			(10,518,234)
	<u>(2,077,194)</u>			<u>52,028</u>
	<u>\$ 27,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,405</u>

Note 1: On the Listing Date the Company will settle CDN\$1,618,837 in debt through the issuance of 32,376,737 common shares at a deemed price of CDN \$0.05.

Note 2: On the Listing Date the Company will close a \$516,457 convertible debt financing. The Convertible Note will bear interest at 10% per annum, and any accrued but unpaid interest, will mature on the date that is one (1) year following the Listing 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 also be convertible into Shares at a price of \$0.05 per Share. On the Listing Date the entire Principal Amount then outstanding and any accrued but unpaid interest thereon will be converted into 10,329,120 Common Shares of the Company.

ADJUSTED WORKING CAPITAL AS AT NOVEMBER 30, 2016 (\$)

Total Adjusted Current Assets	\$ 409,405
Total Adjusted Current Liabilities	274,176
Add back Part Xii.6 current liability Note 3	192,800
Adjusted Working Capital as November 30, 2016	328,029
Loan from Stand Up Invest Note 4	250,000
Working Capital Available	\$ 578,028

FORM 2A – LISTING STATEMENT

February 2017

Note 3: It is managements' belief that this Part Xii.6 tax will not be paid or demanded with in 12 months of the Listing Date.

Note 4: Stand Up has agreed to loan the Company up to \$250,000 in \$50,000 increments. The Loan will be unsecured, bear interest at 8% per annum and will mature on the date that is two (2) years following the Loan Date. On the Listing Date Stand UP will advance \$100,000 of the loan amount. Pursuant to the Loan Agreement the Company will grant Stand Up warrants allowing for the purchase of up to, in the aggregate, 1,250,000 shares of the Company at \$0.20 per share (the Loan Warrants") if the full loan amount is drawn on.

APPENDIX C
OPTION OR ASSIGNMENT OF OPTION OF THE MOGOLLON PROPERTY
(AS FOLLOWS)

STAND UP INVESTMENTS LTD.

June 06, 2016

One World Investments Inc.
Suite 605-800 West Pender Street
Vancouver, BC V6C 2V6

Attention: **Douglas Fulcher CEO & President**

Dear Sirs:

Re: **Option or Assignment of Option of the Mogollon Property**

Subject to and in accordance with the terms and conditions hereinafter contained, this binding letter agreement is intended to set forth the basic terms and conditions of a proposed option or assignment of option with respect to the 64 unpatented and 81 patented lode mining claims in Catron County, New Mexico, US more fully described in Schedule A attached hereto (the "**Property**") held by Columbus Gold (U.S.) Corporation ("**Columbus Gold**") and currently under option by Stand Up Investments Ltd ("**Stand Up**"). This letter agreement is intended to govern the parties' conduct until such time as the parties execute a binding definitive agreement (the "**Definitive Agreement**") or this letter agreement has been terminated in accordance with its terms. Undefined terms set out herein will have the meanings set out in Schedule B attached hereto.

The parties hereto hereby represent, warrant, acknowledge and agree as follows:

1. One World Investments Inc. ("**One World**") is a company existing under the laws of British Columbia. One World is a reporting issuer in British Columbia and Alberta and the common shares of 5,055,506 (the "**Shares**") are listed on the NEX Board of the TSX Venture Exchange (the "**Exchange**").
2. Stand Up is a private company existing under the laws of British Columbia.
3. Stand Up has entered into an Option Agreement (the "**Option Agreement**") dated December 22, 2015 with Columbus Gold (U.S.) Corporation (the "**Optionor**"), whereby the Optionor granted an option to acquire a one hundred percent (100%) legal and beneficial interest in and to the Property subject to paying the balance of aggregate of US \$950,000 over a three (3) period to the Optionor as set out in the Option Agreement.
4. Stand Up represents and warrants that:
 - (a) the Option Agreement is in good standing and all covenants required to be undertaken by Stand Up thereunder have been timely made in accordance with its terms; and
 - (b) Stand Up is permitted to either option its interest in the Option Agreement to One World or assign all of its rights and interests thereunder to One World as contemplated in this letter agreement.

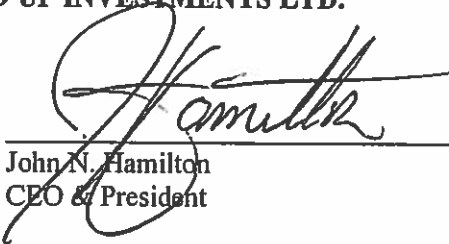
5. Upon and subject to the terms and conditions of this letter agreement, and on the Closing Date, Stand Up agrees to either grant the exclusive and irrevocable right and option to One World to acquire one hundred percent (100%) of all Stand Up's right, title and interest in the Property free and clear of all Encumbrances or, alternatively, assign one hundred percent (100%) of all Stand Up's right, title and interest under the Option Agreement to One World free and clear of all Encumbrances (in either case, the "Option").
6. Upon execution of this letter agreement, Stand Up agrees to prepare a Technical Report in the name of One World with respect to the Property in accordance with NI 43-101.
7. The Option will be exercised by One World:
 - (a) paying Stand Up Cdn\$25,000 upon execution of this letter agreement an additional Cdn\$75,000 and issuing 5,000,000 Shares upon the Closing Date;
 - (b) paying Stand Up Cdn\$200,000 and issuing an additional 5,000,000 Shares on or prior to the date that is twelve months from the Closing Date; and
 - (c) issuing Stand Up an additional 5,000,000 Shares on or prior to the date that is twenty-four months from the Closing Date.
8. Upon satisfaction of the conditions set out in Section 7 and payments made to the Optionor as set out in Section 3, the Option will be deemed to be exercised, and an one hundred (100%) undivided right, title and interest in the Property will automatically vest in One World free and clear of all Encumbrances.
9. Upon the exercise of the Option, Standup will promptly transfer one hundred percent (100%) of its interest in the Property in accordance with applicable laws and Stand Up will deliver to One World all data and other information in the possession and control of Stand Up with respect to the Property.
10. Stand Up and One World shall in good faith diligently proceed to prepare and submit any document, agreement or other information required by the Exchange, in order to obtain Exchange approval of the Definitive Agreement, and to address or rectify any comments or deficiencies raised by the Exchange.
11. Throughout Option Period, One World and its servants, agents and independent contractors shall have the right in respect of the Property to enter thereon and do such prospecting, exploration, development and other work as One World may determine advisable in its sole discretion.
12. Following exercise of the Option, and upon Commencement of Commercial Production, One World will pay Stand Up the NSR, being equal to 1% of Net Smelter Returns on the terms and conditions set out in Schedule C attached hereto.
13. The obligation of the parties to consummate the transaction contemplated herein on the Closing Date shall be subject to the prior completion of the following conditions:
 - (a) the receipt of all necessary regulatory and Exchange approvals;
 - (b) the review of the Property, to the sole satisfaction of One World; and
 - (c) completion of a Technical Report by Stand Up in the name of One World in accordance with NI 43-101 with respect to the Property.

14. Upon execution of this letter agreement, Stand Up will provide copies of all material information with respect to the Property to One World, including any material contracts, and including information delivered in oral, electronic or written format (the “**confidential information**”). Until the Closing Date, no confidential information may be released to third parties without the consent of Stand Up thereof, except that the parties hereto agree that they will not unreasonably withhold such consent to the extent that (a) such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents; provided that in such event release of such information will be only to the minimum extent required by law or (b) necessary to facilitate the consummation of the transactions contemplated by this letter agreement.
15. Stand Up will not, without the prior written consent of One World, prior to the exercise of the Option:
 - (a) enter into any material contracts with respect to the Property, other than in the ordinary course of business or in connection with the Definitive Agreement;
 - (b) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber the Property;
 - (c) breach any term of the Option Agreement;
 - (d) initiate, solicit, cause, facilitate or participate in any offer (confidential or otherwise) or expression of interest to directly or indirectly sell, transfer or assign its interest in the Property to a third party;
 - (e) conduct any activity otherwise materially detrimental to the Option or this letter agreement.
16. This Agreement may be terminated by mutual written consent of the parties or in the event that the Exchange has rejected the Option and all recourse or rights of appeal have been exhausted.
17. The Option shall terminate on the date that any of the following events occur (the “**Termination Date**”): (a) by mutual written consent of the parties; (b) subject to Section 18, upon One World failing to incur or make any expenditure or payment or to issue Shares in accordance with the terms of this letter agreement; or (c) subject to Section 18, upon One World failing to remedy a default as provided herein.
18. If at any time during the Option Period, One World is in default of any material provision of this letter agreement, Stand Up may terminate this letter agreement, but only if: (a) it shall have first given to One World a notice of default containing particulars of the obligation which One World has not performed; and (b) One World has not, within 30 days following delivery of such notice of default, cured such default or commenced proceedings to cure such default by appropriate payment or performance.
19. It is the parties’ intention that this letter agreement shall be legally binding, the consideration for which shall be the mutual covenants of the parties contained herein. The invalidity or unenforceability of any particular provision of this letter agreement shall not affect or limit the validity or enforceability of the remaining provisions of this letter agreement.
20. The laws of the Province of British Columbia and the federal laws of Canada applicable therein shall govern this letter agreement.

This letter agreement may be signed in counterparts, which together shall be deemed to constitute one (1) letter agreement, and delivery of the counterparts may be effected by any electronic means from us to you and from you to us.


Yours truly,

STAND UP INVESTMENTS LTD.

Per: 
Name: John N. Hamilton
Title: CEO & President

ACCEPTED this 6th day of June, 2016.

ONE WORLD INVESTMENTS INC.

Per: 
Name: Douglas Fulcher
Title: CEO & President

Schedule A

PROPERTY DESCRIPTION

The Unpatented Claims

Description: 22 unpatented lode mining claims located in Sections 28, 29, 32, 33, Township 10 South, Range 19 West and Section 4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>	<u>County Document Number/Book, Page</u>		
GOLD DUST #1	NMMC# 11900	Book 8	Page 219	
GOLD DUST #2	NMMC# 11901	Book 8	Page 220	
GOLD DUST #3	NMMC# 11902	Book 9	Page 23	
GOLD DUST #4	NMMC# 148603	Book 41	Page 708	
GD 1	NMMC# 187638	Doc# 20081942	Book 49	Page 463
GD 2	NMMC# 187639	Doc# 20081943	Book 49	Page 465
GD 3	NMMC# 187640	Doc# 20081944	Book 49	Page 467
GD 4	NMMC# 187641	Doc# 20081945	Book 49	Page 469
GD 5	NMMC# 187642	Doc# 20081946	Book 49	Page 471
GD 6	NMMC# 187643	Doc# 20081947	Book 49	Page 473
GD 7	NMMC# 187644	Doc# 20081948	Book 49	Page 475
GD 8	NMMC# 187645	Doc# 20081949	Book 49	Page 477
GD 9	NMMC# 187646	Doc# 20081950	Book 49	Page 479
GD 10	NMMC# 187647	Doc# 20081951	Book 49	Page 481
GD 11	NMMC# 187648	Doc# 20081952	Book 49	Page 483
GD 12	NMMC# 187649	Doc# 20081954	Book 49	Page 485
GD 13	NMMC# 187650	Doc# 20081955	Book 49	Page 487
GD 14	NMMC# 187651	Doc# 20081956	Book 49	Page 489
GD 15	NMMC# 187652	Doc# 20081957	Book 49	Page 491
GD 16	NMMC# 187653	Doc# 20081958	Book 49	Page 493
GD 17	NMMC# 187654	Doc# 20081959	Book 49	Page 495
Isabella 2	NMMC# 188199	Doc# 200900449	Book 49	Page 536

The Patented Claims

Description: 10 patented claims located in Sections 21, 28 and 33, Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Ida May	1372	28	13.192
Independence	1558	28	20.530
Anaconda	1558	28	17.446

Comet	1558	28	20.145
Union	1558	21 & 28	20.410
Don't Care	1558	28	17.818
New Chum	1558	28	20.582
Crescent	1558	28	16.556
Thursday	1558	28	20.156
Wolfstone	1558	21	20.630

TOTAL ACREAGE: 187.465

The Mogollon Enterprises Claims

WHITE WATER GROUP:

Description: 8 patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
North Alpine	883	29 & 32	20.66
South Alpine	876-A	32	20.34
Blackbird	877-A	32 & 33	18.34
Dutch Boy	1045	33	6.70
Confidence	873-A	32	12.07
Blue Bird	882	32	14.94
Red Bird	881	32	6.58
South Alpine Mill Site	876-B	32	5.00

TOTAL ACREAGE: 104.630

LAST CHANCE GROUP:

Description: 14 patented claims located in Township 10 & 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Hub #1	1551-C	33	20.292
Top	939-A	33	13.404
Frieda #2	1551-A	33	20.651
Anna E.	1551-B	33	20.615
Last Chance	980-A	33	17.430
Settle	980-C	33	16.280
Boise City	980-B	33	1.581
Jack Pot	1552	33 & 3	20.319
Boise City M.S.	979-B	33 & 34	1.003
Cross	979-A	34	20.661
Frieda #2 M.S.	1551-A	33	4.970
Lime Kiln	1553	3	20.661
Humming Bird	1550	33	0.351
Top M.S.	939-B	33 & 34	5.000

TOTAL ACREAGE: 199.718

The Sage Claims

Description: **63** unpatented lode mining claims located in Sections 27, 28, 33-35, Township 10 South, Range 19 West and Sections 3-4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>	<u>County /Book, Page</u>
Escondido #1	NMMC# 9194	Book 19 Page 761
Escondido #2	NMMC# 9195	Book 19 Page 762
Escondido #3	NMMC# 9196	Book 19 Page 763
Escondido #4	NMMC# 9197	Book 19 Page 764
Escondido #5	NMMC# 9198	Book 19 Page 765
Escondido #6	NMMC# 2482	Book 19 Page 802
Escondido #7	NMMC# 115364	Book 49 Page 516
Escondido #8	NMMC# 115365	Book 49 Page 518
Escondido #9	NMMC# 9201	Book 19 Page 769
Escondido #10	NMMC# 9202	Book 19 Page 770
Escondido #11	NMMC# 9203	Book 19 Page 771
Escondido #12	NMMC# 9204	Book 49 Page 520
Escondido #13	NMMC# 9205	Book 49 Page 522
Escondido #14	NMMC# 9206	Book 19 Page 774
Escondido #15	NMMC# 9207	Book 19 Page 775
Escondido #16	NMMC# 9208	Book 19 Page 776
Escondido #17	NMMC# 9209	Book 19 Page 777
Escondido #18	NMMC# 9210	Book 19 Page 778
Escondido #19	NMMC# 9211	Book 19 Page 779
Escondido #20	NMMC# 9212	Book 19 Page 780
Escondido #21	NMMC# 2479	Book 19 Page 799
Escondido #22	NMMC# 2480	Book 19 Page 800
Escondido #23	NMMC# 2481	Book 19 Page 801
ESCONDIDO NO. 24	NMMC# 9153	Book 20 Page 153
Escondido No. 25	NMMC# 9154	Book 20 Page 229
Escondido No. 26	NMMC# 9155	Book 20 Page 230
Escondido No. 27	NMMC# 9156	Book 20 Page 231
Escondido No. 28	NMMC# 9157	Book 20 Page 232
Escondido No. 29	NMMC# 9158	Book 20 Page 233
Escondido No. 30	NMMC# 9159	Book 20 Page 234
Escondido No. 31	NMMC# 9160	Book 20 Page 235
Escondido No. 32	NMMC# 9161	Book 20 Page 161
Escondido No. 33	NMMC# 9162	Book 20 Page 162
Escondido No. 34	NMMC# 9163	Book 20 Page 163
Escondido No. 35	NMMC# 9164	Book 49 Page 524
Escondido No. 36	NMMC# 9165	Book 20 Page 165
Escondido No. 37	NMMC# 9166	Book 49 Page 526

Escondido No. 38	NMMC#	9167	Book	20	Page	167
Escondido No. 39	NMMC#	9168	Book	49	Page	528
Escondido No. 40	NMMC#	9169	Book	20	Page	169
Escondido No. 41	NMMC#	9170	Book	49	Page	530
Escondido No. 42	NMMC#	9171	Book	20	Page	171
Escondido No. 43	NMMC#	9172	Book	20	Page	172
Escondido No. 44	NMMC#	9173	Book	20	Page	173
Escondido No. 45	NMMC#	9174	Book	20	Page	174
Escondido No. 46	NMMC#	9175	Book	20	Page	175
Escondido No. 47	NMMC#	9176	Book	20	Page	176
Escondido No. 48	NMMC#	9177	Book	20	Page	711
Escondido No. 49	NMMC#	9178	Book	20	Page	712
ESCONDIDO NO. 53	NMMC#	9179	Book	49	Page	532
ESCONDIDO NO. 54	NMMC#	9180	Book	20	Page	237
Escondido No. 55	NMMC#	9181	Book	20	Page	238
ESCONDIDO NO. 56	NMMC#	9182	Book	20	Page	239
Escondido No. 57	NMMC#	9183	Book	20	Page	240
Escondido No. 58	NMMC#	9184	Book	20	Page	241
Escondido No. 59	NMMC#	9185	Book	20	Page	242
Escondido No. 60	NMMC#	9186	Book	20	Page	243
Escondido No. 61	NMMC#	9187	Book	20	Page	244
Escondido No. 62	NMMC#	9188	Book	20	Page	245
Escondido No. 63	NMMC#	9189	Book	20	Page	246
Escondido No. 64	NMMC#	9190	Book	20	Page	247
ESCONDIDO #65	NMMC#	9191	Book	20	Page	248
ESCONDIDO #66	NMMC#	9192	Book	20	Page	249

The Mack Claims

Description: 49 patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Little Fanny	840	28	20.660
Champion	1392	28	20.326
Johnson	1365	29	16.273
Little Charlie	1689	28	17.389
Maud S.	912-A		
Silver Link	912-B	28 & 33	39.040
Wilson	912-C		
Silver Fountain	304	28	14.700
Old Strike	524	27 & 28	17.630
Silver Bar	305	21 & 28	19.230
Leap Year	1070	21	15.395
Socorro No. 1	1392	27 & 28	19.014
Socorro No. 2	1392	28 & 33	20.059

Socorro No. 3	1546	33	4.285
Socorro No. 4	1546	33	18.797
Socorro No. 5	1546	33	6.048
Andrew Jackson & Consolidated	1392	28	18.761
Lexington Contention	1392	28 & 33	9.715
Lexington Gunboat	1392	28	11.322
Virginia	1392	28	2.617
Clifton	1392	33	18.410
Lena	1689	28 & 29	8.826
Little Jiant	1689	28 & 29	20.524
Sandy	1689	28	11.611
Homestake	1689	28 & 33	19.778
Selma	1689	28 & 33	12.948
Iron Hat	1689	33	10.803
Waldorf	1547	33	8.006
Johnson #2	1625	29	19.855
Johnson #3	1625	29	17.493
Johnson #4	1625	29	19.293
Johnson #5	1625	29	17.409
Johnson #6	1625	29	17.409
Johnson #10	1653	29	16.273
Johnson #11	1625	28 & 29	20.512
Johnson #12	1625	29	17.649
Johnson #13	1625	28 & 29	20.512
Johnson #14	1625	29	11.559
Johnson #15	1625	29	7.424
Johnson #16	1625	29	17.642
Johnson #18	1625	29	11.274
Johnson #20	1653	28	8.001
Johnson #21	1653	28	16.732
Johnson #25	1625	28	10.959
Johnson #26	1625	28	8.522
First Attempt	1653	28 & 29	3.180
Last Attempt	967	28	8.289
Slayback	560 A	29	17.320
Free Milling	560 A	20 & 29	19.460

TOTAL ACREAGE: 399.263

STAND UP INVESTMENTS LTD.

Schedule B

Definitions

“Closing Date” means the date designated by the parties which is within two days after receipt of final acceptance from the Exchange with respect to the Option.

“Commencement of Commercial Production” means:

- (a) if a mill is located on the Property, the last calendar day of a period of 40 consecutive calendar days in which, for not less than 30 calendar days, the mill processed ore from the Property at 60% of its rated concentrating capacity, or
- (b) if a mill is not located on the Property, the last day of a period of 30 consecutive calendar days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues,

but any period of time during which ore or concentrate is shipped from the Property for testing purposes, a bulk sample or during which milling operations are undertaken as initial tune-up, will not be taken into account in determining the date of Commencement of Commercial Production.

“Encumbrance” means any claim, lien, security interest, charge or encumbrance.

“Expenditures” means all cash, expenses and obligations funded, spent or incurred directly or indirectly on exploration, evaluation and development activities on or for the Property, including, land payments, fees, taxes and charges required to keep or secure the Property in good standing; all expenditures for geophysical, geo-chemical and geological work; all expenditures for surveys, drilling, assays, metallurgical testing, engineering, construction and all other expenditures directly benefiting the mineral rights that comprise the Property and the work thereon, but excluding general and administrative expenses.

“Net Smelter Returns” has the meaning set out in Schedule C.

“NSR” means the one percent (1%) net smelter returns royalty to be granted by One World to Stand Up on the exercise of the Option in the form set out in Schedule C.

“Option Period” means the period of time from the date of the letter agreement to and including the date of exercise or termination of the Option.

Schedule C

NSR

For the purposes of the letter agreement, the term "Net Smelter Returns" will mean the net proceeds actually paid to One World from the sale by One World of minerals mined and removed from the Property, after deduction of the following:

- (a) smelting costs, treatment charges and penalties including, but not being limited to, metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser; provided, however, in the case of leaching operations or other solution mining or beneficiation techniques, where the metal being treated is precipitated or otherwise directly derived from such leach solution, all processing and recovery costs incurred by One World, beyond the point at which the metal being treated is in solution, will be considered as treatment charges;
- (b) costs of handling, transporting and insuring ores, minerals and other materials or concentrates from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment; and
- (c) ad valorem taxes and taxes based upon production, but not income taxes.

In the event One World commingles minerals from the Property with minerals from other properties, One World will establish procedures, in accordance with sound mining and metallurgical techniques, for determining the proportional amount of the total recoverable metal content in the commingled minerals attributable to the input from each of the properties by calculating the same on a metallurgical basis, in accordance with sampling schedules and mining efficiency experience, so that production royalties applicable to minerals produced from the Property may reasonably be determined.

Instalments of the NSR will be paid by One World to Stand Up immediately upon the receipt by One world of the payment from the smelter, refinery or other place of treatment of the proceeds of sale of the minerals, ore, concentrates or other product from the Property.

Within 120 calendar days after the end of each fiscal year of One World, commencing with the year in which Commencement of Commercial Production occurs, the accounts of One World relating to operations on the Property and the statement of operations, which will include the statement of calculation of the NSR for the year last completed, will be audited by the auditors of Stand Up at its expense. One World will have 45 calendar days after receipt of such statements to question the accuracy thereof in writing and, failing such objection, the statements will be deemed to be correct and unimpeachable thereafter.

If such audited financial statements disclose any overpayment of the NSR by One World during the fiscal year, the amount of the overpayment will be deducted from future instalments of the NSR payable.

If such audited financial statements disclose any underpayment of the NSR by One World during the year, the amount thereof will be paid to Stand Up forthwith after determination thereof.

One World agrees to maintain for each mining operation on the Property, up-to-date and complete records relating to the production and sale of minerals, ore, bullion and other product from the Property, including accounts, records, statements and returns relating to treatment and smelting arrangements of such product, and Stand Up or its agents will have the right at all reasonable times, including for a period of 12 months following the expiration or termination of this Agreement, to inspect such records, statements and returns and make copies thereof at its own expense for the purpose of verifying the amount of the NSR payments to be made by One World to Stand Up pursuant hereto. Stand Up will have the right to have such accounts audited by independent auditors at its own expense once each fiscal year.

APPENDIX D
OPTION OVER MOGOLLON PROPERTY AGREEMENT
(AS FOLLOWS)

EXECUTION VERSION

OPTION OVER MOGOLLON PROPERTY AGREEMENT

THIS AGREEMENT made effective this 22nd day of December, 2015 (the “**Effective Date**”).

AMONG:

STAND UP INVESTMENTS LTD., a company incorporated under the laws of British Columbia, having an office at Suite 615 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6

(the “**Optionee**”)

AND:


COLUMBUS GOLD CORP., a company incorporated under the laws of British Columbia, having an office at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9 (“**CGT**”)

AND:

COLUMBUS GOLD (U.S.) CORPORATION, a company incorporated under the laws of Nevada, having an office at 573 E. Second Street, Reno, Nevada, 89502 (“**CGTUSA**”)

(CGT and CGTUSA collectively, the “**Optionors**”)

WHEREAS:

- A. Pursuant to the *Mogollon Property Transfer Agreement* dated effective February 23, 2015 among the Optionors, Columbus Exploration Corporation (now Organto Foods Inc.) and Columbus Silver (U.S.) Corporation (the “**Transfer Agreement**”), CGTUSA owns
- i. 22 unpatented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Unpatented Claims**”); and
 - ii. 10 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Patented Claims**” and together with the Unpatented Claims, the “**Owned Claims**”);
- B. Pursuant to the *Mogollon Property Assignment Agreement* dated effective October 28, 2008 among the Optionors, and John Livermore (the “**Livermore Agreement**”), the Optionors hold certain rights and obligations respecting the Property (as herein defined) located in Catron County, New Mexico;
- C. Pursuant to a *Mining Lease* (the “**Sage Lease**”) dated effective April 9, 2009 between Sage Associates, Inc. (“**Sage**”) and CGTUSA, CGTUSA holds a lease of 64 unpatented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix “A” attached hereto (the “**Sage Unpatented Claims**”);
- 

- D. The Sage Unpatented Claims are subject to a royalty as set out in the Sage Lease (the **"First Sage Royalty"**)
- E. Pursuant to a *Mining Lease* (the **"Mack Lease"**) dated effective April 9, 2009 granted by John Mack, Wesley Parker, and Frederick Hott, CGTUSA holds a lease of 49 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix "A" attached hereto (the **"Mack Patented Claims"**);
- F. The Mack Patented Claims are subject to a royalty as set out in the Mack Lease (the **"Mack Royalty"**)
- G. Pursuant to a *Mining Lease* (the **"Mogollon Enterprises Lease"**) dated effective April 9, 2009 granted by Mogollon Enterprises, Inc., CGTUSA holds a lease of 22 patented lode mining claims located in Catron County, New Mexico, as more fully described in Appendix "A" attached hereto consisting of the White Water and the Last Chance Groups (the **"Mogollon Enterprises Patented Claims"**);
- H. The Mogollon Enterprises Patented Claims are subject to a royalty as set out in the Mogollon Enterprises Lease (the **"Mogollon Enterprises Royalty"**)
- I. Pursuant to a *Letter Agreement Mogollon Project* dated March 31, 2009 (the **"Sage Letter Agreement"**), a royalty is owed to Sage on production of the Mack Patented Claims and the Mogollon Enterprises Patented Claims (the **"Second Sage Royalty"**), and together with the First Sage Royalty, Mack Royalty, and Mogollon Enterprises Royalty, the **"Royalties"**), copies of which are attached hereto as Appendix "B";
- J. The Livermore Agreement, Sage Lease, Mack Lease, Mogollon Enterprises Lease, and the Sage Letter Agreement are referred to collectively herein as the **"Underlying Agreements"**, and copies of which are attached hereto as Appendix "B";
- K. The Owned Claims, Sage Unpatented Claims, Mack Patented Claims, and Mogollon Enterprises Patented Claims are referred to collectively herein as the **"Property"**; and
- L. CGTUSA desires to grant an exclusive option to the Optionee to take (i) assignment of CGTUSA's interest in and to the Underlying Agreements and Royalties, (ii) ownership of 100% of CGTUSA's interest in and to the Property, subject to the Royalties and the royalties granted to Cordilleran Exploration Company L.L.C. doing business as Cordex Exploration Corp. as described in Appendix "A", all upon the terms and subject to the conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, the mutual covenants herein set forth and the sum of One Dollar (\$1.00) of lawful money of the United States of America now paid by the Optionee to the Optionors, the receipt and sufficiency of all of the foregoing being acknowledged by the parties hereto, the parties hereto do hereby mutually covenant and agree as follows:



1. APPROVAL BY EXCHANGE

- 1.1. **Agreement Subject to Approval.** This Agreement may be subject to approval by the TSX Venture Exchange (the “Exchange”). The Optionors agree to apply for such approval as soon as reasonably practicable after the execution hereof if so required.
- 1.2. **Parties to use Best Efforts.** The parties agree to use their respective best efforts to obtain the approval of the Exchange set out in Subsection 1.1 above if it is required. In the event that the Exchange requires any deliverables in connection with its approval, including without limitation a copy of this Agreement or any news release(s) issued by any of the Optionors or by the Optionee in connection herewith, the parties agree to provide each other with a copy of such deliverables and also to provide same promptly to the Exchange.
- 1.3. **If Exchange Does not Approve.** The parties agree that if Exchange approval is required, and the Exchange declines to approve this Agreement by February 28, 2016, this Agreement shall terminate without further action of the parties.

2. THE OPTION


- 2.1. **Grant of Option.** The Optionors hereby grant to the Optionee the sole and exclusive right and option (the “Option”), subject to the terms of this Agreement, to acquire:
 - (a) through assignment by the Optionors to the Optionee, all right, title and interest of the Optionors, currently registered in the name of CSCUSA, in and to the Underlying Agreements, subject to the Royalties, and
 - (b) ownership of all right, title and interest of the Optionors, currently registered in the name of CSCUSA, in and to the Property, subject to the Royalties.
- 2.2. **Term of Option.** This Option shall expire on December 31, 2019, unless sooner terminated or exercised under the terms of this Agreement (the “Option Period”).
- 2.3. **Rights During Option Period - Property.** During the Option Period, the Optionee and its employees and agents and any person duly authorized by the Optionee shall have the right in respect of the Property, subject to any limitations of the rights associated with the Property and the rights granted by the Underlying Agreements, to:
 - (a) enter thereon;
 - (b) have exclusive and quiet possession thereof;
 - (c) do such prospecting, exploration and development work thereon and thereunder as the Optionee in its sole discretion may determine advisable;



- (d) bring upon and erect upon the Property, buildings, plant, machinery and equipment and other property as the Optionee, acting reasonably, may deem advisable;
- (e) remove therefrom and dispose of such reasonable quantities of ores, minerals and metals as are necessary for the purposes of obtaining assays or making other tests; and
- (f) remove therefrom and dispose of up to such amount of ore as is necessary for the purpose of conducting trial mining, provided that such trial mining will be limited as follows:
 - (i) trial mining may not occur without all required permits and authorizations having been first obtained;
 - (ii) the payment of any royalties associated with the Property on which the trial mining is conducted must be paid and accounted for by the Optionee;
 - (iii) any trial mining is conducted strictly at the sole risk and responsibility of the Optionee; and
 - (iv) it will indemnify and save the Optionors harmless in respect of any and all costs, claims, liabilities and expenses arising out of the Optionee's trial mining activities, and, without limiting the generality of the foregoing will carry not less than \$5,000,000 in third party liability insurance in respect of such trial mining for the benefit of the Optionee and the Optionors as their interests appear, provided that the aforementioned rights will be limited to those actually held by CGTUSA, including without limitation under the Underlying Agreements.

3. OPTION OBLIGATIONS

3.1. **Payments and Obligations.** In order to maintain the Option in good standing and exercise the Option, the Optionee must complete the following:

- (a) the Optionee must pay to CGTUSA an aggregate of \$1,000,000 on the following schedule (collectively, the "**Payments**"): 
 - (i) US\$50,000 on or before January 31, 2016, provided that if final Exchange approval to this Agreement has not been obtained by the Optionors by such date, then on the date that is three (3) business days following receipt by the Optionee of final Exchange approval of this Agreement, and the transactions contemplated herein;
 - (ii) US\$200,000 on or before December 31, 2016 (the "**Second Payment**");
 - (iii) US\$200,000 on or before December 31, 2017;

- (iv) US\$275,000 on or before December 31, 2018; and
- (v) US\$275,000 on or before December 31, 2019.
- (b) In its sole discretion, Optionee may prepay, at any time, any of the Payments set forth in paragraph 3.1(a) above.
- (c) Until all Payments are made and the Option is exercised in accordance with the terms and conditions contained herein, the Optionee must pay the following amounts (collectively, the “**Obligations**”), which Obligations are exclusive of the Payments and will not be credited as Payments hereunder:
 - (i) all mining claim maintenance, rental fees, property and other taxes, and other payments that would be otherwise due to the appropriate government agency or agencies including without limitation the United States Bureau of Land Management and Catron County, New Mexico in order to keep the Property in good standing. No later than 45 days before the due date of any payment, the Optionee shall make such payment on behalf of CGTUSA to the appropriate government agency or agencies and promptly upon payment furnish CGTUSA with a copy of the official receipt for the payment and otherwise record any proof of such payment as may be required by the laws of New Mexico; and
 - (ii) all amounts of money that would be otherwise due and payable to any party or parties to the Underlying Agreements in order to keep such agreements in good standing, including without limitation lease and rent payments, taxes, royalty and advance royalty payments, option payments, and so forth. The Optionee shall make such payment on behalf of CGTUSA no later than 45 days before the due date of any payment to the appropriate party or parties to the Underlying Agreements and promptly thereafter furnish the Optionors with a copy of the written receipts of such party or parties.
- (d) The Optionee will promptly undertake any and all notice and recording requirements in connection with this Agreement and the Underlying Agreements and promptly provide copies of such filings to the Optionors.

3.2. **Acquisition of Interest.** Upon the satisfaction of the Payments by the Optionee to CGTUSA, and provided the Obligations have been completed by the Optionee in accordance with the terms hereof, on such date the Option shall have been exercised (the “**Exercise Date**”) and the Option will be deemed to be exercised and:

- (a) all right, title and interest in and to the Underlying Agreements, subject to the Royalties, will automatically be assigned, transferred and set over absolutely and unconditionally from the Optionors to the Optionee; and



- (b) a 100% undivided right, title and interest in and to the Property will automatically vest in the Optionee free and clear of all encumbrances, subject to the Royalties.

3.3. **Transfer of Property.** If the Optionee exercises the Option pursuant to this Agreement, the Optionors and the Optionee agree to formally transfer all of the Optionors' respective right, title and interest in and to the Underlying Agreements and the Royalties (together, the "**Transferred Interests**") to the Optionee, including without limitation execution of formal, written assignments, deeds and other transfer documents, all in appropriate form under the law of the State of New Mexico or the Bureau of Land Management (the "**Transfer Documents**"), provided that all costs associated therewith will be borne by the Optionee, and provided further that the Optionee understands that any unpatented mining claims may not be held by a non-U.S. entity and Optionee shall accordingly organize a U.S. entity suitable to hold title to such unpatented mining claims.

3.4. **Escrow of Transfer Documents.**

- (a) Upon the later of (i) obtaining final acceptance of the Exchange to this Agreement (if deemed required by CGT) and (ii) the Optionee timely paying the Second Payment to CGTUSA, the parties agree that they will promptly use good faith efforts to prepare and negotiate an escrow agreement (the "**Escrow Agreement**") with a reputable third party escrow agent acceptable to the parties (the "**Escrow Agent**") in order to place the Transfer Documents into escrow thereunder as soon as practicable.
- (b) Contemporaneously with the negotiation of the Escrow Agreement, the parties will prepare and execute undated Transfer Documents and deposit same with the Escrow Agent upon execution of the Escrow Agreement. The Optionee agrees that it will cover all reasonable costs associated with the preparation of the Escrow Agreement and the Transfer Documents.
- (c) The Escrow Agreement will contain commercially standard terms for the escrow of commercial documents, and among other things will include the following release provisions, it being understood that the specifics of the following and the method of evidencing same will be negotiated in good faith by the parties:
 - (i) If the Optionee fails to make any of the Payments or complete any of the Obligations on or before the date that such Payment or Obligation is due hereunder, the Optionors will have the right to terminate the Escrow Agreement at any time thereafter and withdraw and take possession of and destroy the Transfer Documents;
 - (ii) If either the Optionee or any of the Optionors terminates this Agreement prior to the exercise of the Option, the Optionors will be entitled to terminate the Escrow Agreement and withdraw and take possession of and destroy the Transfer Documents;



- (iii) If the Optionee successfully and timely exercises the Option pursuant to the terms and conditions set out herein, the Optionee will be entitled to terminate the Escrow Agreement and withdraw and take possession of the Transfer Documents and use same to effect the transfer to the Optionee of the Transferred Interests; and
 - (iv) No action, failure or delay on the part of any party in exercising any power or right under the Escrow Agreement will operate as an exercise or waiver of any provision under this Agreement.
- (d) The Escrow Agreement will further provide that at any time prior to the exercise of the Option, if the Option and this Agreement are at such time in good standing, if the Optionor:
- (i) makes a general assignment for the benefit of creditors; or
 - (ii) institutes or has instituted against it any proceeding that remains undismissed or unstayed for a period of thirty (30) days, seeking to adjudicate it a bankrupt or insolvent under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and assets, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs,

then the Optionee will have the right to withdraw and take possession of the Transfer Documents and to use same to effect the transfer to the Optionee of the Transferred Interests, provided further that:

- (iii) this Agreement will not terminate due to the Optionee's obtaining the Transfer Documents as set out above, and the Optionee will remain required to make Payments and complete the Obligations hereunder when due in order to keep the Option and this Agreement in good standing;
- (iv) until such time as the Optionee may exercise the Option by making timely Payments and completing Obligations due hereunder, if the Optionee uses the Transfer Documents to obtain the Transferred Interests, while the Optionee may hold legal title to the Transferred Interests, the Optionors (or such party as may be representing the Optionors in connection with the above-mentioned proceedings) will continue to hold beneficial title thereto, and the Optionee will be deemed to hold such Transferred Interests in trust for the Optionors (or for such party representing the Optionors in connection with the above-mentioned proceedings, as the case may be) and it will be prohibited from selling, optioning, transferring, assigning, or otherwise disposing of same to any other party, and



the Optionee must also not allow any new lien, charge, encumbrance or royalty to be placed on the Transferred Interests;

- (v) During the term of this Option, Optionors will be prohibited from selling, optioning, transferring, assigning, or otherwise disposing of any of the Transferred Interests to any other party, and the Optionors must also not allow any lien, charge, encumbrance or royalty to be placed on the Transferred Interests; and
- (vi) if the Optionee fails to make any Payment or complete any Obligation hereunder when due, the Optionors (or for such party representing the Optionors in connection with the above-mentioned proceedings) will still hold the right to terminate this Agreement and the Option and to demand immediate return of the Transferred Interests, and the Optionee agrees to immediately transfer and assign and otherwise return same to the Optionors (or for such party representing the Optionors in connection with the above-mentioned proceedings, as the case may be) intact and free from any lien, charge, encumbrance or royalty except as set forth in the Underlying Agreements.

4. **OPTION ONLY**

4.1. **Option Only.** The Option is an option only and except as specifically provided otherwise, nothing herein contained shall be construed as obligating the Optionee to do any acts or make any payments hereunder and any act or acts, or payment or payments as shall be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment. If this Agreement is terminated the Optionee shall not be bound thereafter in debt, damages or otherwise under this Agreement save and except as provided for hereunder with respect to the Termination Obligations (as such term is defined herein), and all payments (including without limitation the Payments and the Obligations) previously paid by the Optionee shall be retained by CGTUSA and/or CGT (as applicable) in consideration for entering into this Agreement and for the rights conferred on the Optionee thereby.

5. **ASSIGNMENT OF PROPERTY AND AGREEMENT**

5.1. **Method of Assignment.**

- (a) During the Option Period, the Optionors shall not sell, transfer, assign, mortgage, pledge or otherwise encumber all or any part of their interest in this Agreement or their right or interest in the Option, Underlying Agreements, or the Property or allow the Underlying Agreements or the Property to become subject to any encumbrance of any nature or kind whatsoever or enter into any agreement that may result in the creation of any such encumbrance or otherwise restrict in any manner whatsoever the exercise of the Option by the Optionee as contemplated by this Agreement.



- (b) Notwithstanding section 5.1(a), the Optionors may assign or transfer all but not less than all of their right, title and interest in and to this Agreement and their rights thereunder to an "Affiliate" as such term is defined in the *Business Corporations Act* (British Columbia) (the "Affiliate" and the "Affiliate Transfer") provided that, prior to the Affiliate Transfer, the Affiliate enters into an agreement with the Optionors and the Optionee, in a form reasonably satisfactory to the Optionee, whereby the Affiliate:
- (i) agrees and covenants to assume, observe, perform and discharge all obligations of the Optionors under this Agreement and to be bound by and liable under all terms of this Agreement in the same manner and to the same extent as if the Affiliate was a party to this Agreement in place and stead of the Optionors; and
 - (ii) provides copies of all written consents and approvals which are required pursuant to the Underlying Agreements to effect the Affiliate Transfer.
- (c) The Optionee may assign or transfer its rights under this Agreement to any third party (the "Transferee") and such Transferee will be required to execute and deliver to the Optionors (and to any applicable lessors under the Underlying Agreements) its agreement related to this Agreement and to the Property, containing:
- (i) a covenant to be bound by, and to perform all the obligations of the the Optionee to be performed under this Agreement (or the Underlying Agreements) in respect of the interest to be acquired by the Transferee therefrom to the same extent as if this Agreement had been originally executed by the Transferee and the Optionors; and
 - (ii) a provision subjecting any further sale, transfer, assignment, mortgage, pledge or other encumbrance of such interest or any portion thereof to the restrictions contained in this Section.
- (d) Notwithstanding sections 5.1(a), (b) and (c), the Optionee understands and agrees that if the Option is fully exercised pursuant to the provisions of this Agreement, the ultimate transfer of the Property should only be made to an Affiliate of the Optionee or other permitted transferee who is organized under the laws of the United States due to the unpatented mining claims.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE OPTIONORS

- 6.1. The Optionors, jointly and severally, represent, warrant and covenant to the Optionee (and acknowledge and confirm that the Optionee is relying on such covenants, representations and warranties in entering into this Agreement) that:



- (a) Appendix "B" contains a true copy of each of the Underlying Agreements, and that the Underlying Agreements and the Royalties constitute all of the agreements relating to the Property to which the Optionors hold any right, title, or interest, each of which is valid and in good standing, in full force and effect and has not been amended or modified in any respect;
- (b) CGTUSA is duly organized, validly existing and in good standing under the laws of the State of Nevada, and that the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its organizational documents;
- (c) CGT is duly organized, validly existing and in good standing under the laws of the Province of British Columbia, Canada, and that the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its organizational documents;
- (d) each of the Optionors has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (e) CGTUSA is a wholly-owned subsidiary of CGT;
- (f) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which either of the Optionors is a party;
- (g) this Agreement constitutes a legal, valid and binding obligation of the Optionors;
- (h) the Underlying Agreements and the Property are in good standing, free and clear of all liens, charges, encumbrances and royalties except for the Royalties;
- (i) except for the Royalties, the Optionors are the only registered and beneficial owners of all right, title and interest to the Property and the Property is free and clear of, and from, all claims, liens, security interests, charges and encumbrances and is not subject to any judgment, order or decree entered in any lawsuit or proceeding;
- (j) neither the execution, delivery and performance of this Agreement, nor the exercise of the Option, will conflict with, result in a violation of, cause a default under (with or without notice, lapse of time or both) or give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in or the loss of any material benefit under, or result in the creation of any encumbrance upon the Property, the Underlying

Agreements or other instrument, permit, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Property or the Underlying Agreements;

- (k) the Optionors will hold all permits, licenses, consents and authorities issued by any government or governmental authority which are necessary in connection with the ownership of the Property;
- (l) to the Optionors' knowledge, the unpatented mining claims comprising the Property have been duly and validly located and recorded in accordance with applicable laws of New Mexico and the federal laws of the United States of America applicable therein, and no "discovery of valuable mineral" has been made with respect to the mineral claims comprising the Property;
- (m) the claim maintenance fees for the current assessment year have been paid for the unpatented mining claims comprising the Property;
- (n) the Optionors have the exclusive right and authority to enter into this Agreement and to assign the Underlying Agreements in accordance with the terms hereof, and to the Optionors' knowledge, no other person, firm or corporation has any proprietary or other interest in the same;
- (o) to the Optionors' knowledge, there is no adverse claim or challenge against or to the ownership of or title to the Property, nor is there any basis therefor, there are not outstanding agreements or options to acquire or purchase the Property or any portion thereof other than the Royalties, and no person has any royalty or other interest whatsoever in production from any of the Property other than as set out in the Underlying Agreements;
- (p) to the Optionors' knowledge, there is no judicial or administrative proceeding pending, no environmental order has been issued concerning, and no notice issued from any local, state, or federal agency respecting, the possible violation of any environmental laws or environmental orders in respect of the Property;
- (q) the Optionors' ownership of the Property is in compliance with, is not in default or violation in any material respect under, and the Optionors have not been charged with or received any notice at any time of any material violation of any statute, law, ordinance, regulation, rule, decree or other applicable regulation in connection with the Optionors' ownership of the Property;
- (r) the Optionors have duly filed all reports and returns required to be filed with governmental authorities and have obtained all governmental permits and other governmental consents, except as may be required after the execution of this Agreement and all such permits and consents are in full force and effect, and no proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending or to



the knowledge of the Optionors, threatened, and none of them will be adversely affected by the entry into this Agreement or the transactions contemplated herein;

- (s) the Optionors have advised the Optionee of all of the material information relating to the mineral potential of the Property of which they have knowledge;
- (t) no filing or registration with, no notice to and no permit, authorization, consent, or approval of any public or governmental body or authority or other person or entity is necessary for the exercise of the Option contemplated by this Agreement or to enable the Optionee to acquire a 100% interest in the Property, subject to the Royalties, on the exercise of the Option; and
- (u) the Optionors have received all written consents and approval required by lessors and other persons under the Underlying Agreements to permit the assignment of the Underlying Agreements and Royalties to the Optionee upon the exercise of the Option.

6.2. As soon as practical after the execution of this Agreement, the Optionors will deliver copies of all reports, maps, drill logs, assay results and other relevant technical data respecting the Property in their possession to the Optionee. The Optionors further agree to forward any such data that any of the Optionors obtains during the Option Period to the Optionee. The Optionors do not warrant the accuracy of any information so provided to the Optionee, provided that the Optionors are not aware of any inaccuracies within the information so supplied.

6.3. Each of the Optionors agrees to indemnify, defend and save harmless the Optionee from and against all actions, suits, losses, damages and expenses which the Optionee may suffer or incur on or prior to the Effective Date in connection with the Underlying Agreements or the Royalties.

6.4. The representations and warranties contained in the Subsection above are provided for the exclusive benefit of the Optionee and a breach of any one or more thereof may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty, and the representations and warranties contained in such Subsection will survive the execution hereof.

6.5. Each of the representations and warranties set forth above are true and correct as of the date hereof and will be true and correct as of the date of exercise of the Option, and the Optionors will use reasonable efforts to cause each of the representations and warranties contained in Subsection 6.1 to be materially true and correct during the Option period and on the Exercise Date.



7. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE

7.1. The Optionee covenants with and represents and warrants to the Optionors as follows, and acknowledges and confirms that the Optionors are relying on such covenants, representations and warranties in entering into this Agreement:

- (a) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (b) it is duly organized, validly existing and in good standing under the laws of British Columbia and that the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (c) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which the Optionee is a party;
- (d) this Agreement constitutes a legal, valid and binding obligation of the Optionee;
- (e) it will, during the currency of this Agreement, do all work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any applicable governmental authority including without limitation the carrying and maintaining of liability insurance on employees, all laws and regulations regarding reclamation, protection of the environment or human health, applicable environmental statutes, regulations, ordinances, by-laws, and codes with respect to the Property;
- (f) it will, during the currency of this Agreement, keep the Property free and clear from any and all liens and encumbrances, except for the Royalties;
- (g) it will, during the currency of this Agreement, acquire all federal, state, and local permits required for its operations on and in connection with the Property. The Optionee will be responsible for reclamation of those areas disturbed by the Optionee's activities. The Optionee will post any operating and reclamation bonds required by regulatory agencies for work on the Property;
- (h) it acknowledges and agrees that the Optionors or their authorized agents and representatives will be permitted to enter upon the Property at all reasonable times for the purposes of inspection, but will do so at their own risk and so as not to unreasonably hinder the operations of the Optionee. The Optionors will indemnify and hold the Optionee harmless from any



damage, claim, or demand by reason of injury to the Optionors or their agents or representatives on the Property or the approaches thereto; and

- (i) it will, during the currency of this Agreement, indemnify and save the Optionors harmless in respect of any and all costs, claims, liabilities and expenses arising out of the Optionee's activities on the Property and, without limiting the generality of the foregoing will, during the currency of this Agreement, carry not less than \$1,000,000 (or in connection with trial mining on the Property in such greater amount as management of the Optionee and the Optionors agree to be prudent and customary for trial mining on the Property) in third party liability insurance in respect of its operations on the Property for the benefit of the Optionee and the Optionors as their interests appear, provided that the Optionee will incur no obligation hereunder in respect of claims arising or damages suffered after termination of the Option if upon termination of the Option any workings on or improvements to the Property made by the Optionee are left in a safe condition.

- 7.2. The representations and warranties contained in the Subsection above are provided for the exclusive benefit of the Optionors and a breach of any one or more thereof may be waived by the Optionors, as applicable, in whole or in part at any time without prejudice to their rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in such Subsection will survive the execution hereof.

8. DEFAULT AND TERMINATION

- 8.1. **Default.** Notwithstanding anything in this Agreement to the contrary, if the Optionee should be in default in performing any requirement herein set forth, the Optionee will not lose any rights granted under this Agreement, unless:
 - (a) In the case of any payment required under Section 3.1(a), within thirty (30) days after the due date specified in Section 3.1(a) for any such payment, the Optionee has failed to pay the required amount to Optionors;
 - (b) In the case of any payment required under the Underlying Agreements or the mining claim maintenance, rental fees, property and other taxes or any other obligation under Section 3.1(c), the Optionee has failed to pay the required amount within five (5) business days after the due date specified in Section 3.1(c) for such payment; and
 - (c) In the case of defaults in performance of obligations not involving the payment of money, within thirty (30) days after the due date for the performance of such non-monetary obligation, the Optionee has failed to cure the default unless the Optionee has otherwise taken reasonable steps to cure the default and thereafter prosecutes such actions to completion without undue delay;



provided that, if the Optionee fails to cure a default in payment or otherwise fails to take reasonable steps to cure any default in performance, this Agreement shall terminate without further action and the Optionors will be entitled to seek any remedy any one or more of them may have on account of such default.

- 8.2. **Optionee May Terminate at any Time.** In addition to any other termination provisions contained in this Agreement, the Optionee will at any time have the right to terminate this Agreement without liability therefor by giving sixty (60) days' written notice of such termination to the Optionors, and in the event of such termination this Agreement, subject to the Termination Obligations, will be of no further force and effect.
- 8.3. **Effect of Termination.** From and after the date of termination of this Agreement, all right, title and interest of the Optionee under this Agreement will terminate except for the Termination Obligations, the Optionee will not be required to make any further payments or to perform any further obligations hereunder concerning the Property, and none of the Optionors will have any requirement to repay any funds advanced thereto hereunder.
- 8.4. **Termination Obligations.** If this Agreement is terminated prior to the exercise of the Option, the Optionee will (collectively, the "**Termination Obligations**"):
- (a) deliver to the Optionors as soon as possible after receipt of a written request from the Optionors copies (including without limitation hard copies, and copies in electronic or digital format) of all reports, maps, drill logs, assay results and any other relevant technical data compiled by or otherwise in the possession of the Optionee with respect to the Property;
 - (b) remove from the Property within three (3) months of the date of termination all mining facilities erected, installed or brought upon the Property by or at the instance of the Optionee, and any such mining facilities remaining on the Property after the expiration of the said period will, without compensation to the Optionee, become the property of the Optionors (provided that any Optionor may thereafter remove such facilities at the expense of the Optionee); and
 - (c) complete any Obligations that are due within thirty (30) days prior to the date of termination.

9. NOTICE

- 9.1. **Notice.** Any notice required to be given under this Agreement shall be deemed to be well and sufficiently given if delivered or if mailed by registered mail in Canada or the United States of America (save and except during the period of any interruption in the normal postal service within Canada or the United States of America) or sent by facsimile or email, as follows:

if to the Optionee:



STAND UP INVESTMENTS LTD.

800 West Pender Street, Suite 615
Vancouver, British Columbia
V6C 2V6

Facsimile No.: 604-684-0279

Email: dfulcher@maritimeresourcescorp.com

if to the Optionors:

COLUMBUS GOLD CORPORATION

1090 Hamilton Street
Vancouver, British Columbia, V6B 2R9
Canada
Facsimile No.: 604-634-0971
Email: robert@columbusgroup.com

and

COLUMBUS GOLD (U.S) CORPORATION

573 E. Second Street
Reno, Nevada, 89502
USA
Facsimile No.: 604-689-3609
Email: Robert@mineralcorporations.com

with a copy to:

CORDILLERAN EXPLORATION COMPANY, LLC

573 E 2nd Street
Reno, Nevada
89502-1090
USA
Facsimile Number: 775-324-4811
Email: AWallace@cordexnv.com

Any notice given as aforesaid shall be deemed to have been given, if delivered, when delivered, if sent by facsimile or email, when received, or if mailed, on the third business day after the date of mailing thereof. Any party may from time to time by notice in writing change its address for the purpose of this paragraph.

10. CURRENCY AND PAYMENTS

- 10.1. **Currency.** All sums of money expressed in this Agreement are expressed in the lawful money of the United States of America.
- 10.2. **Payments.** Any payments to the Optionors which the Optionee may make under the terms of this Agreement shall be deemed to have been well and sufficiently made in a timely manner if, among other things, cheques payable to CGT or



CGTUSA are mailed to the Optionors at the address in Vancouver, British Columbia stipulated for receiving notices hereunder by prepaid registered mail from a point in Canada or the United States of America on or before the date such payment is to be made.

11. GOVERNING LAW

- 11.1. **Governing Law.** This Agreement, and all disputes or claims arising out of or in connection with it, shall be governed by and construed in accordance with the laws of the State of New Mexico.
- 11.2. **Jurisdiction.** The parties to this agreement irrevocably and unconditionally agree that the Courts of the State of New Mexico shall have exclusive jurisdiction over all disputes or claims arising out of or in connection with this agreement.

12. ACKNOWLEDGEMENT – PERSONAL INFORMATION

- 12.1. **Personal Information.** The undersigned hereby acknowledges and consents, if required by Exchange policy, by law, or by applicable regulatory authorities, to:
- (a) the disclosure to the Exchange and all other regulatory authorities with jurisdiction of all personal information of the undersigned obtained by the others party hereto; and
 - (b) the collection, use and disclosure of such personal information by the Exchange and all other regulatory authorities with jurisdiction in accordance with the requirements, including the provision to third party service providers, from time to time.

13. DISCLOSURE OF INFORMATION

- 13.1. **News Releases.** Subject to the requirements of applicable laws, any news release of either party hereto relating to the Property or to this Agreement will be provided to the other party not less than twenty-four (24) hours in advance of its release, and the originating party will use its reasonable best efforts to provide comments thereto in order to bring the form and content thereof to the standards required by such party.

14. MISCELLANEOUS

- 14.1. **Prior Agreements.** This Agreement supersedes and replaces all prior agreements and understandings among the parties hereto, whether written or verbal, with respect to the Property, which said prior agreements shall be deemed to be null and void and of no further force or effect upon the execution hereof.
- 14.2. **Further Assurances.** The parties hereto agree to execute all such further or other assurances and documents and to do or cause to be done all acts or things necessary to implement and carry into effect the provisions and intent of this Agreement.



- 14.3. **Waiver.** No failure or delay on the part of any party in exercising any power or right under this Agreement will operate as a waiver of such power or right. No single or partial exercise of any right or power under this Agreement will preclude any further or other exercise of such right or power. No modification or waiver of any provision of this Agreement and no consent to any departure by any party from any provision of this Agreement will be effective until the same is in writing. Any such waiver or consent will be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any party in any circumstances will entitle such party to any other or further notice or demand in similar or other circumstances.
- 14.4. **TIME IS OF THE ESSENCE.** TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT AND ALL OF ITS PARTS.
- 14.5. **Titles.** The titles to the respective paragraphs hereof shall not be deemed as part of this Agreement but shall be regarded as having been used for convenience only.
- 14.6. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, and permitted assigns.
- 14.7. **Rule Against Perpetuities.** The parties do not intend nor desire for this Agreement to violate the common law rule against perpetuities or any analogous statutory provision or any other statutory or common law rule imposing time limits on the vesting or termination of estates in land (the “**Rule Against Perpetuities**”). If any provision of this Agreement does or would violate the Rule Against Perpetuities, then this Agreement shall not be deemed void or voidable, but shall be interpreted in such a way as to maintain and carry out the parties’ objectives to the fullest extent possible by law.
- 14.8. **Severability.** It is intended that all of the provisions of this Agreement will be fully binding and effective between the parties. If any particular provision or provisions or a part of one or more is held to be invalid, illegal, void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision will be deemed severed from the remainder of this Agreement. The remainder of this Agreement will not be affected by the severance and will remain in full force and effect.

15. MEMORANDUM

- 15.1. **Memorandum.** The parties to this Agreement agree to execute and record a Memorandum of this Agreement in form sufficient to constitute record notice to third parties of the rights hereunder, which may be recorded in the official records of the Catron County Recorder’s Office, New Mexico.



16. COUNTERPARTS

16.1. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All of these counterparts will for all purposes constitute one agreement, binding on the parties, notwithstanding that all parties are not signatories to the same counterpart. A fax transcribed copy or photocopy of this Agreement executed by a party in counterpart or otherwise will constitute a properly executed, delivered and binding agreement or counterpart of the executing party.

[Remainder of page intentionally blank and signature page follows]



IN WITNESS WHEREOF the parties hereto have hereunto executed these presents as of the day and year first above written.

STAND UP INVESTMENTS INC.

John N. Hamilton
President and CEO

COLUMBUS GOLD CORP.

Robert Giustra
CEO


**COLUMBUS GOLD (U.S.)
CORPORATION**

Robert Giustra
President




IN WITNESS WHEREOF the parties hereto have hereunto executed these presents as of the day and year first above written.

STAND UP INVESTMENTS INC.




John N. Hamilton
President and CEO

COLUMBUS GOLD CORP.



Robert Giustra
CEO

**COLUMBUS GOLD (U.S.)
CORPORATION**



Robert Giustra
President

APPENDIX "A"

PROPERTY DESCRIPTION

The Unpatented Claims

Description: 22 unpatented lode mining claims located in Sections 28, 29, 32, 33, Township 10 South, Range 19 West and Section 4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>	<u>County Document Number/Book, Page</u>			
GOLD DUST #1	NMMC# 11900		Book 8	Page 219	
GOLD DUST #2	NMMC# 11901		Book 8	Page 220	
GOLD DUST #3	NMMC# 11902		Book 9	Page 23	
GOLD DUST #4	NMMC# 148603		Book 41	Page 708	
GD 1	NMMC# 187638	Doc# 20081942	Book 49	Page 463	
GD 2	NMMC# 187639	Doc# 20081943	Book 49	Page 465	
GD 3	NMMC# 187640	Doc# 20081944	Book 49	Page 467	
GD 4	NMMC# 187641	Doc# 20081945	Book 49	Page 469	
GD 5	NMMC# 187642	Doc# 20081946	Book 49	Page 471	
GD 6	NMMC# 187643	Doc# 20081947	Book 49	Page 473	
GD 7	NMMC# 187644	Doc# 20081948	Book 49	Page 475	
GD 8	NMMC# 187645	Doc# 20081949	Book 49	Page 477	
GD 9	NMMC# 187646	Doc# 20081950	Book 49	Page 479	
GD 10	NMMC# 187647	Doc# 20081951	Book 49	Page 481	
GD 11	NMMC# 187648	Doc# 20081952	Book 49	Page 483	
GD 12	NMMC# 187649	Doc# 20081954	Book 49	Page 485	
GD 13	NMMC# 187650	Doc# 20081955	Book 49	Page 487	
GD 14	NMMC# 187651	Doc# 20081956	Book 49	Page 489	
GD 15	NMMC# 187652	Doc# 20081957	Book 49	Page 491	
GD 16	NMMC# 187653	Doc# 20081958	Book 49	Page 493	
GD 17	NMMC# 187654	Doc# 20081959	Book 49	Page 495	
Isabella 2	NMMC# 188199	Doc# 200900449	Book 49	Page 536	

The Patented Claims

Description: 10 patented claims located in Sections 21, 28 and 33, Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Ida May	1372	28	13.192
Independence	1558	28	20.530



Anaconda	1558	28	17.446
Comet	1558	28	20.145
Union	1558	21 & 28	20.410
Don't Care	1558	28	17.818
New Chum	1558	28	20.582
Crescent	1558	28	16.556
Thursday	1558	28	20.156
Wolfstone	1558	21	20.630

TOTAL ACREAGE: 187.465

The Mogollon Enterprises Claims

WHITE WATER GROUP:

Description: 8 patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
North Alpine	883	29 & 32	20.66
South Alpine	876-A	32	20.34
Blackbird	877-A	32 & 33	18.34
Dutch Boy	1045	33	6.70
Confidence	873-A	32	12.07
Blue Bird	882	32	14.94
Red Bird	881	32	6.58
South Alpine Mill Site	876-B	32	5.00

TOTAL ACREAGE: 104.630

LAST CHANCE GROUP:

Description: 14 patented claims located in Township 10 & 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Hub #1	1551-C	33	20.292
Top	939-A	33	13.404
Frieda #2	1551-A	33	20.651
Anna E.	1551-B	33	20.615
Last Chance	980-A	33	17.430
Settle	980-C	33	16.280
Boise City	980-B	33	1.581
Jack Pot	1552	33 & 3	20.319
Boise City M.S.	979-B	33 & 34	1.003
Cross	979-A	34	20.661
Frieda #2 M.S.	1551-A	33	4.970
Lime Kiln	1553	3	20.661
Humming Bird	1550	33	0.351
Top M.S.	939-B	33 & 34	5.000

TOTAL ACREAGE: 199.718



Minimum Royalties:

\$5,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$10,000 + CPI each year thereafter (tied to Production Price Index for industrial Commodities U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% NSR for Au/Ag if gold price exceeds US\$1000.00 per troy ounce

The Sage Claims

Description: 64 unpatented lode mining claims located in Sections 27, 28, 33-35, Township 10 South, Range 19 West and Sections 3-4, Township 11 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>BLM Serial Number</u>	<u>County /Book, Page</u>
Escondido #1	NMMC# 9194	Book 19 Page 761
Escondido #2	NMMC# 9195	Book 19 Page 762
Escondido #3	NMMC# 9196	Book 19 Page 763
Escondido #4	NMMC# 9197	Book 19 Page 764
Escondido #5	NMMC# 9198	Book 19 Page 765
Escondido #6	NMMC# 2482	Book 19 Page 802
Escondido #7	NMMC# 115364	Book 49 Page 516
Escondido #8	NMMC# 115365	Book 49 Page 518
Escondido #9	NMMC# 9201	Book 19 Page 769
Escondido #10	NMMC# 9202	Book 19 Page 770
Escondido #11	NMMC# 9203	Book 19 Page 771
Escondido #12	NMMC# 9204	Book 49 Page 520
Escondido #13	NMMC# 9205	Book 49 Page 522
Escondido #14	NMMC# 9206	Book 19 Page 774
Escondido #15	NMMC# 9207	Book 19 Page 775
Escondido #16	NMMC# 9208	Book 19 Page 776
Escondido #17	NMMC# 9209	Book 19 Page 777
Escondido #18	NMMC# 9210	Book 19 Page 778
Escondido #19	NMMC# 9211	Book 19 Page 779
Escondido #20	NMMC# 9212	Book 19 Page 780
Escondido #21	NMMC# 2479	Book 19 Page 799
Escondido #22	NMMC# 2480	Book 19 Page 800
Escondido #23	NMMC# 2481	Book 19 Page 801
ESCONDIDO NO. 24	NMMC# 9153	Book 20 Page 153
Escondido No. 25	NMMC# 9154	Book 20 Page 229

Escondido No. 26	NMMC#	9155	Book	20	Page	230
Escondido No. 27	NMMC#	9156	Book	20	Page	231
Escondido No. 28	NMMC#	9157	Book	20	Page	232
Escondido No. 29	NMMC#	9158	Book	20	Page	233
Escondido No. 30	NMMC#	9159	Book	20	Page	234
Escondido No. 31	NMMC#	9160	Book	20	Page	235
Escondido No. 32	NMMC#	9161	Book	20	Page	161
Escondido No. 33	NMMC#	9162	Book	20	Page	162
Escondido No. 34	NMMC#	9163	Book	20	Page	163
Escondido No. 35	NMMC#	9164	Book	49	Page	524
Escondido No. 36	NMMC#	9165	Book	20	Page	165
Escondido No. 37	NMMC#	9166	Book	49	Page	526
Escondido No. 38	NMMC#	9167	Book	20	Page	167
Escondido No. 39	NMMC#	9168	Book	49	Page	528
Escondido No. 40	NMMC#	9169	Book	20	Page	169
Escondido No. 41	NMMC#	9170	Book	49	Page	530
Escondido No. 42	NMMC#	9171	Book	20	Page	171
Escondido No. 43	NMMC#	9172	Book	20	Page	172
Escondido No. 44	NMMC#	9173	Book	20	Page	173
Escondido No. 45	NMMC#	9174	Book	20	Page	174
Escondido No. 46	NMMC#	9175	Book	20	Page	175
Escondido No. 47	NMMC#	9176	Book	20	Page	176
Escondido No. 48	NMMC#	9177	Book	20	Page	711
Escondido No. 49	NMMC#	9178	Book	20	Page	712
ESCONDIDO NO. 53	NMMC#	9179	Book	49	Page	532
ESCONDIDO NO. 54	NMMC#	9180	Book	20	Page	237
Escondido No. 55	NMMC#	9181	Book	20	Page	238
ESCONDIDO NO. 56	NMMC#	9182	Book	20	Page	239
Escondido No. 57	NMMC#	9183	Book	20	Page	240
Escondido No. 58	NMMC#	9184	Book	20	Page	241
Escondido No. 59	NMMC#	9185	Book	20	Page	242
Escondido No. 60	NMMC#	9186	Book	20	Page	243
Escondido No. 61	NMMC#	9187	Book	20	Page	244
Escondido No. 62	NMMC#	9188	Book	20	Page	245
Escondido No. 63	NMMC#	9189	Book	20	Page	246
Escondido No. 64	NMMC#	9190	Book	20	Page	247
ESCONDIDO #65	NMMC#	9191	Book	20	Page	248
ESCONDIDO #66	NMMC#	9192	Book	20	Page	249
ESCONDIDO #68	NMMC#	147319	Book	41	Page	646

Minimum Royalties:

\$5,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$10,000 + CPI each year thereafter (tied to Production Price Index for industrial Commodities U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% NSR for Au/Ag if gold price exceeds US\$1000.00 per troy ounce

0.5% override to a total payment of \$550,000 and 1.0% NSR override thereafter for any production off of Lehigh Metals and Mogollon Enterprises lands

The Mack Claims

Description: **49** patented claims located in Township 10 South, Range 19 West, NMPM, Catron County, New Mexico, as follows:

<u>Claim Name</u>	<u>MS.#</u>	<u>Section</u>	<u>Acres</u>
Little Fanney	840	28	20.660
Champion	1392	28	20.326
Johnson	1365	29	16.273
Little Charlie	1689	28	17.389
Maud S.	912-A		
Silver Link	912-B	28 & 33	39.040
Wilson	912-C		
Silver Fountain	304	28	14.700
Old Strike	524	27 & 28	17.630
Silver Bar	305	21 & 28	19.230
Leap Year	1070	21	15.395
Socorro No. 1	1392	27 & 28	19.014
Socorro No. 2	1392	28 & 33	20.059
Socorro No. 3	1546	33	4.285
Socorro No. 4	1546	33	18.797
Socorro No. 5	1546	33	6.048
Andrew Jackson & Consolidated	1392	28	18.761
Lexington Contention	1392	28 & 33	9.715
Lexington Gunboat	1392	28	11.322
Virginia	1392	28	2.617
Clifton	1392	33	18.410
Lena	1689	28 & 29	8.826
Little Jiant	1689	28 & 29	20.524
Sandy	1689	28	11.611
Homestake	1689	28 & 33	19.778
Selma	1689	28 & 33	12.948
Iron Hat	1689	33	10.803
Waldorf	1547	33	8.006
Johnson #2	1625	29	19.855
Johnson #3	1625	29	17.493
Johnson #4	1625	29	19.293

Johnson #5	1625	29	17.409
Johnson #6	1625	29	17.409
Johnson #10	1653	29	16.273
Johnson #11	1625	28 & 29	20.512
Johnson #12	1625	29	17.649
Johnson #13	1625	28& 29	20.512
Johnson #14	1625	29	11.559
Johnson #15	1625	29	7.424
Johnson #16	1625	29	17.642
Johnson #18	1625	29	11.274
Johnson #20	1653	28	8.001
Johnson #21	1653	28	16.732
Johnson #25	1625	28	10.959
Johnson #26	1625	28	8.522
First Attempt	1653	28 & 29	3.180
Last Attempt	967	28	8.289
Slayback	560 A	29	17.320
Free Milling	560 A	20 & 29	19.460

TOTAL ACREAGE: 399.263

The definition of "Property" as set out in the Agreement shall also include any easements, appurtenances, or hereditaments to the above described mining claims together with any water rights with points of diversion and/or places of use on or otherwise geographically associated with any of the Property. Each of the Optionors specifically represents that it is not aware of the existence of any such rights, but to the extent that each of the Optionors, or the grantors of the Underlying Agreements are vested with any such rights, it is the intent of this Agreement that such rights are included within the Property.

Minimum Royalties:

\$10,000 + CPI annually due on April 9, 2016 and 2017, and subsequently increasing to \$20,000 + CPI each year thereafter (tied to Production Price Index for industrial Commodities U.S. Bureau of Labour Statistics)

Gross Production Royalties (Net Smelter Returns):

3% NSR

4% NSR for Au/Ag if gold price exceeds US\$1000.00 per troy ounce

APPENDIX "B"

UNDERLYING AGREEMENTS AND ROYALTIES

[Attached Hereto]

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