

OneCap Investment Corporation

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three-month period ended March 31, 2018
(Expressed in Canadian dollars)

The attached financial statements have been prepared by Management of OneCap Investment Corporation and have not been reviewed by an external auditor

OneCap Investment Corporation

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - In Canadian dollars)

	Note	As at March 31, 2018 \$	As at December 31, 2017 \$
Assets			
Current assets			
Cash and cash equivalents	5	888,697	1,074,635
Sales taxes receivable		25,124	40,070
Prepaid expenses and advances to suppliers		24,616	31,297
Total assets		938,437	1,146,002
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		98,361	76,000
Total liabilities		98,361	76,000
Equity			
Share capital	7	6,767,802	6,767,802
Contributed surplus		3,429,299	3,429,299
Deficit		(9,357,025)	(9,127,099)
Total equity		840,076	1,070,002
Total liabilities and equity		938,437	1,146,002
Going concern	2		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

OneCap Investment Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - in Canadian dollars, except for number of shares)

		For the three months ended March 31	
	Note	2018	2017
		\$	\$
Expenses			
Exploration and evaluation	6	99,228	23,372
Professional and consulting fees		91,556	61,197
Administration expenses		10,206	10,837
Shareholders communication and transfer agent fees		24,220	900
Travel expenses and representation		7,351	2,561
Foreign exchange loss (gain)		(77)	(7)
Operating loss		232,484	98,860
Other gains			
Interest income		2,558	61
Net loss and comprehensive loss		229,926	98,799
Loss per common share, basic and diluted		0.006	0.004
Weighted average number of common shares outstanding – basic and diluted		40,909,191	26,894,319

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

OneCap Investment Corporation

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

(Unaudited- in Canadian dollars, except number of shares)

	Number of common shares outstanding	Share capital \$	Contributed surplus \$	Deficit \$	Total Equity \$
Balance - January 1, 2018	40,909,191	6,767,802	3,429,299	(9,127,099)	1,070,002
Net loss and comprehensive loss	-	-	-	(229,926)	(229,926)
Balance - March 31, 2018	40,909,191	6,767,802	3,429,299	(9,357,025)	840,076

	Note	Number of common shares outstanding	Share capital \$	Contributed surplus \$	Deficit \$	Total Equity (Deficiency) \$
Balance - January 1, 2017		61,458,710	4,535,475	2,728,727	(7,271,110)	(6,908)
Private placements						
Proceeds from shares issuance	7	3,544,200	177,210	-	-	177,210
Share issue expenses		-	-	-	(1,295)	(1,295)
Transactions with owners		65,002,910	4,712,685	2,728,727	(7,272,405)	169,007
Net loss and comprehensive loss		-	-	-	(98,799)	(98,799)
Balance - March 31, 2017		65,002,910	4,712,685	2,728,727	(7,371,204)	70,208

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OneCap Investment Corporation

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - in Canadian dollars)

	For the three-months ended	
	March 31,	
	Note	
	2018	2017
	\$	\$
Cash flows used in operating activities		
Net loss	(229,926)	(98,799)
Changes in non-cash working capital items:		
Sales taxes receivable	14,946	(4,156)
Prepaid expenses and advances to suppliers	6,681	-
Accounts payable and accrued liabilities	22,361	16,527
	(185,938)	(86,428)
Cash flows from financing activities		
Proceeds from private placements	7	177,210
Share issue expenses		(1,295)
		175,915
Net change in cash and cash equivalents	(185,938)	89,487
Cash and cash equivalents, beginning	1,074,635	103,801
Cash and cash equivalents, end	888,697	193,288

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

OneCap Investment Corporation

Notes to Condensed Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2018 and 2017

(Unaudited - in Canadian dollars)

1. INCORPORATION AND NATURE OF ACTIVITIES

OneCap Investment Corporation (the “Corporation” or “OneCap”) was incorporated under the *Canada Business Corporations Act* (“CBCA”) on April 20, 2012. The Corporation’s common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol OIC. The address of its head office and principal place of business is 1801 McGill College Avenue, Suite 950, Montreal (Quebec), Canada, H3A 2N4.

Prior to August 25, 2017, the Corporation was a capital pool company (“CPC”) as defined in Policy 2.4 of the Exchange. On that date, the Corporation completed its qualifying transaction (the “Qualifying Transaction”) pursuant to the rules and policies of the Exchange by acquiring 100% of the issued and outstanding share capital of Rio Moche Exploration Inc. (“Rio”) and evolved into a mineral exploration company with its exploration activity focused in Colombia.

Accordingly, from an accounting standpoint, the transaction constitutes a reverse takeover. As Rio was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements (the “Financial Statement”) at their carrying value. OneCap’s results have been included from the date of the reverse takeover. The legal share capital continues to be that of OneCap, the legal parent.

2. GOING CONCERN

Given that the Corporation has not yet determined whether its mineral property contains mineral deposits that are economically recoverable, the Corporation has not yet generated income nor cash flows from its operations. As at March 31, 2018, the Corporation has an accumulated deficit of \$9,357,025 (\$9,127,099 as at December 31, 2017). These material uncertainties cast a significant doubt regarding the Corporation’s ability to continue as a going concern.

These Financial Statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The Corporation’s ability to continue as a going concern is dependent upon its ability to raise additional financing, to meet its existing commitments, to further explore its mineral properties, to pay for general and administrative expenses and to continue to support its suppliers and creditors. Even if the Corporation has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

These Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amount eventually realized for assets might be less than amounts reflected in these Financial Statements.

OneCap Investment Corporation

Notes to Condensed Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2018 and 2017

(Unaudited - in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The Financial Statements do not include all of the disclosure required for annual financial statements and therefore should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2017.

3.2 Basis of presentation and evaluation

The significant accounting policies followed in the Financial Statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2017 ("2017 Audited Financial Statements").

These Financial Statements were authorized for issuance by the Corporation's Board of Directors on May 14, 2018.

3.3 Basis of consolidation

The acquisition of Rio has been accounted for as a reverse takeover of the Corporation by Rio. Accordingly, the reported balances and transactions for periods prior to August 25, 2017 are those of Rio.

These Financial Statements include the accounts of the Corporation since August 25, 2017 and those of its wholly-owned subsidiary Rio since the incorporation of Rio in 2007. All intra-group transactions, balances, income and expenses are eliminated during consolidation.

The Corporation controls an entity when the group is exposed to, or has the right to variable returns from involvement with the entity and has the ability to affect these returns through its power over the entity.

3.4 New accounting standards issued and effective

IFRS 9 - Financial instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018 and its implementation by the Corporation does not have a material impact on its Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the Financial Statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The estimates and underlying assumptions are reviewed by management on an ongoing basis.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2017 Audited Financial Statements of the Corporation.

OneCap Investment Corporation

Notes to Condensed Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2018 and 2017

(Unaudited - in Canadian dollars)

5. CASH AND CASH EQUIVALENTS

	As at March 31, 2018	As at December 31, 2017
	\$	\$
Cash	86,141	1,074,635
Guaranteed investment certificate bearing interest at 1.35%, redeemable at any time and maturing in January 2019	802,556	-
	888,697	1,074,635

6. EXPLORATION AND EVALUATION EXPENSES

	For the three-months ended March 31	
	2018	2017
	\$	\$
Exploration and evaluation expenditures Las Marias, Colombia	34,284	23,372
Regional exploration expenditures - Colombia	64,944	-
	99,228	23,372

Pursuant to an exclusive option agreement signed on July 23, 2016, the Corporation has an option to earn a 100% interest in the Las Marias concession (the "Property"), located in Colombia, subject to the payment of US\$1,000,000 and exploration work of US\$4,350,000, over a 5-year period.

As of March 31, 2018, payments and exploration work commitments are as follows:

	Cash payment	Exploration work commitment	Cash payment	Exploration work commitment
	US\$	US\$	Canadian dollar equivalent ⁽¹⁾	
During Year 2 (By July 23, 2018)	60,000	400,000	75,600	504,000
During Year 3	100,000	700,000	126,000	882,000
During Year 4	250,000	1,000,000	315,000	1,260,000
During Year 5	547,000	2,000,000	689,000	2,520,000
Total	957,000	4,100,000	1,205,600	5,166,000

(1) Converted at the exchange rate on March 31, 2018

The owners of the Property retain a 3% net smelter return ("NSR") subject to the Corporation's right to purchase one-half of the NSR within five years after the start of production for US\$1,500,000. The Corporation shall also pay US\$75,000 per annum starting the sixth year of the agreement and successively each year thereafter, until the exploitation begins.

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Notes to Condensed Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2018 and 2017

(Unaudited - in Canadian dollars)

7. SHARE CAPITAL

a) Authorized

An unlimited number of voting common shares without par value.

b) Private placements

In March 2017, the Corporation issued 3,544,200 common shares for total consideration of \$177,210 pursuant to non-brokered private placements.

c) Escrowed shares

8,435,454 common shares of the Corporation are subject to a surplus security escrow agreement, whereby a 36-month escrow period applies, with 5% having been released on receipt of final approval of the Exchange (September 7, 2017), 5% having been released on March 7, 2018, 10% being releasable on the dates that are 12 months and 18 months from final Exchange approval, 15% being releasable on the dates that are 24 months and 30 months from final Exchange approval and 40% being releasable on the date that is 36 months from final Exchange approval. As at March 31, 2018, 7,591,912 common shares are subject to this escrow.

A further 3,345,000 common shares are held under a CPC escrow agreement, with 10% having been released on receipt of final Exchange approval, 15% having been released on March 7, 2018 and a further 15% being releasable every six month thereafter. As at March 31, 2018, 2,508,750 common shares are subject to this escrow.

d) Share-based payments

A summary of changes of the Corporation's options is presented below:

	For the three-months ended March 31, 2018	
	Number of Options	Weighted average exercise price
		\$
Balance, beginning of period	4,055,757	0.18
Expired	(217,391)	0.20
Balance, end of period – outstanding	3,838,366	0.17
Balance, end of period – exercisable	3,838,366	0.17

Options outstanding and exercisable as at March 31, 2018 are as follows:

Number of Options	Exercise price	Expiry date
	\$	
791,410	0.20	August 25, 2018
217,391	0.20	November 8, 2018
434,782	0.20	October 6, 2019
1,960,000	0.15	December 12, 2019
434,783	0.20	June 1, 2020
3,838,366		

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7. SHARE CAPITAL (CONT'D)

e) *Warrants*

Warrants outstanding as at March 31, 2018 are as follows:

Number of warrants	Exercise price	Expiry date
2,907,000	\$0.25	August 25, 2019
3,478,261	\$0.20	September 29, 2020
6,385,261		

8. RELATED PARTY TRANSACTIONS

During the three-month period ended March 31, 2018, in the normal course of operations:

- The remuneration of the President and CEO paid to a company controlled by him totaled \$30,000 (\$15,000 in Q1-2017) and is recorded under professional and consulting fees;
- A company controlled by the Chief Financial Officer and Secretary charged professional fees of \$30,168 (\$12,278 in Q1-2017) for his service and his staff and is recorded under professional and consulting fees.
- As of March 31, 2018. The balance due to the related parties mentioned in this section amounted to \$24,648.