



ONE WORLD
MINERALS

ONE WORLD MINERALS INC.

(Formerly One World Investments Inc.)

Management's Discussion & Analysis
For the three months ended March 31, 2017

Table of Contents

| | |
|--|----|
| Cautionary Notices..... | 2 |
| Introduction..... | 2 |
| Description of Business..... | 3 |
| Highlights and significant events | 3 |
| Resource Properties..... | 6 |
| Results of Operations..... | 7 |
| Summary of Quarterly Results | 8 |
| Liquidity and Financial Condition..... | 8 |
| Capital Management | 9 |
| Off-Balance Sheet Arrangements | 10 |
| Additional Disclosure for Venture Issuers..... | 10 |
| Disclosure of Outstanding Share Data | 12 |
| Proposed Transactions..... | 12 |
| Subsequent Events | 12 |
| Risks and Uncertainties Related to the Company's Business..... | 13 |
| Additional Information | 16 |

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

Cautionary Notices

The Company's Financial Statements and this accompanying MD&A 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 in this MD&A 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 that are contained in this MD&A 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 this MD&A. 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 contained herein are made as of the date of this MD&A 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.

Introduction

This Management Discussion and Analysis ("MD&A" or "Report") of the financial condition of One World Minerals Inc. (an exploration stage company) ("One World" or the "Company") and results of operations of the Company, prepared May 30, 2017 (the "Report Date"), should be read in conjunction with the unaudited condensed interim financial statements including the notes thereto for the three months ended March 31, 2017 and 2016 and the audited financial statements including the notes thereto for the year ended December 31, 2016 (collectively, the "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 Financial Statements. These Financial Statements, together with this MD&A, 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 dollars in this Report are in Canadian dollars.

This Report may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company cautions investors that any forward looking statements by the

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

Company are not guarantees of futures performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the risks and cautionary notices of this MD&A.

Description of Business

The Company is in the business of evaluating, and if deemed appropriate, acquiring interests in, exploring and developing, natural resource properties.

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.

Highlights and significant events

On July 19, 2016, the Company announced it had applied for voluntary delisting of its common shares from the NEX, to list on the Canadian Securities Exchange ("CSE"). On February 28, 2017, the Company changed its name to One World Minerals Inc. and its shares became listed on the Canadian Securities Exchange ("CSE") (symbol OWM).

During the Period:

On February 22, 2017:

- **Credit Facility:** The Company entered into a credit facility ("Credit Facility"), pursuant to which it can borrow from Stand Up Investments Ltd. ("SUI") (a private British Columbia company) 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 2 years from the date that Tranche. 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. The warrants were valued at \$19,606 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 20.0%, expected life of 2 years, expected volatility of 127.26% and dividend yield of 0%. The value of the warrants will be allocated over the life of the credit facility.

| Principal (\$) | Value of warrants (\$) | Amortized values of warrants (\$) | Principal net of unamortized value of warrants (\$) | Interest (\$) | Total (\$) |
|----------------|------------------------|-----------------------------------|---|---------------|---------------|
| 100,000 | (19,606) | 817 | 81,211 | 667 | 81,878 |
| 100,000 | (19,606) | 817 | 81,211 | 667 | 81,878 |

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

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:

| <u>On or before (Date)</u> | <u>Pay to Third Party (US\$)</u> |
|--------------------------------|--------------------------------------|
| 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 |
| | <u>1,000,000</u> |

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

| <u>On or before (Date)</u> | <u>Pay to Third Party (US\$)</u> |
|--------------------------------|--------------------------------------|
| December 31, 2017 | 200,000 |
| December 31, 2018 | 275,000 |
| December 31, 2019 | 275,000 |
| | <u>750,000</u> |

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:

| <u>On or before (Date)</u> | <u>Pay to SUI (CDN\$)</u> | <u>Issue to SUI (# of shares of OWM)</u> |
|--------------------------------|-------------------------------|--|
| 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 |
| | <u>300,000</u> | <u>15,000,000</u> |

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

- ⁽¹⁾ SUI elected to convert the amount of \$75,000 into 1,500,000 shares in the capital of OWM at February 28, 2017

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

In connection with the Mogollon property, the Company, during the period ended March 31, 2017, advanced \$21,543 in respect of geological mapping and historical work compilation to be completed.

- **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, 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 February April 4, 2018.

On March 10, 2017:

- **Lithium Investments Ltd. and the Rico Lito Property:** On March 10 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:

| <u>On or before (Date)</u> | <u>Pay to LIL (CDN\$) (# of shares of OWM)</u> | <u>Pay to LIL</u> |
|------------------------------------|--|-------------------|
| 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 | - |
| | <u>1,000,000</u> | <u>22,500,000</u> |

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

The Transaction does not constitute a reverse-take over transaction but the Company intends to file a Business Acquisition Report within 75 days of closing with respect to the acquisition in accordance with National Instrument 51-102.

The principal assets of LIL consist of the rights and interests under an option and joint venture agreement (the "Option Agreement") with third parties to acquire up to a 90% interest in the Rico Lito Property in Mexico (the "Rico Lito Property"). Pursuant to the terms of the Option Agreement, LIL has the option to earn an 80% interest in the Rico Lito Property for the issuance of 1,600,000 shares, payment of US\$250,000 and property expenditures of US\$900,000 before the end of 2017. LIL has the option to acquire an additional 10% interest in the Rico Lito Property for a further payment of US\$5 million upon delivery of a feasibility report on the Property. If the underlying owners dilute below a 10% equity interest, a 3.0% NSR royalty replaces the 10% equity interest, and LIL has an option to purchase one half of the NSR royalty for US\$2,500,000. All share issuance obligations of LIL are intended to be assumed by the Company on closing of the Transaction. Closing of the Transaction is conditional upon several conditions including satisfactory due diligence by the Company on the Rico Lito Property and regulatory approval.

Resource Properties

Until March 31, 2016, the Company capitalized on its Balance Sheet all costs related to exploration and evaluation assets (mineral properties, or properties). Effective April 1, 2016, the Company elected to recognize exploration and evaluation expenditures in its statement of loss in the period incurred in the period, and capitalize only the costs of acquisition of or earning of interest in its exploration and evaluation assets. 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.

The following table shows the activity by category of exploration expenditures for the period ended March 31, 2017 and for the year ended December 31, 2016:

| | March 31, 2017 | December 31, 2016 |
|---|-----------------------|--------------------------|
| Balance at the beginning of the period | \$ 25,000 | \$ - |
| Additions during the period: | | |
| Acquisition costs | 537,740 | 25,000 |
| Balance at the end of the period | \$ 562,740 | \$ 25,000 |

The Mogollon Property

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. In respect of the Mogollon Property, the Company entered into a binding letter agreement (the "Agreement") with Stand Up Investments Ltd. ("Stand Up") on June 6, 2016, 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:

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

- 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.

In connection with the Mogollon property, the Company, during the period ended March 31, 2017, advanced \$21,543 in respect of geological mapping and historical work compilation to be completed.

The Rico Litio Property

On March 10 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 paying a total of \$1,000,000 and issuing a total of 22,500,000 shares of One World to LIL. The principal assets of LIL consist of the rights and interests under an option and joint venture agreement (the "Option Agreement") with third parties to acquire up to a 90% interest in the Rico Litio Property in Mexico (the "Rico Litio Property") in consideration for making certain payments, incurring certain expenditures on the Rico Litio Property and issuing certain shares to the vendor of the Rico Litio Property. The Company will assume all share issuance obligations of LIL on closing of the Transaction.

Results of Operations

- **Quarter ended March 31, 2017("2017 Quarter") results as compared with the quarter ended March 31, 2016 ("2016 Quarter")**

| | Three months ended March 31 | | | |
|--------------------------------|-----------------------------|-------------------|-------------------|---------------|
| | 2017 | 2016 | Variance | |
| Professional fees | \$ 50,471 | \$ 18,083 | \$ 32,388 | 179.1% |
| Consulting fees | 59,340 | - | - | 0.0% |
| Management and director fees | 15,000 | 15,000 | 9,903 | 176.6% |
| Office, rent and phone | 15,509 | 5,606 | 10,077 | 536.3% |
| Transfer agent and filing fees | 11,956 | 1,879 | 3,000 | - |
| Investor relations | 3,000 | - | 114,708 | 282.8% |
| | \$ 155,276 | \$ 40,568 | \$ 170,075 | 419.2% |
| Foreign exchange loss (gain) | - | 37,582 | (37,582) | (100.0%) |
| Interest and financing costs | 3,839 | 22,654 | (18,815) | (83.1%) |
| Share based payments | 190,715 | - | 190,715 | - |
| | \$ 349,830 | \$ 100,804 | \$ 304,392 | 302.0% |

The Company had no revenue for the 2017Quarter and 2016 Quarter. General administrative expenditures rose due to the costs and activity related to the Company's delisting from the TSX-V and listing on the CSE, conclude the optioning of the Mogollon property, engage in respect of the credit facility, settle debt and close

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

the private placement of convertible debentures, and enter into the letter agreement in respect of Lithium Investments Ltd. Share-based payments is a non-cash item, resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility, is intended to represent the fair value determined under the Black-Scholes model of the vested portion of existing options during the period. A share-based payments expense of \$190,715 was recognized during the Quarter (2016 Quarter: \$Nil). Interest and financing costs were incurred in respect of the credit facility entered into on February 22, 2017.

Summary of Quarterly Results

The following table sets out selected financial information of the Company for the current eight quarterly periods ending with March 31, 2017:

| Three months ended | 17-Mar | 16-Dec | 16-Sep | 16-Jun | 16-Mar | 15-Dec | 15-Sep | 15-Jun |
|-------------------------|---------|--------|--------|--------|---------|---------|--------|--------|
| Total revenue | - | - | - | - | - | - | - | - |
| Loss before other items | 349,830 | 77,614 | 77,447 | 82,396 | 100,804 | 119,221 | 83,003 | 35,285 |
| Net loss | 349,684 | 77,614 | 77,447 | 82,396 | 100,804 | 119,221 | 83,003 | 35,285 |
| 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 March 31, 2017 and December 31, 2016, the Company had the following:

| | March 31, 2017 | December 31, 2016 |
|--|----------------|-------------------|
| | (\$) | (\$) |
| Financial Assets | | |
| Cash | 52 | 647 |
| Prepaid expenses | - | - |
| | 52 | 647 |
| Financial liabilities | | |
| Accounts payable and accrued liabilities | 541,498 | 467,252 |
| Loans payable | - | 435,275 |
| Promissory notes payable | - | 579,083 |
| Due to a former related party | - | 286,898 |
| Long term liabilities | | |
| Credit facility | 81,878 | - |
| | 623,376 | 1,768,508 |

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

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis For the Three Months Ended March 31, 2017

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. See "Highlights, significant events and various transactions" in this Report.)

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 provided by key management personnel during the periods ended March 31, 2017 and 2016 were as follows:

| Services | Party | March 31, 2017 | March 31, 2016 |
|-------------------|--|-----------------------|-----------------------|
| Professional Fees | a company owned by an officer of the Company | 15,000 | 15,090 |

The following amounts were owed to related parties as at March 31, 2017 and December 31, 2016, and are included in accounts payable and accrued liabilities:

| Party | March 31, 2017 | December 31, 2016 |
|--|-----------------------|--------------------------|
| | (\$) | (\$) |
| Venturex Consulting, a company owned by Jeannine Webb the CFO and Corporate Secretary of the Company | 75,090 | 60,090 |
| | \$ 75,090 | \$ 60,090 |

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.

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

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 7, "Statement of Cash Flows" (amended standard): is effective for annual periods beginning on or after January 1, 2017,
- IAS 12, "Income Taxes" (amended standard): is effective for annual periods beginning on or after January 1, 2017.

Accounting Standards Issued but not yet in Effect

- IFRS 2, "Share-based payment" (amended standard) is effective 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 15, "Revenue from Contracts and Customers": the effective date of adoption has been deferred to January 1, 2018 (with earlier application permitted).
- 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 December 31, 2016, December 31, 2015, December 31, 2014 and January 1, 2014, and to the

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

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. 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 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. 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:

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

(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> | |
|------------------------|-------------------|
| Issued and Outstanding | 52,761,383 |
| Loan Warrants | 500,000 |
| Stock Options | 2,300,000 |
| Fully Diluted | 55,561,383 |

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 April 4, 2017, The Company granted stock options 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 April 7, 2017, the Company announced it has arranged a non-brokered private placement (the "Placement") of up to 2,500,000 units at \$0.40 each for gross proceeds of up to \$1,000,000, comprising one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, with each full warrant entitling the holder to purchase one additional common share at a price of \$0.60 per share, for a period of 12 months from the closing of the Offering.

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

On May 12, 2017, the Company announced that the Placement was being replaced by a non-brokered private placement of unsecured convertible notes (the "Convertible Notes") of up to, in the aggregate, \$1,500,000 (the "Offering"). The principal amount of the Note will accrue interest at 18% per annum, and any accrued but unpaid interest, will mature on the date that is one year following the Closing Date (the "Maturity Date"). The principal amount and any accrued but unpaid interest thereon may be convertible prior to the date of Maturity at the option of the Subscriber into units of the Issuer (each, a "Unit") at a price of \$0.40 per Unit. Each Unit is comprised of one common share in the capital of the Company (each, a "Share") and one non-transferable common share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Share (each a "Warrant Share"), at a price of \$0.60 per Warrant Share. The Company may pay a finder's fee on the Offering, and the closing of the Offering is subject to regulatory approval.

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 may have interests, there is no guarantee that title to the properties 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.

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

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.

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

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 the Report, there were no legal proceedings against or by the Company.

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

ONE WORLD MINERALS INC. (Formerly One World Investments Inc.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2017

necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

Additional Information

Additional information relating to the Company can also be found on SEDAR at www.sedar.com