

# **New World Gold Corporation**

Consolidated Financial Statements  
for the Three Months Ended March 31, 2014  
(Unaudited)

# New World Gold Corporation

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**New World Gold Corporation**  
**Balance Sheet**  
As of March 31, 2014  
(unaudited)

	<u>Consolidated</u> <u>3 Months Ended</u> <u>March 31, 2014</u>	<u>Consolidated</u> <u>12 Months Ended</u> <u>Dec 31, 2013</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Checking/Savings	79,544.61	67,980.32
<b>Total Checking/Savings</b>	<u>79,544.61</u>	<u>67,980.32</u>
Accounts Receivable	250,000.00	350,000.00
Inventory	1,420,243.90	1,144,297.76
Other Current Assets	<u>0.00</u>	<u>0.00</u>
<b>Total Current Assets</b>	1,749,788.51	1,562,278.08
<b>Fixed Assets</b>		
Gold Mine Leases / Land	1,303,006.87	1,133,035.00
Plant, Machinery & Equipment	4,614,494.87	4,614,494.87
Construction/Mining Improvements	2,642,173.48	2,284,758.56
Depreciation	(996,429.15)	(991,429.15)
Other Fixed Assets	<u>11,177.94</u>	<u>11,177.94</u>
<b>Total Fixed Assets</b>	7,574,424.01	7,052,037.22
<b>Other Assets</b>		
Investment in Subsidiaries	2,351,164.87	1,932,114.87
Credits	<u>17,465.25</u>	<u>83,279.68</u>
<b>Total Other Assets</b>	<u>2,368,630.12</u>	<u>2,015,394.55</u>
<b>TOTAL ASSETS</b>	<u><b>11,692,842.64</b></u>	<u><b>10,629,709.85</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accrued Payables	54,941.11	119,674.15
Taxes Payable	<u>4,697.29</u>	<u>5,498.00</u>
<b>Total Current Liabilities</b>	59,638.40	125,172.15
<b>Long Term Liabilities</b>		
Officer Loans	0.00	0.00
Notes Payable	4,124,145.10	3,797,586.79
Accrued Officer Compensation	643,750.00	600,000.00
Intercompany	<u>0.00</u>	<u>0.00</u>
<b>Total Long Term Liabilities</b>	<u>4,767,895.10</u>	<u>4,397,586.79</u>
<b>Total Liabilities</b>	<u>4,827,533.50</u>	<u>4,522,758.94</u>
<b>Equity</b>		
<b>Preferred stock</b> , par value \$.001, 50,000,000 shares authorized, 850,000 shares issued and outstanding as of March 31, 2014 and 50,000,000 shares authorized, 850,000 shares issued and outstanding as of December 31, 2013.	850.00	850.00
<b>Common stock</b> , par value \$.0001, 750,000,000 shares authorized, 527,516,915 shares issued and outstanding as of March 31, 2014 and 500,000,000 shares authorized, 450,016,915 shares issued and outstanding as of December 31 2013.	52,751.69	45,001.69
<b>Additional Paid-In Capital</b>	3,321,737.85	3,321,737.85
<b>Adjustments to Equity/Asset Revaluation</b>		
<b>Retained Earnings</b>	2,739,361.37	538,603.03
<b>Net Income</b>	<u>750,608.23</u>	<u>2,200,758.34</u>
<b>Total Equity</b>	<u>6,865,309.14</u>	<u>6,106,950.91</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>11,692,842.64</b></u>	<u><b>10,629,709.85</b></u>

**New World Gold Corporation**  
**Profit Loss**  
January through March 2014 and 2013  
(Unaudited)

	Consolidated 3 Months Ended Mar 13	Consolidated 3 Months Ended Mar 14	Consolidated 12 Months Ended Dec 13
Net Sales	1,673,919.43	2,488,516.89	8,241,330.56
Cost of Sales	689,652.24	1,051,662.16	3,300,923.59
Gross Profit	984,267.19	1,436,854.73	4,940,406.97
<b>Ordinary Income/Expense</b>			
<b>Expense</b>			
Accrued Officer Compensation	43,750.00	43,750.00	175,000.00
Wages & Salaries	201,527.38	214,624.23	886,697.59
Accrued Accounting Fees	0.00	0.00	0.00
Telecommunications	466.00	0.00	1,036.00
Office Expense/Supplies	1,084.61	1,554.15	5,369.63
Filing & Transfer Fees	1,480.00	2,055.00	8,095.40
Interest Expense	0.00	0.00	75,052.77
Legal	2,985.00	2,250.00	7,380.00
Professional Fees	13,924.89	15,003.00	61,536.01
Lab Services	4,434.31	7,986.10	19,345.85
Transportation	28,306.71	30,711.15	117,827.20
Financing Expense	20,477.04	29,290.77	34,841.82
Utilities	914.00	1,211.10	784.00
Investor Relations	0.00	0.00	0.00
Travel & Entertainment	713.00	1,387.15	11,465.76
Internet and Website Development	0.00	0.00	0.00
Maintenance	12,539.70	18,428.13	55,775.20
Materials & Mining Supplies	245,118.44	312,620.62	1,209,847.28
Other Expenses	27,572.16	4,447.10	67,914.12
Website/Advertising	810.00	928.00	1,680.00
<b>Total Expense</b>	<b>606,103.24</b>	<b>686,246.50</b>	<b>2,739,648.64</b>
<b>Other Income/Expense</b>			
Write offs	0.00	0.00	0.00
<b>Total Expense</b>	<b>606,103.24</b>	<b>686,246.50</b>	<b>2,739,648.64</b>
<b>Net Ordinary Income</b>	<b>378,163.96</b>	<b>750,608.23</b>	<b>2,200,758.34</b>
<b>Net Income</b>	<b>378,163.96</b>	<b>750,608.23</b>	<b>2,200,758.34</b>

**NEW WORLD GOLD CORPORATION**  
**STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2014**  
(Unaudited)

	Common Stock		Preferred Stock		Paid-in Capital	Cumulative Deficit	Adjustments To Equity	Profit (Loss)	Total Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2013 (unaudited)	450,016,915	\$ 45,002	850,000	\$ 850	\$ 3,321,738	\$ (1,300,061)	\$	\$ 4,039,422	\$ 6,106,951
Shares issued from debt conversions	77,500,000	7,750							7,750
Shares issued for consulting services		-							-
Adjustments									-
Net Profit (Loss)		-	-					750,608	750,608
Balance, March 31, 2013 (unaudited)	<u>527,516,915</u>	<u>\$ 52,752</u>	<u>850,000</u>	<u>\$ 850</u>	<u>\$ 3,321,738</u>	<u>\$ (1,300,061)</u>	<u>\$ 0</u>	<u>\$ 4,790,030</u>	<u>\$ 6,865,309</u>

# New World Gold Corporation Statement of Cash Flows

January through  
March 2014 and 2013  
(Unaudited)

	Jan-March 2014	Jan-March 2013
<b>OPERATING ACTIVITIES</b>		
Net Income	750,608.23	378,163.96
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts payable	(65,533.75)	(922.56)
Accrued Officer Compensation	43,750.00	43,750.00
Accounts Receivable	100,000.00	0.00
Inventory	(275,946.14)	558,768.83
Gold Mine Leases / Land	(169,971.87)	0.00
Construction/Mining Improvements	(357,414.92)	(88,213.16)
Plant, Machinery, Equipment	0.00	(441,356.42)
Depreciation	5,000.00	132,556.00
From Note Holders	326,558.31	(114,595.10)
Investment in Subsidiary	(419,050.00)	(470,500.00)
Other Adjustments	73,564.43	14,445.70
<b>Net cash provided by Operating Activities</b>	<b>11,564.29</b>	<b>12,097.25</b>
<b>INVESTING ACTIVITIES</b>		
Gold Mine Purchases/Leases	0.00	0.00
<b>Net cash used by Investing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>FINANCING ACTIVITIES</b>		
Investor Loans	0.00	0.00
Capital Stock	0.00	4,600.00
<b>Net cash provided by Financing Activities</b>	<b>0.00</b>	<b>4,600.00</b>
<b>Net cash increase for period</b>	<b>11,564.29</b>	<b>16,697.25</b>
<b>Cash at beginning of period</b>	<b>67,980.32</b>	<b>98,675.55</b>
<b>Cash at end of period</b>	<b>79,544.61</b>	<b>115,372.80</b>

**NEW WORLD GOLD CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Three Months Ended March 31, 2014  
(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. As of March 31, 2014, New World Gold Corporation continues to hold its controlling interest in Andes Gold Corporation. Because of this controlling interest, 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 Three Months Ended March 31, 2014  
(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 three months ended March 31, 2014 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 March 31, 2014 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, 2014, 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.



**NEW WORLD GOLD CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Three Months Ended March 31, 2014  
(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 three months ended March 31, 2014, 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 March 31, 2014.

**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 March 31, 2014. 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 Three Months Ended March 31, 2014  
(Unaudited)

NOTE 6 – MANAGEMENT DISCUSSION OF OPERATIONS

The Company had a very good three (3) month for the period ending March 31, 2014. During this period the Company increased revenues and profits.

The Company continues to produce its own reserves as well as milling ore on a contractual basis for 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.