# Andes Gold Corporation

Financial Statements
for the Three Months Ended March 31, 2015
(Unaudited)

# Andes Gold Corporation

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# Andes Gold Corporation
## Balance Sheet
### As of March 31, 2015
### (unaudited)

| | March 31, 2015 | Dec 31, 14 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| **Checking/Savings** | 60,973.00 | 49,306.00 |
| **Total Checking/Savings** | 60,973.00 | 49,306.00 |
| **Accounts Receivable** | 892,860.21 | 390,000.00 |
| **Inventory** | 1,296,587.82 | 1,347,527.38 |
| **Other Current Assets** | 0.00 | 0.00 |
| **Total Current Assets** | 2,250,421.03 | 1,786,833.38 |
| **Fixed Assets** | | |
| **Gold Mine Leases / Land** | 710,000.00 | 710,000.00 |
| **Plant, Machinery & Equipment** | 4,217,261.87 | 4,217,261.87 |
| **Construction/Mining Improvements** | 3,817,182.44 | 3,359,083.22 |
| **Depreciation** | (1,153,907.87) | (1,153,907.87) |
| **Other Fixed Assets** | 0.00 | 0.00 |
| **Total Fixed Assets** | 7,590,536.44 | 7,132,437.22 |
| **Other Assets** | | |
| **Investment in Subsidaries** | 0.00 | 0.00 |
| **Credits** | 32,113.20 | 32,113.20 |
| **Total Other Assets** | 32,113.20 | 32,113.20 |
| **TOTAL ASSETS** | **9,873,070.67** | **8,951,383.80** |
| **LIABILITIES & EQUITY** | | |
| **Liabilities** | | |
| **Current Liabilities** | | |
| **Accrued Payables** | 0.00 | 0.00 |
| **Taxes Payable** | 3,545.00 | 4,301.00 |
| **Total Current Liabilities** | 3,545.00 | 4,301.00 |
| **Long Term Liabilities** | | |
| **Accrued Offcer Compensation & Notes Payable** | 101,611.01 | 125,470.40 |
| **Related Party - New World Gold Corp.** | 1,293,615.00 | 1,011,043.39 |
| **Total Long Term Liabilities** | 1,395,226.01 | 1,136,513.79 |
| **Total Liabilities** | 1,398,771.01 | 1,140,814.79 |
| **Equity** | | |
| **Preferred stock,** par value $.001, 5,000,000 shares authorized, 2,000,001 shares issued and outstanding as of March 31, 2015 | 2,000 | 2,000 |
| **Common stock**, par value $.001, 7,000,000,000 shares authorized, 5,742,031,318 shares issued and outstanding as of March 31, 2015 | 5,742,031.32 | 5,742,031.32 |
| **Additional Paid-In Capital** | 6,000.00 | 6,000.00 |
| **Adjustments to Equity/Asset Revaluation** | (3,687,466.00) | (3,687,466.00) |
| **Retained Earnings** | 5,748,003.69 | 3,756,332.48 |
| **Net Income** | 663,730.65 | 1,991,671.21 |
| **Total Equity** | 8,474,299.66 | 7,810,569.01 |
| **TOTAL LIABILITIES & EQUITY** | **9,873,070.67** | **8,951,383.80** |

# Andes Gold Corporation
## Profit Loss
### January through March 2015 and 2014
### (Unaudited)

| | 3 Months Ended March 14 | 3 Months Ended March 15 | 12 Months 2014 |
|---|---|---|---|
| **Net Sales** | 2,057,541.72 | 2,162,721.12 | 8,708,635.64 |
| **Cost of Sales** | 1,054,908.85 | 912,210.52 | 4,200,110.90 |
| **Gross Profit** | 1,002,632.87 | 1,250,510.60 | 4,508,524.74 |
| **Ordinary Income/Expense** | | | |
| **Expense** | | | |
| **Accrued Officer Compensation** | 0.00 | 0.00 | 0.00 |
| **Wages & Salaries** | 166,401.15 | 168,428.80 | 742,955.57 |
| **Accrued Accounting Fees** | 0.00 | 0.00 | 0.00 |
| **Telecommunications** | 0.00 | 0.00 | 0.00 |
| **Office Expense/Supplies** | 1,554.15 | 1,707.00 | 5,591.40 |
| **Filing & Transfer Fees** | 725.00 | 0.00 | 4,125.00 |
| **Financial Expenses** | 19,694.15 | 17,713.55 | 81,213.40 |
| **Legal** | 1,350.00 | 450.00 | 4,260.00 |
| **Professional Fees** | 15,003.00 | 17,421.10 | 65,574.90 |
| **Lab Services** | 7,986.10 | 7,431.15 | 32,846.94 |
| **Transportation** | 30,711.15 | 35,611.90 | 164,066.97 |
| **Utilities** | 1,211.10 | 915.00 | 3,986.50 |
| **Investor Relations** | 0.00 | 0.00 | 0.00 |
| **Travel & Entertainment** | 1,387.15 | 5,248.00 | 15,585.97 |
| **Internet** | 0.00 | 0.00 | 0.00 |
| **Maintenance** | 18,428.13 | 19,387.20 | 78,783.32 |
| **Materials & Mining Supplies** | 294,397.55 | 300,173.25 | 1,301,139.81 |
| **Other Expenses** | 4,447.10 | 11,743.00 | 13,533.75 |
| **Website/Advertising** | 928.00 | 550.00 | 3,190.00 |
| **Total Expense** | 564,223.73 | 586,779.95 | 2,516,853.53 |
| **Other Income/Expense** | | | |
| **Write offs** | 0.00 | 0.00 | 0.00 |
| **Total Expense** | **564,223.73** | **586,779.95** | **2,516,853.53** |
| **Net Ordinary Income** | 438,409.14 | 663,730.65 | 1,991,671.21 |
| **Net Income** | **438,409.14** | **663,730.65** | **1,991,671.21** |

**ANDES GOLD CORPORATION**
**STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)**
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**
**(Unaudited)**

| | Common Stock | | Preferred Stock | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Paid-in Capital | Retained Earnings | Adjustments to Equity | Profit (Loss) | Total Equity |
| Balance, December 31, 2014 (unaudited) | 5,742,031,318 | $ 5,742,031 | - | $ 2,000 | $ 6,000 | $ 144,817 | $ (3,687,466) | $ 5,603,186 | $ 7,810,569 |
| Shares issued to parent | | | | | | | | | - |
| Adjustments to Equity | | | | | | | | | - |
| Shares issued from debt conversions | | | | | | | | | - |
| Shares issued for services | | | | | | | | | - |
| Net Profit (Loss) | | | | | | | | 663,731 | 663,731 |
| Balance, March 31, 2015 (unaudited) | 5,742,031,318 | $ 5,742,031 | 0 | $ 2,000 | $ 6,000 | $ 144,817 | $ (3,687,466) | $ 6,266,917 | $ 8,474,299 |

# Andes Gold Corporation
# Statement of Cash Flows
### January through
### March 2015 and 2014
### (Unaudited)

| | Jan-Mar 2015 | Jan-Mar 2014 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| **Net Income** | 663,730.65 | 438,409.14 |
| **Adjustments to reconcile Net Income** | | |
| **to net cash provided by operations:** | | |
| **Accounts payable** | 756.00 | (800.71) |
| **Accrued Officer Compensation** | 0.00 | 0.00 |
| **Accounts Receivable** | (502,860.21) | 100,000.00 |
| **Inventory** | 50,939.56 | (180,148.24) |
| **Gold Mine Leases / Land/Improvements** | (12,099.22) | (357,414.92) |
| **Plant, Machinery, Equipment** | (446,000.00) | 0.00 |
| **Related Party Payable** | 0.00 | 0.00 |
| **Depreciation** | 0.00 | 0.00 |
| **From Note Holders/Intercompany** | 258,682.22 | 58,287.65 |
| **Other Adjustments** | (1,482.00) | (50,760.87) |
| **Net cash provided by Operating Activities** | 11,667.00 | 7,572.05 |
| **INVESTING ACTIVITIES** | | |
| **Gold Mine Leases** | 0.00 | 0.00 |
| **Net cash used by Investing Activities** | 0.00 | 0.00 |
| **FINANCING ACTIVITIES** | | |
| **Investor Loans** | 0.00 | 0.00 |
| **Capital Stock** | 0.00 | 0.00 |
| **Net cash provided by Financing Activities** | 0.00 | 0.00 |
| **Net cash increase for period** | 11,667.00 | 7,572.05 |
| **Cash at beginning of period** | 49,306.00 | 31,495.20 |
| **Cash at end of period** | **60,973.00** | **39,067.25** |

# ANDES GOLD CORPORATION
# NOTES TO FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2015
(Unaudited)

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

### NATURE OF OPERATIONS

Andes Gold Corporation is the operator of leased properties which it mines for mineral resources, specifically, gold. The development of the properties is through the contracting of companies as needed. The focus of the business is to develop and produce gold assets in Ecuador and elsewhere in South America.

Andes Gold Corporation was incorporated as a Delaware corporation on August 29, 2007 as Princeton Consulting and Services Corporation. Princeton Consulting and Services Corporation was a participant in a three party merger under Delaware Business Corporation Act Section 251(g) wherein Whitewing Environmental Corp. ("Whitewing") was merged with and into Princeton Consulting Acquisition Corp. ("Acquisition") which changed its name to Whitewing Environmental Corp. and assumed all of the obligations of Whitewing effective September 27, 2007. On September 27, 2007, Whitewing Environmental Corp. then changed its name to Princeton Consulting and Services Corporation. On July 27, 2009, Princeton Consulting and Services Corp. changed its name to Andes Gold Corporation to coincide with the acquisition on that date of 100% of the controlling interests of Compania Minera Pl. S.A., an Ecuadorian company, located in Zaruma, Ecuador.

On October 1, 2010, Andes Gold Corporation entered into an agreement for the exchange of shares with New World Gold Corporation, whereby the New World Gold Corporation acquired a 54% controlling interest in the Issuer, and Andes Gold Corporation acquired a 20.57% interest, in New World Gold Corporation. As a result, Andes Gold Corporation became a majority-owned subsidiary of New World Gold Corporation. As of March 31, 2015, New World Gold Corporation holds controlling interest in Andes Gold Corporation through ownership of the voting preferred stock and common stock.

### USE OF ESTIMATES

The Company prepares its financial statements in conformity with accounting principles generally accepted in the Unites States of America. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. The differences between the financial statement and tax bases of assets and liabilities are determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the period in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax asset accounts to the amounts that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax asset and liability accounts.

NET INCOME (LOSS) PER SHARE DATA

Net income (loss) per common share is computed based on the weighted average common stock and dilutive common stock equivalents outstanding during the year as defined by Statement of Financial Accounting Standards, No. 128, "Earnings per Share". The continued losses of the Company are anti-dilutive.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments, including accounts receivable and payable, notes receivable and payable and accrued liabilities approximate fair value due to the relatively short period to maturity for these instruments.

NEW ACCOUNTING PRONOUNCEMENTS

None that is applicable through March 31, 2015 to company operations.

ISSUANCE OF SHARES FOR SERVICES

Valuation of shares for services and other acquired assets were based on the fair market value of services received. For the three months ended March 31, 2015, no restricted shares of common stock were issued for services to the Company.

COMPREHENSIVE INCOME

The Company adopted Statement of Financial Accounting Standard No. 130, "Comprehensive Income"("SFAS No. 130") which is effective for annual periods ending after December 15, 1997. As provided by SFAS No. 130, reclassification adjustments to prior year amounts are reported in a separate statement of comprehensive income along with current year components of comprehensive income.

NOTE 2 - BASIS OF PRESENTATION

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company's management intends to raise additional operating funds through equity and/or debt offerings in order to expand operations. However, there can be no assurance management will be successful in such endeavors.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result should the Company be unable to sustain profitability.

NOTE 3 - RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2015, the parent corporation, New World Gold Corporation, has advanced the Company capital for improvements, equipment, routine working capital and other expenses. Such advances are recorded under Long Term Liabilities, “Related Party – New World Gold Corporation” in the amount of $1,293,615.00.

NOTE 4 - NON-CASH TRANSACTIONS

No non-cash investing and financing activities occurred during the period from January 1, 2015 through March 31, 2015.

NOTE 5 - GOING CONCERN

As reflected in the accompanying financial statements, the Company had operating profits for the three months ended March 31, 2015 of $663,731 and for the twelve months ended December 31, 2014 of $1,991,671.21. The Company’s ability to continue as a going concern will depend on its ability to sustain its profitability, and/or its ability to raise additional capital should profitability decline. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company anticipates raising additional working capital for improvements and expansion of operations through the issuance of debt and equity securities. Management believes that actions presently being taken to obtain additional funding provide the Company the opportunity to continue to operate as a going concern.

NOTE 6 – MANAGEMENT DISCUSSION OF OPERATIONS

Through March 31, 2015, the Company continued to experience growth in profits and revenues through the expansion of operations and completion of production facilities. The Company expects that 2015 will be a year of continued growth.

For the year ended December 31, 2014, the Company increased revenue by 28.5% from $6,775,910 to $8,705,635. Profits increased by 17.5% from $1,690,041 to $1,991,671.

The Company expects to continue to grow in 2015 through increased production and acquisition of additional concessions. Even with the projections of revenues and profits, if the company expects to grow, it may be necessary to raise additional capital.