

**JG Wealth Management Corporation**

**Management's Discussion & Analysis**

**Six months ended March 31, 2016**

**JG WEALTH MANAGEMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (FORM 51-102)**  
**SIX MONTHS ENDED MARCH 31, 2016**

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*DATE AND SUBJECT OF REPORT*

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The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of JG Wealth Management Corporation ("JG" or the "Company") for the six months ended March 31, 2016.

This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the same period (the "2016 Interim Financial Statements") and the audited annual consolidation financial statements of its most recent year ended September 30, 2015 which presented in Canadian dollars and are prepared in accordance with the International Accounting Standards ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB"). The Company's financial statements and other important information of the Company are available at [www.sedar.com](http://www.sedar.com). This MD&A has been prepared effective as of May 20, 2016

*FORWARD LOOKING STATEMENTS*

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*The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward looking statements involve a number of risks and uncertainties, including the impact of general economic conditions, industry conditions, and changes in Canadian and foreign laws and regulations, increased competition, fluctuations in real estate properties market, foreign exchange, and interest rates and stock market volatility. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and while many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

*OVERALL PERFORMANCE*

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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.

Significant events of the Company year-to-date are summarized as follows:

***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

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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.

***Update on Properties Transferred from Mag One and Held by the Company***

Shangri La Unit is a residential condominium located in Toronto, Canada, transferred from Mag One in accordance with the Arrangement on January 1, 2015. The Company leased the property for \$5,000 per month (sales taxes inclusive) to a company (Desert Gold Ventures Inc.) with a common director (Sonny Janda) on a month to month basis during fiscal 2015. This property was sold for net proceeds of \$1,076,170 on December 29, 2015 resulting in a loss of \$1,489.

***Private Placement***

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.

**SUMMARY OF QUARTERLY RESULTS**

The Company has been dormant since inception until January 1, 2015 when assets were transferred from Mag One. The Company does not expect its revenue or net operating result subject to seasonality. As one of the Company's main activities is investment in marketable securities, the Company does expect the quarterly operating results fluctuate with the market values of the marketable securities held in hands. The table below sets out the recent eight quarterly information of the Company:

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2016	2016	2015	2015	2015	2015	2014	2014
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>	-	13,274	13,274	12,264	14,286	-	-	-
<b>Net income (loss)</b>	30,270	(280,860)	471,490	(73,308)	51,487	-	-	-
<b>Income (loss) per share, basic and diluted</b>	(0.00)	(0.01)	0.02	(0.00)	0.01	(0.00)	(0.00)	(0.00)

Readers should be cautioned that the gain/loss from investment in marketable securities would fluctuate from time to time depends on the market price of the underlying marketable securities, which is unpredictable in nature.

***RESULTS OF OPERATIONS***

***Six months ended March 31, 2016 ("2016 Six Months")***

During 2016 Six Months, the Company had a net loss of \$250,590, mainly comprised of operating expenses of \$89,668, loss from disposition of the property of \$1,489, and unrealized loss from investments of \$204,732, which were partially offset by operating revenue of \$13,274, and realized gain from sale of investments of \$35,249.

Main component of the operating expenses are \$59,000 consulting fees, \$10,239 office and administration fees, \$9,430 professional fees, and \$8,744 trust and filing fees.

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As at March 31, 2016, the Company had \$1,115,859 cash (September 30, 2015 - \$554,569), \$1,476,028 investments (September 30, 2015 - \$1,660,126), accounts receivable \$3,387 (September 30, 2015 - \$3,387) accounts payable and accrued liabilities of \$14,295 (September 30, 2015 - \$44,416), \$Nil note payable (September 30, 2015 - \$506,082), Share capital of \$2,317,064 (September 30, 2015 - \$2,002,064).

Cash increase was mainly a result of the sale of Shangri La Unit which is a residential condominium located in Toronto, Canada, from sale of marketable securities, and from issuance of common shares. The increase was partially offset by the repayment of promissory note, purchase of marketable securities, and payment of operating expenses.

***Three months ended March 31, 2016 ("2016 Q2")***

During 2016 Q2, the Company had a net gain of \$30,270, mainly comprised of realized gain from investments of \$10,773 and unrealized gain from investments of \$66,812, which were partially offset by operating expenses of \$47,315.

Main component of the operating expenses are \$29,500 consulting fees, \$5,739 office and administration fees, \$7,430 professional fees, and \$4,477 trust and filing fees.

***LIQUIDITY & CAPITAL RESOURCES***

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Financing of operations has been achieved primarily by equity and related party debt financing. On March 31, 2016, the Company had a cash balance of \$1,115,859 (September 30, 2015 - \$554,569) and working capital of \$2,584,654 (September 30, 2015 - \$1,667,584). The Company is not subject to external working capital requirements.

Management believes the current liquidity on hands will be adequate to finalize the Company's operations in the next twelve months. However, management also realizes that the capital on hand may not be adequate for the Company to achieve its long term business objectives as the development of real properties takes years to finish before these properties can generate positive operating cash flow. The Company intends to finance the Company's operations by additional related party financing and/or equity financing.

While the Company was able to raise financing when needed in the past, there is no guarantee that the Company can do so in the future.

During 2016 Q2, the Company received \$62,365 from sale of marketable securities, which was partially offset by using \$47,750 in acquisition of marketable securities.

On December 29, 2015, the Company sold a property ("Shangri La Unit") for \$1,076,171. The proceeds were subsequently received in January 2016. The Company will use the proceeds for working capital.

***TRANSACTIONS WITH RELATED PARTIES***

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The Company had the following related party transactions and balances:

**Investments**

As at March 31, 2016, 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) are issued by Canadian public companies with common directors or officers of the Company.

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**Note payable**

During Fiscal 2015, the Company issued a promissory note of \$500,000 payable to a private entity related to the Company's director and current CEO (Ayub Khan). The promissory note was un-secured, bearing interest at 4% per annum, and was due on demand or before June 11, 2016. The Company repaid this note and interest in November 2015.

**Rental revenue and accounts receivable**

During the first quarter of 2016, the Company earned gross rental revenue of \$13,274 (December 31, 2014 - \$Nil) from a company (Desert Gold Ventures Inc.) with a common director (Sonny Janda).

On December 29, 2015, the Company sold the property (Shangri La Unit) 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 (Sonny Janda). The receivable is un-secured, non-interest bearing and no stated repayment terms.

**Key Management Compensation**

During the six months ended March 31, 2016, consulting fees of \$50,000 was charged by the Company's former CEO (2015- \$Nil).

*OUTSTANDING SHARE DATA*

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As of the date of this MD&A, the Company has 31,434,172 common shares issued and outstanding. The Company does not have warrants and options outstanding as at the date of this report.

*OFF BALANCE SHEET ARRANGEMENTS*

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The Company does not have off-balance sheet arrangements.

*PROPOSED TRANSACTIONS*

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There no proposed transactions that may have material impact to the Company.

*SIGNIFICAN ACCOUNTING POLICIEIS AND CHANGES IN ACCOUNTING POLICIES*

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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.

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*FINANCIAL INSTRUMENTS AND RISK MANAGEMENT*

**Classification of financial instruments**

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

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

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

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

	<b>March 31, 2016</b>	September 30, 2015
	\$	\$
Non-derivative financial liabilities:		
Trade payables	1,979	36,288
Note payable	-	506,082
	<b>1,979</b>	<b>542,370</b>

**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.

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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	-
	2,384,887	207,000	

The Company has not changed its approach in managing the Company's risk associated with its financial instruments since its most recent year ended September 30, 2015.

***RISK FACTORS***

Risks of the Company's business include the following:

***New Enterprise***

Our business is subject to risks inherent in the establishment of a new business enterprise, such as limited historical financial information, limited capital resources and the inability to raise additional funds when required. No commitments to provide additional funds have been made by management or other shareholders.

***Equity Investment Risks***

An investment in the common shares of the Issuer should be considered highly speculative, not only due to the Issuer's limited business history but also due to the consideration that equity investments are always subject to varying degrees of risk. These risks may include changes in general economic conditions such as the availability and cost of financing capital; changes in local conditions, such as employment; changes to tax laws; and changes to incentive programs related to the areas in which the Issuer intends to invest. In addition, financial difficulties of other equity investors result in distress sales, which may depress the stocks in which the Company operates.

***Dilution to the Existing Shareholders***

The Company is very likely to issue its common stock to raise for additional capital. The issuance of additional equity securities by the Company could result in a significant dilution in the equity interests of existing shareholders.

***Reliance on Management's Expertise***

The Company strongly depends on the business acumen and investing expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse affect on the Issuer. The Company does not have any key person insurance in place for management.

***Prices of Real Estate***

The profitability of real estate development is significantly affected by changes in the market price of real estate properties may significantly fluctuate with the change of economic condition, interest rate, and rate of employment which are not predictable.

***Conflicts of Interest***

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in real estate development or management. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance

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with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

*FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES*

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Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”). In particular, the Company’s certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company’s generally accepted accounting principles.

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company’s certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

*OFFICERS AND DIRECTORS*

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Ayub Khan	CEO, Director	
Rajen Janda	CFO	
Jatinder Bain	Director	
Sonny Janda	Director	
Lucky Janda	Former CEO and Director	Resigned on December 15, 2015