

New World Gold Corporation

Consolidated Financial Statements
for the Six Months Ended June 30, 2013
(Unaudited)

New World Gold Corporation

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New World Gold Corporation
Balance Sheet
As of June 30, 2013
(unaudited)

	Consolidated 6 Months Ended June 30, 2012	Consolidated 3 Months Ended March 31, 2013	Consolidated 6 Months Ended June 30, 2013	Consolidated 12 Months Ended December 31, 12
ASSETS				
Current Assets				
Checking/Savings	97,859.09	115,372.80	123,456.48	98,675.55
Total Checking/Savings	97,859.09	115,372.80	123,456.48	98,675.55
Accounts Receivable	250,000.00	250,000.00	250,000.00	250,000.00
Inventory	841,520.67	888,281.81	819,928.26	1,447,050.64
Other Current Assets	0.00	0.00	0.00	0.00
Total Current Assets	1,189,379.76	1,253,654.61	1,193,279.74	1,795,726.19
Fixed Assets				
Gold Mine Leases / Land	1,133,035.00	1,133,035.00	1,133,035.00	1,133,035.00
Plant, Machinery & Equipment	3,516,605.02	4,285,875.43	4,440,158.87	3,844,519.01
Construction/Mining Improvements	170,397.00	729,928.00	819,928.00	641,714.84
Depreciation	(596,259.59)	(782,618.25)	(786,496.41)	(650,062.25)
Other Fixed Assets	1,177.94	1,177.94	1,177.94	10,449.82
Total Fixed Assets	4,224,955.37	5,367,398.12	5,607,803.40	4,979,656.42
Other Assets				
Investment in Subsidiaries	613,728.80	1,123,664.99	1,749,731.09	653,164.99
Credits	7,021.00	10,121.10	10,121.10	15,294.93
Total Other Assets	620,749.80	1,133,786.09	1,759,852.19	668,459.92
TOTAL ASSETS	6,035,084.93	7,754,838.82	8,560,935.33	7,443,842.53
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accrued Payables	346,850.38	0.00	240,981.12	0.00
Taxes Payable	3,317.49	4,063.30	4,964.00	4,985.86
Total Current Liabilities	350,167.87	4,063.30	245,945.12	4,985.86
Long Term Liabilities				
Officer Loans	0.00	0.00	0.00	0.00
Notes Payable	2,708,528.25	3,016,233.99	3,075,173.97	3,130,829.10
Accrued Officer Compensation	337,500.00	468,750.00	512,500.00	425,000.00
Intercompany	0.00	0.00	0.00	0.00
Total Long Term Liabilities	3,046,028.25	3,484,983.99	3,587,673.97	3,555,829.10
Total Liabilities	3,396,196.12	3,489,047.29	3,833,619.09	3,560,814.96
Equity				
Preferred stock, par value \$.001, 50,000,000 shares authorized, 850,000 shares issued and outstanding as of December 31, 2012 and 50,000,000 shares authorized, 850,000 shares issued and outstanding as of June 30, 2013	850.00	850.00	850.00	850.00
Common stock, par value \$.0001, 300,000,000 shares authorized, 218,366,915 shares issued and outstanding as of December 31, 2012 and 500,000,000 shares authorized, 339,516,915 shares issued and outstanding as of June 30 2013	15,715.03	26,436.69	33,951.69	21,836.69
Additional Paid-In Capital	3,321,737.85	3,321,737.85	3,321,737.85	3,321,737.85
Adjustments to Equity/Asset Revaluation				
Retained Earnings	(1,300,061.00)	538,603.03	538,603.03	(1,300,061.00)
Net Income	600,646.93	378,163.96	832,173.68	1,838,664.03
Total Equity	2,638,888.81	4,265,791.53	4,727,316.25	3,883,027.57
TOTAL LIABILITIES & EQUITY	6,035,084.93	7,754,838.82	8,560,935.33	7,443,842.53

New World Gold Corporation
Profit Loss
January through June 2013 and 2012
(Unaudited)

	Consolidated 6 Months Ended June 2012	Consolidated 3 Months Ended March 2013	Consolidated 3 Months Ended June 2013	Consolidated 6 Months Ended June 2013	Consolidated 12 Months 2012
Net Sales	3,349,925.04	1,673,919.43	1,967,386.47	3,641,305.90	8,180,127.85
Cost of Sales	1,529,773.74	689,652.24	829,063.13	1,518,715.37	3,583,422.90
Gross Profit	1,820,151.30	984,267.19	1,138,323.34	2,122,590.53	4,596,704.95
Ordinary Income/Expense					
Expense					
Accrued Officer Compensation	87,500.00	43,750.00	43,750.00	87,500.00	175,000.00
Wages & Salaries	369,788.36	201,527.38	241,196.20	442,723.58	884,871.01
Accrued Accounting Fees	5,000.00	0.00	0.00	0.00	0.00
Telecommunications	966.00	466.00	466.00	932.00	1,966.00
Office Expense/Supplies	2,159.02	1,084.61	1,247.30	2,331.91	6,870.98
Filing & Transfer Fees	2,585.00	1,480.00	2,620.00	4,100.00	8,850.00
Interest Expense	32,713.72	0.00	0.00	0.00	72,821.20
Legal	6,205.00	2,985.00	1,495.00	4,480.00	11,325.00
Professional Fees	21,925.01	13,924.89	14,760.39	28,685.28	59,171.67
Lab Services	8,785.72	4,434.31	4,652.88	9,087.19	19,919.55
Transportation	56,881.72	28,306.71	30,571.25	58,877.96	124,790.99
Financing Expense	12,565.40	20,477.04	26,877.27	47,354.31	29,354.52
Utilities	1,859.24	914.00	1,692.00	2,606.00	5,577.02
Investor Relations	0.00	0.00	0.00	0.00	0.00
Travel & Entertainment	3,649.65	713.00	3,188.75	3,901.75	17,125.00
Internet and Website Development	0.00	0.00	0.00	0.00	0.00
Maintenance	24,938.23	12,539.70	13,668.28	26,207.98	56,595.13
Materials & Mining Supplies	529,262.31	245,118.44	269,502.63	514,621.07	1,209,380.04
Other Expenses	50,674.19	27,572.16	28,214.67	55,786.83	69,842.40
Website/Advertising	2,045.80	810.00	411.00	1,221.00	4,580.41
Total Expense	1,219,504.37	606,103.24	684,313.62	1,290,416.86	2,758,040.92
Other Income/Expense					
Write offs	0.00	0.00	0.00	0.00	0.00
Total Expense	1,219,504.37	606,103.24	684,313.62	1,290,416.86	2,758,040.92
Net Ordinary Income	600,646.93	378,163.96	454,009.72	832,173.68	1,838,664.03
Net Income	600,646.93	378,163.96	454,009.72	832,173.68	1,838,664.03

NEW WORLD GOLD CORPORATION
STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED JUNE 30, 2013
(Unaudited)

	Common Stock		Preferred Stock		Paid-in Capital	Cumulative Deficit	Adjustments To Equity	Profit (Loss)	Total Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2012 (unaudited)	218,366,915	\$ 21,837	850,000	\$ 850	\$ 3,321,738	\$ (1,300,061)	\$	\$ 1,838,664	\$ 3,883,028
Shares issued from debt conversions	121,000,000	12,100							12,100
Shares issued for consulting services	150,000	15							15
Adjustments									-
Net Profit (Loss)		-	-					832,174	832,174
Balance, June 30, 2012 (unaudited)	<u>339,516,915</u>	<u>\$ 33,952</u>	<u>850,000</u>	<u>\$ 850</u>	<u>\$ 3,321,738</u>	<u>\$ (1,300,061)</u>	<u>\$ 0</u>	<u>\$ 2,670,838</u>	<u>\$ 4,727,316</u>

New World Gold Corporation Statement of Cash Flows

January through
June 2013 and 2012
(Unaudited)

	Jan-June 2013	Jan-June 2012
OPERATING ACTIVITIES		
Net Income	832,173.68	249,506.33
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts payable	(922.56)	0.00
Accrued Officer Compensation	87,500.00	(43,750.00)
Accounts Receivable	0.00	(250,000.00)
Inventory	(627,227.38)	(244,505.31)
Gold Mine Leases / Land	0.00	0.00
Construction/Mining Improvements	178,213.16	(49,007)
Plant, Machinery, Equipment	595,639.86	(244,505.31)
Depreciation	136,434.16	162,715.15
From Note Holders	(55,655.13)	442,604.56
Investment in Subsidiary	(1,096,566.10)	0.00
Other Adjustments	(24,808.76)	0.00
Net cash provided by Operating Activities	24,780.93	23,058.42
INVESTING ACTIVITIES		
Gold Mine Purchases/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	24,780.93	23,058.42
Cash at beginning of period	98,675.55	135,039.33
Cash at end of period	123,456.48	158,097.75

NEW WORLD GOLD CORPORATION
NOTES TO FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2013
(Unaudited)

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

NATURE OF OPERATIONS

New World Gold Corporation is the operator of leased properties in which it plans to find mineral resources, specifically, gold. 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 South America (Ecuador and Peru) and the United States.

The Company was incorporated as Northwind Management, Inc. On January 21, 2000, it changed its name to TheComicStore.com, Inc.; on March 1, 2001 it changed its name to CMI Holdings Group, Inc.; on March 24, 2004 it changed its name to RFMR Acquisitions Corp, Inc.; and on November 7, 2006, it changed its name to Great Northern Oilsands, Inc. On June 5, 2008 it changed its name to New Asia Gold Corporation, and on May 8, 2009, changed its name to New World Gold Corporation.

On October 1, 2010, New World Gold Corporation entered into an agreement for the exchange of shares, whereby the Issuer acquired 54% controlling interest in Andes Gold Corporation, a Florida corporation, 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. On May 26, 2011, February 23, 2012, April 17, 2012, and June 21, 2013 in recognition of New World Gold Corporation's various services delivered to Andes Gold Corporation, New World Gold Corporation's controlling ownership of Andes Gold Corporation was increased on each date such that as of June 30, 2013, it holds 56.08% of the issued and outstanding shares of common stock of Andes Gold Corporation. As a result of this controlling interest in Andes Gold Corporation, the financial statements herein represent a consolidation of the financial statements of New World Gold Corporation and Andes Gold Corporation.

USE OF ESTIMATES

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United 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.

NEW WORLD GOLD CORPORATION

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2013
(Unaudited)

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 PER SHARE DATA

Net income per common share for the six months ended June 30, 2013 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".

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 June 30, 2013 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 six months ended June 30, 2013, 150,000 restricted shares of common stock were issued for consulting 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.

NEW WORLD GOLD CORPORATION

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2013
(Unaudited)

NOTE 2 - BASIS OF PRESENTATION AND CONSIDERATIONS RELATED TO CONTINUED EXISTENCE

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. However, there can be no assurance management will be successful in its endeavors. Ultimately, the Company will need to sustain profitable operations in order to continue as a going concern.

NOTE 3 - RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2013, some stockholders advanced the Company funds for capital improvements. The Company has also loaned working capital and funds for capital expenditures to its subsidiary, Andes Gold Corporation.

NOTE 4 - NON-CASH TRANSACTIONS

No non-cash investing and financing activities occurred during the period from January 1, 2013 through June 30, 2013.

NOTE 5 - GOING CONCERN

As reflected in the accompanying consolidated financial statements, the Company has had previous net losses from the development and startup of its operations and first became profitable in 2011, and has continuously remained so through June 30, 2013. Although the Company is profitable, the ability of the Company to continue as a going concern is dependent on the Company's ability to remain so over time. 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 through the issuance of debt and equity securities in order to further expand its business. Management believes that actions presently being undertaken to obtain additional funding provide the Company with the opportunity to continue to operate as a going concern.

NEW WORLD GOLD CORPORATION
NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2013
(Unaudited)

NOTE 6 – MANAGEMENT DISCUSSION OF OPERATIONS

The Company had a strong first six (6) months of the year. For the period ending June 30, 2013, there was increasing revenues and profits. This increase in revenue and profits occurred despite the average price of gold being approximately \$200 an oz. less than the same period last year.

The Company continues to process its own reserves as well as milling ore on a contract basis for other independent miners. The Company will continue to increase its proven developed reserves through acquisition of new reserves and development of existing probable reserves.

Operating costs and revenues are difficult to predict and there can be no assurances that revenue will continue to exceed operating costs in the foreseeable future. For this reason and other factors, the Company may find it necessary to raise additional capital to maintain its position in the projects and/or fund further expansion.