

JG Wealth Management Corporation
Condensed Consolidated Interim Financial Statements
Three and Six Months ended March 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

JG Wealth Management Corporation
Condensed consolidated interim statement of financial position

(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2016	September 30, 2015
		\$	\$
Assets			
Current assets			
Cash		1,115,859	554,569
Accounts receivable	5	3,387	3,387
Investments	4, 10	1,476,028	1,660,126
Purchase prepayments		3,675	-
		2,598,949	2,218,082
Non-current			
Property	6	-	1,077,660
Total assets		2,598,949	3,295,742
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	14,295	44,416
Note payable	8, 11	-	506,082
		14,295	550,498
Non-current			
Deferred tax liability		29,000	29,000
Total liabilities		43,295	579,498
Shareholders' equity			
Share capital	3, 9	2,317,064	2,002,064
Other capital reserve	3, 9	39,511	39,511
Subscriptions received in advance		-	225,000
Retained earnings		199,079	449,669
Total equity		2,555,654	2,716,244
Total liabilities and shareholders' equity		2,598,949	3,295,742

Nature of operations and going concern (Note 1)

Approved and authorized for issuance by the Board of Directors on May 20, 2016

"Sonny Janda"
Director

"Jatinder Bains"
Director

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Management Corporation**Condensed consolidated interim statement of comprehensive income (loss)**

(Unaudited - Expressed in Canadian Dollars)

		3 months ended March 31		6 months ended March 31	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
Rental income	11	-	14,286	13,274	14,286
Rental expenses		-	3,580	3,224	3,580
Net Rental income		-	10,706	10,050	10,706
Expenses					
Consulting		29,500	36,200	59,000	36,200
Interest	8, 11	169	-	2,255	-
Office and administration		5,739	1,887	10,239	1,887
Professional fees		7,430	5,300	9,430	5,300
Trust and filing fees		4,477	1,092	8,744	1,092
Total operating expenses		47,315	44,479	89,668	44,479
Realized gain on sale of investments	4, 10	10,773	-	35,249	-
Loss on sale of property	6	-	-	(1,489)	-
Unrealized gain (loss) on fair value of investments	4, 10	66,812	85,260	(204,732)	85,260
Net income (loss) before tax		30,270	51,487	(250,590)	51,487
Income (Loss) and other comprehensive income (loss)		30,270	51,487	(250,590)	51,487
Income (Loss) per share, basic and diluted		0.00	0.01	(0.01)	0.01
Weighted average number of outstanding shares, basic and diluted		31,174,297	6,129,334	31,434,172	3,030,990

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Management Corporation
Condensed consolidated interim statement of cash flow

(Unaudited - Expressed in Canadian Dollars)

Six Months ended March 31,	2016	2015
Cash (used in) provided by:	\$	\$
Operating activities		
Income (loss) for the period	(250,590)	51,487
Items not involving cash :		
Loss from sale of property	1,489	-
Gain from sale of investments	(35,249)	-
Unrealized (gain) loss on fair value of investments	204,732	(85,260)
Changes in non-cash operating working capital		
Accounts receivable	-	(11,356)
Accounts payable and accrued liabilities	(30,120)	42,320
Purchase prepayments	(3,675)	-
Cash provided by (used in) operating activities	(113,413)	(2,809)
Investing activities		
Acquisition of cash - Arrangement	-	58,362
Proceeds from sale of property	1,076,170	-
Proceeds from sale of investments	62,365	-
Purchase of investments	(47,750)	-
Cash provided by (used in) investing activities	1,090,785	58,362
Financing activities		
Proceeds from issuance of promissory note	-	480,000
Repayment of promissory note	(506,082)	-
Proceeds from issuance of common shares	90,000	-
Cash provided by (used in) financing activities	(416,082)	480,000
Increase of cash	561,290	535,553
Cash, beginning of period	554,569	-
Cash, end of period	1,115,859	535,553
Supplementary information:		
Cash paid for interest	8,000	2,046
Cash paid for income taxes	-	-

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Management Corporation
Condensed consolidated statement of changes in equity
Six months ended March 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars except for number of shares)

<u>Common shares</u>							
	Note	Number	Amount	Other capital reserve (Note 3)	Subscription received in advance	Retained earnings	Total equity
			\$	\$	\$	\$	\$
September 30, 2014		1	1				1
Completion of the Arrangement		30,646,671	2,002,063				2,002,063
Adjustment for shares issued in the Arrangement				39,511			39,511
Net income						51,487	51,487
March 31, 2015		30,646,672	2,002,064	39,511	-	51,487	2,093,062
September 30, 2015		30,646,672	2,002,064	39,511	225,000	449,669	2,716,244
Issuance of common shares	9	787,500	315,000		(225,000)	-	90,000
Net loss		-	-			(250,590)	(250,590)
March 31, 2016		31,434,172	2,317,064	39,511	-	199,079	2,555,654

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

JG Wealth Management Corporation (the “Company”) was incorporated on November 29, 2007. The Company is a venture capital and investment company. The Company’s head office is located at Suite 200 – 8338 120th Street, Surrey, BC, V3W 3N4. The Company ceased to be a subsidiary of Mag One on January 1, 2015 and the Company’s shares commenced trading on Canadian Securities Exchange (“CSE”) under the symbol JGW on March 12, 2015 (Note 3).

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company’s continuation as a going concern is dependent whether the Company can be developed into a viable business, performance of investments, and continued support from the Company’s related parties. These factors indicate the existence of uncertainty that may cast doubt about the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2015 annual financial statements.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at their fair value as explained in the accounting policies below. All amounts are presented in Canadian dollars unless otherwise noted.

Consolidation

These condensed consolidated interim financial statements included the accounts of the Company and its wholly owned subsidiary, 1042484 B.C. Ltd. (formerly Acana Capital Corp.) that was incorporated on July 10, 2015 in British Columbia, Canada.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. 1042848 B.C. Ltd. does not have any activities since inception.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant estimates and assumptions (continued)

Estimates where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, carrying values of the investments and the property, the fair value of the shares issued in connection with the closing of the Arrangement, and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Adoption of new accounting policies

The Company has not adopted new accounting policies since its recent year ended September 30, 2015.

New Accounting Standards and Interpretations

IFRS 9 Financial Instruments ("IFRS9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of this standard on its financial statements. Other new accounting standards have no material effect on the Company's financial statements.

3. CORPORATE RESTRUCTURING

During fiscal 2015, the Company and its former parent company, Mag One, entered into a plan of arrangement in order to proceed with a corporate restructuring (the "Arrangement") by the way of a plan of arrangement, whereby Mag One transferred assets of Mag One to the Company in return for 30,646,671 common shares of the Company with a fair value of \$2,002,063. The Company's shares were distributed to the shareholders of Mag One on a pro-rata basis based on their relative shareholdings of Mag One at the completion of the Arrangement, when the Company's common shares started trading on the CSE after all the approvals were received.

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

3. CORPORATE RESTRUCTURING (Continued)

The carrying value of the net assets received on January 1, 2015 pursuant to the Arrangement consists of the following:

	\$
Assets	
Cash	58,362
Investments	836,699
Property	1,151,496
Liabilities	
Deferred revenue	(4,983)
Net assets	2,041,574
Shares issued pursuant to plan to the Arrangement	(2,002,063)
Adjusted for shares issued in connection with the Arrangement	39,512

The fair value of the shares was determined to be the fair value of the net assets transferred.

The Arrangement completed on March 12, 2015 when the Company ceased to be a subsidiary of Mag One and commenced trading on CSE under the symbol JGW.

4. INVESTMENTS

The Company's investments are comprised of investments in shares and share purchase warrants of Canadian public companies (Note 10).

Details of investments as at September 30, 2015 and March 31, 2016 are as follows:

	Total
Cost:	\$
At September 30, 2015	1,074,421
Additions	47,750
Disposals	(27,116)
At March 31, 2016	1,095,055
Accumulated fair value adjustment:	\$
At September 30, 2015	585,705
Changes	(204,732)
At March 31, 2016	380,973
Net carrying value:	\$
At September 30, 2015	1,660,126
At March 31, 2016	1,476,028

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

4. INVESTMENTS (Continued)

The fair value of the warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	March 31, 2016	September 30, 2015
Expected life of warrants (years)	2.80	2.79
Annualized volatility	179%	176%
Risk-free interest rate	0.5%	0.5%
Dividend rate	0%	0%

As at March 31, 2016, the Company's investments included common shares and warrants with a total cost of \$664,896 (September 30, 2015: \$601,587) and a total fair value of \$1,022,808 (September 30, 2015: \$1,125,758) of Canadian public companies with common directors or officers with the Company.

5. ACCOUNTS RECEIVABLE

On December 29, 2015, the Company sold the property (Note 6) for net proceeds of \$1,076,170 and recorded the amount as accounts receivable. The Company received the net proceeds subsequently on January 13, 2016.

The Company's former parent company, Mag One, collected rent on behalf of the Company and \$3,387 remains receivable as at March 31, 2016 (September 30, 2015 - \$3,387) from the former parent company. The Company and the former parent company have a common director. The receivable is un-secured, non-interest bearing and no stated repayment terms.

6. PROPERTY

On December 29, 2015, the Company sold the property, which is a unit of residential condominium located in Toronto, Canada, for net proceeds of \$1,076,170 resulting in a loss of \$1,489.

Cost:	\$
At September 30, 2015	1,151,496
Disposition	(1,151,496)
At March 31, 2016	-
Accumulated amortization:	
At September 30, 2015	(34,325)
Disposition	34,325
At March 31, 2016	-
Impairment:	
At September 30, 2015	(39,512)
Disposition	39,512
March 31, 2016	-
Net book value as at September 30, 2015	1,077,660
Net book value as at March 31, 2016	-

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2016	September 30, 2015
	\$	\$
GST payable	-	778
Trade payables	1,979	36,288
Accrued liabilities	12,316	7,350
	14,295	44,416

8. NOTE PAYABLE

In June 2015, the Company issued a promissory note of \$500,000 to an entity related to a director of the Company (Note 11). This promissory note is un-secured, bears interest at 4% per annum, and is due on June 11, 2016. The Company repaid the note and interest in November 2015.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Common shares - Issued and outstanding

In October 2015, the Company issued 787,500 common shares for proceeds of \$315,000 in a non-brokered private placement (\$0.40 per share). The Company will use the proceeds for its working capital.

Other capital reserve

The other capital reserve records the difference between the fair value and the carrying value of the net assets transferred pursuant to the Arrangement (Note 3).

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2016	September 30, 2015
	\$	\$
FVTPL:		
Cash	1,115,859	554,569
Investments	1,476,028	1,660,126
	2,591,887	2,214,695

	March 31, 2016	September 30, 2015
	\$	\$
Loans and receivables:		
Accounts Receivable	3,387	3,387
	3,387	3,387

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2016	September 30, 2015
	\$	\$
Non-derivative financial liabilities:		
Trade payables	1,979	36,288
Note payable (Note 8, 11)	-	506,082
	1,979	542,370

Fair value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

JG Wealth Management Corporation
Notes to the condensed consolidated interim financial statements
For the three and six months ended March 31, 2016
(Unaudited - Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Continued)

The following is an analysis of the Company's financial assets measured at fair value as March 31, 2016:

	Level 1	Level 2	Level 3
	\$	\$	\$
Cash	1,115,859	-	-
Investments	1,269,028	207,000	-
	<u>2,384,887</u>	<u>207,000</u>	

Risk management

The Company has not changed its approach in managing its financial instrument risks since its year ended September 30, 2015.

11. RELATED PARTY TRANSACTIONS

During six months ended March 31, 2016, the Company had the following related party transactions:

Investments (see note 4)

Notes payable (**see note 8**)

Rental revenue and Accounts receivable (see note 5)

Before the property was sold in December 2015, the Company earned gross rental revenue of \$13,274 during the three months ended December 31, 2015 from a company with a common director (three and six months ended March 31, 2015 - \$14,286).

Remuneration charged by key management

During the six months ended March 31, 2016, consulting fees of \$50,000 was charged by the Company's former CEO and a company related to the former CEO for services rendered (2015- \$Nil).