ONE WORLD INVESTMENTS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(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 statements of financial position as at December 31, 2016 and December 31, 2015 and the statements of loss and comprehensive loss, changes in shareholders' deficit, 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 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, 2016 and December 31, 2015 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 indicates that the Company has incurred operating losses since inception and has an accumulated deficit of $10,542,593. 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.

(signed) "BDO CANADA LLP"

Chartered Professional Accountants
Vancouver, British Columbia
April 27, 2017

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ONE WORLD INVESTMENTS INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2016 ($)	December 31, 2015 ($)
Assets			
Current Assets			
Cash		$ 1,362	$ 647
Prepaid expenses		7,518	-
		8,880	647
Non - Current Assets			
Exploration and evaluation assets	5	25,000	-
		33,880	647
Liabilities & Shareholders' Deficit			
Current Liabilities			
Accounts payable and accrued liabilities	6	638,705	467,252
Loans payable	7	886,035	435,275
Promissory notes payable	8	610,693	579,083
Due to a former related party	9	-	286,898
		2,135,433	1,768,508
Shareholders' Deficit			
Share capital	10	8,430,700	8,430,700
Share-based payments reserve	10	10,340	10,340
Deficit		(10,542,593)	(10,208,901)
		(2,101,553)	(1,767,861)
		$ 33,880	$ 647

The accompanying notes are an integral part of the annual financial statements

Nature of operations and going concern (Note 1)
Subsequent Events (Note 14)

Approved on behalf of the Board by:

"Douglas Fulcher"
Douglas Fulcher, Director

"Allan Williams"
Allan Williams, Director

ONE WORLD INVESTMENTS INC.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	December 31, 2016	December 31, 2015
		($)	**($)**
EXPENSES			
Professional fees	11	102,421	55,366
Interest and financing costs	7,8,9	103,656	96,802
Management and director fees	11	60,000	41,775
Office, rent and phone		50,112	12,000
Transfer agent and filing fees		16,055	12,220
Foreign exchange loss (gain)	8	(3,062)	91,165
Exploration expenditures (recovery)	5	-	(5,645)
Write off unrecoverable tax		4,510	26,884
		333,692	330,567
Net Loss and Comprehensive Loss		(333,692)	(330,567)
Basic and Diluted Loss per Common Share		(0.07)	(0.07)
Weighted Average Number of Shares Outstanding (units)		5,055,506	5,055,506

The accompanying notes are an integral part of the annual financial statements

ONE WORLD INVESTMENTS INC.

Statements of Changes in Shareholders' Deficit

(Expressed in Canadian Dollars)

	Share Capital				
	Shares	Amount	Share-based payments reserve	Deficit	Total shareholders' deficit
	(#)	($)	($)	($)	($)
Balance - December 31, 2014	**5,055,506**	**8,430,700**	**10,340**	**(9,878,334)**	**(1,437,294)**
Net loss for the year	-	-	-	(330,567)	(330,567)
Balance - December 31, 2015	**5,055,506**	**8,430,700**	**10,340**	**(10,208,901)**	**(1,767,861)**
Net loss for the year	-	-	-	(333,692)	(333,692)
Balance - December 31, 2016	**5,055,506**	**8,430,700**	**10,340**	**(10,542,593)**	**(2,101,553)**

The accompanying notes are an integral part of the annual financial statements

ONE WORLD INVESTMENTS INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	December 31, 2016	December 31, 2015
	($)	($)
OPERATING ACTIVITY		
Net loss for the year	(333,692)	(330,567)
Items not affecting cash:		
Foreign exchange loss (gain)	(3,062)	91,165
Interest and financing costs	103,656	96,497
Write off unrecoverable tax	-	26,884
Net change in non-cash working capital		
Prepaid expenses	(7,518)	-
Accounts payable and accrued liabilities	162,031	89,466
	(78,585)	(26,555)
INVESTING ACTIVITY		
Exploration and evaluation expenditures	(25,000)	-
	(25,000)	-
FINANCING ACTIVITIES		
Loans payable	104,300	-
Promissory notes payable	-	26,807
	104,300	26,807
Increase (decrease) in cash for the year	715	252
Cash - beginning of the year	647	395
Cash - end of year	1,362	647

The accompanying notes are an integral part of the annual 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 (Note 14).

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, 2016, the Company has a working capital deficit of $2,126,553, an accumulated deficit of $10,542,593 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. See Note 14 where the Company raised additional funds to assist in discharging its liabilities.

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 significantly impacted. 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. 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 27, 2017.

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.

While management believes that these estimates, critical judgment and assumptions are reasonable, actual results could differ 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

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 Statements of Financial Position. 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 December 31, 2016, and December 31, 2015, and to the comprehensive loss, shareholders’ deficit and cash flows and for the years ended December 31, 2016 and 2015.

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.

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.

(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 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. Financial assets include, cash and prepaid expenses.

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 a former related party.

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.

When applicable, 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 at 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.

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, 2016 and 2015, 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 the United States.

(l) 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. 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 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 not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

(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 and has disclosed a going concern uncertainty in Note 5 of the financial statements.

(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. The Company is not exposed to significant market risk and overall the Company's market risk has not changed significantly from the prior year.

(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 loans and promissory notes payable.

(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, 2016, the carrying value of the promissory note was

$579,149 (2015: $550,228). All other monetary assets and liabilities are denominated in Canadian dollars. Subsequent to year end, these promissory notes were settled with shares.

There were no changes during the year in the Company's approach to managing the above risks. The Company is not exposed to significant foreign currency risk and overall the Company's foreign currency risk has not changed significantly from the prior year.

5. Exploration and evaluation assets

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., ("SUI"), whereby SUI 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 SUI an option (the "Option") to acquire a 100% interest in the Mogollon silver-gold project (the "Property") by paying an aggregate of US$1,000,000 in staged annual payments to the optionor over a 4 year period. In consideration for the assignment of the Option by SUI, 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") (Note 14).
- 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 SUI 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 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 years ended December 31, 2016 and December 31, 2015:

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

6. Accounts payable and accrued liabilities

	December 31, 2016 ($)	December 31, 2015 ($)
Accounts payable	240,959	74,404
Accrued liabilities	142,500	8,500
Part XII.6 tax payable	195,156	185,734
Due to related parties (note 11)	60,090	198,613
	638,705	**467,251**

7. Loans Payable

	Loan #1		Loan #2		Loan #3		Loan #4	
	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**108,400**	**98,800**	**326,875**	**302,662**	-	-	-	-
Additions	-	-	-	-	50,000	-	5,000	-
Interest	9,600	9,600	26,150	24,213	-	-	-	-
Balance - end	**118,000**	**108,400**	**353,025**	**326,875**	**50,000**	-	**5,000**	-

	Loan #5		Loan #6		Loan #7		Loan #8	
	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 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		Loan #10		Loan #11		Loan #11	
	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)
Balance - beginning	-	-	-	-	-	-	-	-
Additions	1,500	-	5,000	-	5,000	-	310,710 [2]	-
Interest	-	-	-	-	-	-	-	-
Balance - end	**1,500**	-	**5,000**	-	**5,000**	-	**310,710**	-

	Total	
	December 31, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**435,275**	**401,462**
Additions	415,010 [3]	-
Interest	35,750	33,813
Balance - end	**886,035**	**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. [1]

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. [1]

Loan #3 On April 11, 2016 the Company received $50,000 in respect of a loan. [1]

Loan #4 On June 2, 2016 the Company received $5,000 in respect of a loan. [1]

Loan #5 On June 16, 2016 the Company received $5,000 in respect of a loan. [1]

Loan #6 On June 16, 2016 the Company received $25,000 in respect of a loan. [1]

Loan #7 On August 29, 2016 the Company received $1,800 in respect of a loan. [1]

Loan #8 On September 12, 2016 the Company received $6,000 in respect of a loan. [1]

Loan #9 On September 29, 2016 the Company received $1,500 in respect of a loan. [1]

Loan #10 On October 11, 2016 the Company received $5,000 in respect of a loan. [1]

Loan #11 On November 10, 2016 the Company received $5,000 in respect of a loan. [1]

Loan #12 During the year ended December 31, 2016 amounts owing to a formerly related party were transferred to an unrelated party (Note 9). [1]

1. The loans were unsecured, non-interest bearing and were settled on February 28, 2017 (Note 14).
2. During the year ended December 31, 2016, the amount of $310,710 owing to a formerly related party was transferred to an unrelated party.
3. Total additions of $415,010 include $310,710 which was owed to a formerly related party, but was transferred to an unrelated party during the year ended December 31, 2016.

8. Promissory notes payable

	Promissory Note #1		Promissory Note #2		Promissory Note #3		Promissory Note #4		Total	
	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 2016 ($)	December 31, 2015 ($)	December 31, 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	31,983	29,615	1,504	1,348	1,003	674	182	26	**34,672**	**31,662**
Foreign exchange	(3,062)	91,165	-	-	-	-	-	-	**(3,062)**	**91,165**
Balance - end	**579,149**	**550,228**	**17,852**	**16,348**	**11,677**	**10,674**	**2,015**	**1,833**	**610,693**	**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. (1)

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. (1)

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. (1)

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. (1)

(1) At December 31, 2016, the Company had made arrangements with the lender to settle by way of shares (Note 14).

9. 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. During the year ended December 31, 2016 the amounts owing were transferred to an unrelated party and are included in loans payable (Note 7).

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

	December 31, 2016 ($)	December 31, 2015 ($)
Balance - beginning	**286,898**	**264,911**
Interest	23,812	21,987
Amounts transferred (Note 7)	(310,710)	
Balance - end	**-**	**286,898**

10. 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 was subject to

receipt of approval from the NEX. The Company's proposed listing on the CSE was 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. The delisting from NEX and the listing on CSE were approved on February 28, 2017 (Note 14).

b) Issued

- No shares were issued during the year ended December 31, 2016 and the year ended December 31, 2015.

c) Stock options

On February 4, 2013, the Company adopted a "rolling" stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board's election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

There were no options issued or outstanding during the years ended December 31, 2016 and December 31, 2015.

d) Warrants

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

e) Share-based payments reserve

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

11. 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, 2016 and 2015 were as follows:

Services	Party	December 31, 2016 ($)	December 31, 2015 ($)
Management Fees	A company controlled by a former Director and Officer of the Company	-	7,500
	former Director and Officer of the Company	-	15,000
Professional Fees	An accounting firm of which a partner is a former Director and Officer of	-	2,500
	A company owned by an officer of the Company	52,500	7,590
Rent	A company controlled by a former Director and Officer of the Company	-	3,000

The following amounts were owed to related parties as at December 31, 2016 and 2015, and are included in accounts payable and accrued liabilities:

Party	December 31, 2016 ($)	December 31, 2015 ($)
Bryce A Clark & Associates, a company controlled by a former Director and Officer of the Company	-	105,700
Halsey Johnston, a former Director and Officer of the Company	-	77,500
Minni Clark & Co., an accounting firm of which Bryce A Clark is a former Director and Officer of the Company	-	7,823
Venturex Consulting, a company owned by Jeannine Webb the CFO and Corporate Secretary of the Company	60,090	7,590
	60,090	198,613

At December 31, 2016, $60,090 (2015: $198,613) is owed to related parties, is included in accounts payable and accrued liabilities, has no fixed terms of repayment, and is non-interest bearing and unsecured (Note 6).

12. 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, share-based payments reserve and deficit.

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, 2016, there has been no change in the Company's management of capital policies.

13. Income tax expense and deferred tax assets

	December 31, 2016 ($)	December 31, 2015 ($)
Net loss before income taxes	(333,692)	(330,567)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory rate	(87,000)	(86,000)
Non-deductible and other	3,000	10,000
Expiry of loss carryforward	-	77,000
Change in unrecognized deferred tax assets	84,000	(1,000)
Income tax expense / recovery	-	-

	December 31, 2016 ($)	December 31, 2015 ($)
Non-capital losses	1,118,000	1,033,000
Exploration and evaluation assets	176,000	176,000
Eligible capital expenditures	55,000	55,000
Other	24,000	25,000
	1,373,000	1,289,000
Valuation allowance	(1,373,000)	(1,289,000)
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
2036	322,722
	4,297,987

14. Subsequent events

On February 22, 2017:

- **Credit Facility:** The Company entered into a credit facility ("Credit Facility"), pursuant to which it can borrow from SUI an aggregate of up to $250,000 in one or more tranches (each, a "Tranche"), at a rate of 8.0% per annum, with a maturity date for each Tranche of February 28, 2019. In consideration for the Credit Facility, the Company is also required to issue to SUI shares purchase warrants ("Warrants") allowing for the purchase of up to, in the aggregate, 1,250,000 shares, in proportion with each Tranche of the Credit Facility. Each Warrant allows for the purchase of one common share in the capital of the Company at $0.20 per share for a period of 2 years from the date of the Tranche. On February 28, 2017, and under the terms of the Credit Facility, the Company borrowed $100,000 from SUI, and issued Warrants allowing for the purchase of up to, in the aggregate, 500,000 common shares in the capital of the Company at $0.20 per share until February 28, 2019.

On February 28, 2017:

- **Name change:** The Company completed its name change from One World Investments Inc. to One World Minerals Inc.
- **Delisting from the TSX-Venture Exchange; listing and initiation of trading on the Canadian Securities Exchange:** One World Minerals Inc. began trading on the Canadian Securities Exchange ("CSE") at market open under the trading symbol OWM.
- **Acquisition of the Mogollon Project:** Entered into an assignment agreement (the "Assignment Agreement"), pursuant to which the Company was assigned all rights and obligations of an option agreement (the "Option Agreement") dated December 22, 2015, between SUI and a third party ("Third Party").

Under the terms of the Option Agreement, SUI has the option to acquire a 100% interest in the Mogollon silver-gold project located in New Mexico, US, by making staged annual payments totalling US$1,000,000 to Third Party as follows:

On or before (Date)	Pay to Third Party (US$)	
January 31, 2016	50,000	(Paid by SUI)
December 31, 2016	200,000	(Paid by SUI)
December 31, 2017	200,000	
December 31, 2018	275,000	
December 31, 2019	275,000	
	1,000,000	

Pursuant to the Assignment Agreement, the Company is required to assume the remaining payments to the Third Party as follows:

On or before (Date)	Pay to Third Party (US$)
December 31, 2017	200,000
December 31, 2018	275,000
December 31, 2019	275,000
	750,000

The Company is required to reimburse to SUI the amount of US$200,000 paid by SUI to the Third Party on January 30, 2017, and in consideration for the assignment of the Option Agreement by SUI to the Company, make payments and issue common shares in the capital of the Company as follows:

On or before (Date)	Pay to SUI (CDN$)		Issue to SUI (# of shares of OWM)	
February 28, 2017	25,000	(Paid)		
February 28, 2017	75,000	(Paid) [1]	5,000,000	(Issued)
April 1, 2018	200,000		5,000,000	
April 1, 2019	-		5,000,000	
	300,000		**15,000,000**	

(1) SUI elected to convert the amount of $75,000 into 1,500,000 shares in the capital of One World Minerals Inc. at February 28, 2017

In addition, the Company has granted to SUI a 1% net smelter return royalty ("NSR") upon commencement of commercial production.

- **Debt settlement:** The Company settled debt in the aggregate amount of $1,618,837 with creditors of the Company, by way of issuance of an aggregate amount of 32,376,737 common shares in the capital of the Company (the "Debt Shares") at a fair value of $0.05 per share. The Debt Shares are subject to hold periods and will be released in stages, as to 25% each on July 1, 2017, October 1, 2017, January 1, 2018 and April 1, 2018.
- **Close of the non-brokered private placement of convertible debentures:** The Company closed its previously announced non-brokered private placement of convertible debentures in the aggregate

amount of $516,457, by way of issuance, in the aggregate, of 10,329,140 common shares in the capital of the Company (the "Debenture Shares") at a price of $0.05 share. The Debenture Shares are subject to hold periods and will be released in stages, as to 25% each on July 1, 2017, October 1, 2017, January 1, 2018 and April 1, 2018.

- **Grant of stock options:** The Company granted stock options to directors, officers and consultants allowing for the acquisition of up to, in the aggregate, 1,700,000 common shares in the capital of the Company at $0.05 per share until February 28, 2022, and to consultants allowing for the acquisition of up to, in the aggregate, 600,000 common shares in the capital of the Company at $0.40 per share until April 4, 2018.

On March 10, 2017:

- **Acquisition of the Rico Litio Property:** On March 8 2017, the Company entered into a binding letter agreement with Lithium Investments Ltd. ("LIL") to acquire all of the shares of LIL from the shareholders thereof (the "Transaction"), in consideration for the following:

On or before (Date)	Pay to LIL (CDN$)	Pay to LIL (# of shares of OWM)
Closing of Transaction ("Closing")	-	10,000,000
30 days after Closing	100,000	-
1st Anniversary of Closing	200,000	12,500,000
2nd Anniversary of Closing	300,000	-
3rd Anniversary of Closing	400,000	-
	1,000,000	**22,500,000**

The principal assets of LIL consist of the rights and interests under an option and joint venture agreement (the "Option Agreement") with third parties (the "Vendors") to acquire up to a 90% interest in the Rico Litio Property in Mexico (the "Rico Litio Property"). In order to earn an 80% interest in the Rico Litio Property, LIL is required to issue 1,600,000 shares and make payment of US$205,000 to the Vendors, and incur minimum expenditures on the Rico Litio Property of US$900,000 prior to the end of 2017. LIL has the option to acquire an additional 10% interest in the Rico Litio Property, for a total interest of 90%, in consideration for making a cash payment equal to the discounted value of its working interest upon delivery of a feasibility report on the Rico Litio Property. Should the underlying owners dilute below a 10% equity interest, a 2% NSR royalty replaces the 10% equity interest and LIL has an option to purchase one half of the NSR for US$5,000,000. The Company will assume all share issuance obligations of LIL on closing of the Transaction. The definitive agreement is currently being finalized.