JG Wealth Management Corporation

Condensed Consolidated Interim Financial Statements

Three and Six Months ended March 31, 2017

(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, 2017**	September 30, 2016
		$	$
Assets			
Current assets			
Cash		**738,447**	25,287
Receivables	6	**9,045**	2,746
Investments	4, 10	**3,987,188**	2,724,846
Note receivable	5	-	853,563
Prepaids and deposit		**3,675**	133,958
Total assets		**4,738,355**	3,740,400
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	8	**58,823**	15,550
Due to related parties	13	**95,555**	84,650
Note payable	9	**127,688**	125,205
		282,066	225,405
Non-current			
Deferred tax liability		**125,000**	125,000
Total liabilities		**407,066**	350,405
Shareholders' equity			
Share capital	3, 10	**2,317,064**	2,317,064
Other capital reserve	3, 10	**39,511**	39,511
Retained earnings		**1,974,714**	1,033,420
Total equity		**4,331,289**	3,389,995
Total liabilities and shareholders' equity		**4,738,355**	3,740,400

Nature of operations and going concern (Note 1)

Approved and authorized for issuance by the Board of Directors on May 30, 2017

"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	**2017**	2016	**2017**	2016
		$	$	**$**	$
Rental income		-	–	-	13,274
Rental expenses		-	–	-	3,224
Net Rental income		-	–	-	10,050
Expenses					
Consulting		**1,500**	29,500	**9,500**	59,000
Interest		**1,643**	169	**3,187**	2,255
Office and administration		**1,500**	5,739	**6,000**	10,239
Professional fees		**3,790**	7,430	**5,390**	9,430
Trust and filing fees		**4,661**	4,477	**7,330**	8,744
Total operating expenses		**13,094**	47,315	**31,407**	89,668
Realized gain on sale of investments	4, 11	-	10,773	**8,612**	35,249
Interest income		**2,218**	–	**8,593**	–
Loss on sale of property		-	–	**–**	(1,489)
Unrealized gain (loss) on fair value of investments	4, 11	**1,056,832**	66,812	**955,496**	(204,732)
Net income (loss) before tax		**1,045,956**	30,270	**941,294**	(250,590)
Income (Loss) and other comprehensive income (loss)		**1,045,956**	30,270	**941,294**	(250,590)
Income (Loss) per share, basic and diluted		**0.03**	0.00	**0.03**	(0.01)
Weighted average number of outstanding shares, basic and diluted		**31,174,297**	**31,174,297**	**31,434,172**	31,434,172

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, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars except for number of shares)

		Common shares					
	Note	**Number**	**Amount**	**Other capital reserve (Note 3)**	**Subscription received in advance**	**Retained earnings**	**Total equity**
			$	$	$	$	$
September 30, 2015		30,646,672	2,002,064	39,511	225,000	449,669	2,716,244
Issuance of common shares		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
September 30, 2016		31,434,172	2,317,064	39,511	-	1,033,420	3,389,995
Net income						941,294	941,294
March 31, 2017		**31,434,172**	**2,317,064**	**39,511**	**-**	**1,974,714**	**4,331,289**

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,	
	2017	2016
Cash (used in) provided by:	**$**	$
Operating activities		
Income (loss) for the period	**941,294**	(250,590)
Items not involving cash :		
Loss from sale of property	-	1,489
Accrual	**2,960**	-
Gain from sale of investments	**(8,612)**	(35,249)
Unrealized (gain) loss on fair value of investments	**(955,496)**	204,732
Changes in non-cash operating working capital		
Receivables	**(6,299)**	-
Accounts payable and accrued liabilities	**43,274**	(30,120)
Due to related parties	**10,905**	-
Purchase prepayments	**130,283**	(3,675)
Cash provided by (used in) operating activities	**158,309**	(113,413)
Investing activities		
Proceeds from repayment of note receivable	**862,156**	-
Proceeds from sale of property	-	1,076,170
Proceeds from sale of investments	**12,898**	62,365
Purchase of investments	**(320,203)**	(47,750)
Cash provided by (used in) investing activities	**554,851**	1,090,785
Financing activities		
Repayment of promissory note	-	(506,082)
Proceeds from issuance of common shares	-	90,000
Cash provided by (used in) financing activities	-	(416,082)
Increase of cash	**713,160**	561,290
Cash, beginning of period	**25,287**	554,569
Cash, end of period	**738,447**	1,115,859
Supplementary information:		
Cash paid for interest	-	8,000
Cash paid for income taxes	-	-

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

JG Wealth Management Corporation (the "Company") was incorporated on November 29, 2007 under the laws of the province of British Columbia, Canada. The Company is a venture capital and investment company. The Company's head office is located at Boughton Law, 700 – 595 Burrard Street, BC, V7X 1S8. The Company ceased to be a subsidiary of Mag One Products Inc. ("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).

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 2016 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 consolidated 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Income per share

Basic income per share is computed by dividing net income attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted income per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss (FVTPL) - Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. They are subsequently measured at fair value with changes in fair value recognized in profit or loss. The Company designated its investments as fair value through profit or loss financial assets.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company has designated its cash, receivables, deposit and note receivable as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities and that the Company intends to hold to maturity. These assets are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not hold any held-to-maturity financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Available-for-sale – These consist of non-derivative financial assets that are designated as available-for sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets. The Company does not hold any available-for-sale financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset. The Company has classified its trade payables and note payable as financial liabilities.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably measured.

Functional currency and foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency.

<u>Transactions and balances:</u>

Foreign currency transactions will be translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(Unaudited - Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Rental and Service income is recognized when:

- the amount of revenue can be measured reliably;
- it is probably that the economic benefits associated with the revenue will flow to the Company;
- the stage of completion at the end of the reporting period can be measured reliably; and
- the costs incurred for and to complete the revenue can be measured reliably.

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 RESTURCTING

On January 1, 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 $2,002,064. 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.

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	(4,982)
Net assets	2,041,575
Shares issued pursuant to plan to the Arrangement	(2,002,064)
Adjusted for shares issued in connection with the Arrangement	39,511

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.

(Unaudited - Expressed in Canadian dollars)

4. INVESTMENTS

As at March 31, 2017, the Company's investments comprise of common shares and share purchase warrants of Canadian public companies (Note 11) which are measured at fair value. The fair values of the shares and warrants at March 31, 2017 and September 30, 2016 are as follows:

	March 31, 2017	September 30, 2016
Common shares	3,706,188	2,327,846
Warrants	281,000	397,000
	3,987,188	2,724,846

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

	March 31, 2017	September 30, 2016
Expected life of warrants (years)	3.21 – 4.58	0.49 – 4.88
Annualized volatility	154% - 449%	132% - 220%
Risk-free interest rate	0.5%	0.6%
Dividend rate	0%	0%

5. NOTE RECEIVABLE

The Note receivable consists of $850,000 advanced to a company with common directors on August 10, 2016. The note bears interest at 3% per annum, was unsecured and due on demand. The principal balance and accrued interest was fully repaid.in February 2017.

6. RECEIVABLES

	March 31, 2017	September 30, 2016
	$	$
Trade receivables	3,150	-
Sales tax receivable	5,895	2,746
	9,045	2,746

7. PREPAIDS AND DEPOSIT

Included in prepaid and deposits as at September 30, 2016 was a deposit of $133,333 relating to an investment made by the Company, which serves as security for a notes payable (Note 9). The Company received the common shares in the quarter ended December 31, 2016.

(Unaudited - Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2017	September 30, 2016
	$	$
GST payable	-	150
Trade payables	57,225	-
Accrued liabilities	1,600	15,400
	58,823	15,500

9. NOTE PAYABLE

In September 2016, the Company entered into a loan agreement with a company related to a former director of the Company for a principal of $125,000. The loan bears interest at 4% per annum, is unsecured and due on September 15, 2017. The loan is secured by the 1,333,330 common shares in the capital of ZoomAway Travel Inc. which the Company subscribed for and the payment of $133,333 was included in prepaid and deposits as at September 30, 2016. The Company received the common shares in the quarter ended December 31, 2016. As at March 31, 2017, the balance outstanding including accrued interest is $127,688 (September 30, 2016 - $125,205).

10. SHARE CAPITAL

Authorized
Unlimited number of common shares without par value.

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).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

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

	March 31, 2017	September 30, 2016
	$	$
Loans and receivables		
Cash	738,447	25,287
Receivables	9,045	2,746
Deposit	3,675	133,958
Note receivable	-	853,563
FVTPL		
Investments	3,987,188	2,724,846
	4,738,355	3,740,400

(Unaudited - Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

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

	March 31, 2017	September 30, 2016
	$	$
Non-derivative financial liabilities:		
Trade payables	57,225	-
Due to related parties	95,555	84,650
Note payable	127,688	125,205
	280,468	209,855

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.

Investments consist of common shares and share purchase warrants of Canadian public companies (Note 4). The fair value measurement of the common shares is classified as level 1. The fair value measure of the share purchase warrants is classified as level 3 as the fair value estimate incorporates expected future volatility which is not based on observable market data.

Risk management

The Company has not changed its risk management approach in connection with its financial instrument since its year ended September 30, 2016.

12. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to sustain future development of the business. The capital structure of the Company consists of cash, marketable securities, and common shares as capital.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

(Unaudited - Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

During the quarters ended March 31, 2017 and December 31, 2016, and year ended September 30, 2016, the Company had the following transactions with related parties:

	Nature of fees	**March 31, 2017**	December 31, 2016	September 30, 2016
			$	$
Former director of the Company	Consulting	-	-	50,000
An entity with a common director	Management	-	3,500	3,000
An entity with a common director	Rent	-	4,500	3,000

Due to related parties

As at March 31, 2017, the Company had a balance owing to the Company's former director of $50,000 (September 30, 2016 - $50,000) as a result of receiving marketable securities from the former director.

During the quarter ended December 31, 2016, the Company entered into an unsecured promissory note with the spouse of a former director of the Company, whereby the Company agreed to pay the principal amount of $45,000 by November 2, 2017 subject to an interest rate of 3% per annum.

Investments

During the quarter ended March 31, 2017, the Company exercise warrants with an exercise price of $59,500 to obtain common shares with a fair value of $66,500 in a Canadian public company that has a common director. During the quarter, the Company made $nil subscriptions (September 30, 2016 – $175,251) for common shares and share purchase warrants in private placements of Canadian public companies that have common directors.

As at March 31, 2017, common shares and warrants with a total cost of $855,531 (September 30, 2016: $913,612) and a total fair value of $1,433,558 (September 30, 2016: $2,028,769) are issued by Canadian public companies with common directors or officers of the Company (Note 4).

Note receivable (Note 5)

Notes payable (Note 9)