JG Wealth Inc.

(Formerly JG Wealth Management Corporation)

Condensed Consolidated Interim Financial Statements

Three months ended December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of condensed consolidated 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 of JG Wealth Inc. have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

JG Wealth Inc.'s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

JG Wealth Inc. (formerly JG Wealth Management Corporation)
Condensed consolidated interim statement of financial position
(Unaudited - Expressed in Canadian Dollars)

	Note	December 31, 2017	September 30, 2017
		$	$
Assets			
Current assets			
Cash		**32,359**	469,311
Sales tax receivable		**8,663**	7,718
Investments	3,9	**4,294,267**	3,563,188
Note receivable	4	**5,276,261**	-
Prepaid and deposit		**-**	525
Total assets		**9,611,550**	4,040,742
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	6	**92,033**	12,600
Convertible debenture payable	5	**2,014,359**	-
Due to related parties	9	**50,000**	121,923
Note payable	7	**46,232**	176,427
		2,202,624	310,950
Non-current			
Deferred tax liability		**113,000**	113,000
Total liabilities		**2,315,624**	423,950
Shareholders' equity			
Share capital	8	**4,717,064**	2,317,064
Reserves	5	**437,349**	39,511
Retained earnings		**2,141,513**	1,260,217
Total equity		**7,295,926**	3,616,792
Total liabilities and shareholders' equity		**9,611,550**	4,040,742

Nature of operations (Note 1)

Approved and authorized for issuance by the Board of Directors on February 27, 2018

"Sonny Janda"	*"Jatinder Bains"*
Director	Director

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Inc. (formerly JG Wealth Management Corporation)
Condensed consolidated interim statement of comprehensive income (loss)

(Unaudited - Expressed in Canadian Dollars)

Three months ended December 31,	Note	**2017**	**2016**
		$	$
OPERATING EXPENSES			
Consulting		**10,261**	8,000
Office and administration		**4,500**	4,500
Professional fees		**3,970**	1,600
Trust and filing fees		**8,327**	2,669
Loss before the following:		**(27,058)**	(16,769)
Accretion	5	**(38,897)**	–
Interest income	4	**245,861**	6,375
Interest expenses	5	**(28,332)**	(1,544)
Foreign exchange loss	4	**(51,600)**	–
Realized gain (loss) on sale of investments	3	**(30,862)**	8,612
Unrealized gain (loss) on fair value of investments	3	**812,184**	(101,336)
Income (loss) and comprehehsive income (loss)		**881,296**	(104,662)
Income (Loss) and other comprehensive income (loss)		**881,296**	(104,662)
Income (Loss) per share, basic and diluted		**0.03**	(0.00)
Weighted average number of outstanding shares, basic and diluted		**31,434,172**	62,868,344

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Inc. (formerly JG Wealth Management Corporation)

Condensed consolidated interim statement of cash flow

(Unaudited - Expressed in Canadian Dollars)

Three months ended December 31,	**2017**	2016
Cash (used in) provided by:	**$**	$
Operating activities		
Income (loss) for the period	**881,296**	(104,662)
Items not involving cash :		
Accretion	**38,897**	
Accrued interest	**28,332**	1,707
interest income	**(245,861)**	(6,375)
Loss (gain) from sale of investments	**30,862**	(8,612)
Foreign exchange loss	**51,600**	-
Unrealized (gain) loss on fair value of investments	**(812,184)**	101,336
Changes in non-cash operating working capital		
Accounts receivable	**(945)**	(5,441)
Accounts payable and accrued liabilities	**79,433**	53,115
Due to related parties	**(71,923)**	10,572
Prepaid and deposit	**525**	128,708
Cash provided by (used in) operating activities	**(19,968)**	170,348
Investing activities		
Proceeds used to acquire investments	**(63,892)**	(180,701)
Proceeds from sale of investments	**114,135**	21,510
Issuance of a promissory note	**(5,082,000)**	-
Cash provided by (used in) investing activities	**(5,031,757)**	(159,191)
Financing activities		
Proceeds from issuance of convertible debentures	**2,344,968**	-
Repayment of promissory note	**(130,195)**	-
Proceeds from issuance of common shares	**2,400,000**	-
Cash provided by (used in) financing activities	**4,614,773**	-
Increase of cash	**(436,952)**	11,157
Cash, beginning of period	**469,311**	25,287
Cash, end of period	**32,359**	36,444

See accompanying notes to the condensed consolidated interim financial statements

JG Wealth Inc. (formerly JG Wealth Management Corporation)
Condensed consolidated statement of changes in equity
Three months ended December 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars except for number of shares)

		Common shares					
	Note	**Number**	**Amount**	**Loan reserve**	**Other capital reserve**	**Retained earnings**	**Total equity**
			$	$	$	$	$
September 30, 2016		62,868,344	2,317,064		39,511	1,033,420	3,389,995
Net loss		-	-	-	-	(104,662)	(104,662)
December 31, 2016		62,868,344	2,317,064	-	39,511	928,758	3,285,333
September 30, 2017		62,868,344	2,317,064	-	39,511	1,260,217	3,616,792
Share issuance - private placement	8	48,000,000	2,400,000		-	-	2,400,000
Issuance of convertible debentures		-	-	397,838	-	-	397,838
Net earnings		-	-			881,296	881,296
December 31, 2017		**110,868,344**	**4,717,064**	**397,838**	**39,511**	**2,141,513**	**7,295,926**

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

JG Wealth Inc. (formerly JG Wealth Management Corporation) (the "Company") was incorporated on November 29, 2007 under the British Corporations Act of the Province of British Columbia and its principal business activity is investing in small capital resource sector public companies. On November 24, 2017, the Company changed its name from JG Wealth Management Corporation to JG Wealth Inc.

The Company is listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol "JGW". The head office, principal address and records office of the Company are located at 4770-72nd Street, Delta, BC, V4K 3N3.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2017, which were prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated interim financial statements authorized for issue by the Board of Directors on February 27, 2018.

Basis of Preparation

These consolidated 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. The financial statements are presented in Canadian dollars, unless otherwise noted.

Basis of Consolidation

These condensed consolidated interim financial statements included the accounts of the Company and its wholly owned subsidiary. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status
1042484 B.C. Ltd. (formerly Acana Capital Corp.)	Canada	Inactive*

**Inactive throughout three months ended December 31, 2017 and 2016.*

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated annual financial statements for the recent year ended September 30, 2017. Certain comparative financial information for the three months ended December 31, 2017 has been reclassified to conform to the presentation in the current period.

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 and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the carrying values of the investments and the measurement of deferred tax liability.

Accounting standard issued but not yet applied

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2017, and have not been applied in preparing these financial statements.

<u>New standard IFRS 9 "Financial Instruments"</u>

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

<u>New standard IFRS 15 "Revenue from Contracts with Customers"</u>

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company intends to adopt the standards when they become effective. The Company has not yet determined the impact of these standards on its financial statements, but does not anticipate that the impact will be significant.

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(Unaudited - Expressed in Canadian dollars)

3. INVESTMENTS

As at December 31, 2017, the Company's investments mainly comprise of common shares and share purchase warrants of public and companies which are measured at fair value. The fair values of the shares and warrants are as follows:

	December 31, 2017	September 30, 2017
	$	$
Common shares	3,846,552	2,955,572
Warrants	447,715	607,616
	4,294,267	**3,563,188**

During three months ended December 31, 2017, the Company acquired common shares and warrants of Canadian public companies for the cost of $63,891 and sold common shares for $114,135. The Company recorded realized loss of $30,862 on disposition of shares and expiration of warrants, and unrealized gain of $812,184 on change in fair value of investments.

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

	December 31, 2017	September 30, 2017
Expected life of warrants (years)	1.96-3.83	2.71 – 4.08
Annualized volatility	122% - 257%	187% - 230%
Risk-free interest rate	1.52-1.80%	1.67%
Dividend rate	0%	0%

The investments serves as security for a note payable in prior years (Note 7).

4. NOTE RECEIVABLE

On October 24, 2017, the Company entered into a Financing Agreement with Dragon Wave-X Canada, Inc. ("DWX") and Transform-X Inc. whereby the Company made a secured loan of US$4,000,000 to DWX. The principal balance plus interest of $400,000 is repayable on the 90th day following the date when the payment was advanced (January 22, 2018). The Company extended the loan's repayment date to April 24, 2018 with principal US$4,400,000 and an interest 8% per annum. The Company holds the inventory and equipment of DWX and all proceeds as collateral for the loan. As at December 31, 2017, the note receivable was comprised of principal of $5,030,400 (US$4,000,000) and accrued interest of $245,861 (US$195,000).

5. CONVERTIBLE DEBENTURE PAYABLE

On November 7, 2017 the Company issued two convertible debentures with the principal $1,560,000 (to a family member of the CEO) and $780,000 respectively. These convertible debentures are convertible into common shares of the Company at a conversion price of $0.50 per share (post one-to-two share split (Note 8) at the option of the debenture holders. These convertible debentures are unsecured, will mature one year from issuance, and carry an interest of 10% per annum.

(Unaudited - Expressed in Canadian dollars)

5. CONVERTIBLE DEBENTURE PAYABLE (Continued)

The Company considers 15% be the effective interest rate of these convertible debenture and applied this rate to obtain the fair value of the convertible debenture at inception ($1,942,162). The Company applied the residual method to record the fair value of the conversion option of $397,838 to the Company's loan reserve accordingly. As at December 31, 2017, these convertible debentures had a carrying value of $1,981,059, accrued interest of $33,300 (totalling $2,014,359). During the period ended December 31, 2017, the Company incurred $38,897 accretion expenses associated with the convertible debentures.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	September 30, 2016
	$	$
Accounts payable	75,483	-
Accrued liabilities	16,550	12,600
	92,033	12,600

7. NOTE PAYABLE

During the year ended September 30, 2016, the Company entered into a loan agreement with a company related to a former director of the Company (the "Creditor") for a principal of $125,000 with a repayment date on or before September 15, 2017. The loan bears interest at 4% per annum, and the Company used a portion of its investments as collateral for the loan (Note 3). During three months ended December 31, 2017, all the principal ($125,000) was repaid and the lender waived all the accrued interest.

On October 27, 2016, the Company entered into a loan agreement with a relative of the CEO of the Company for $45,000 with a repayment date on or before November 2, 2017 (Note 9). The loan bears interest at 3% per annum, and is unsecured. As at December 31, 2017, the balance outstanding including accrued interest was $46,250. As at the report date, the loan is in default.

8. SHARE CAPITAL

Authorized
Unlimited number of common shares without par value.

Share issuances
On November 8, 2017, the Company closed a non-brokered private placement for gross proceeds of $2,400,000 and by the issuance of 48,000,000 common shares (post one –to-two share split) at a price of $0.05 per share.

Share split
Effective December 13, 2017, the Company completed a split of its issued and outstanding shares on a one old share to two new shares basis (the "Share Split"). All common shares and per common share amounts reported in these condensed consolidated interim financial statements have been adjusted to reflect the Share Split.

(Unaudited - Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

The Company does not have transactions with management and directors during the quarter ended December 31, 2017.

Due to related parties

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

Amounts due to related parties are non-interest bearing, unsecured, with no terms of repayment.

Share Capital

During the quarter ended December 31, 2017, the Company issued convertible debentures with the value of $2,340,000. $1,560,000 was issued to a relative of the CEO.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

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

	December 31, 2017	September 30, 2017
	$	$
Loans and receivables		
Cash	**32,359**	**469,311**
Note receivable	**5,276,261**	**-**
FVTPL		
Investments	**4,294,267**	**3,563,188**

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

	December 31, 2017	September 30, 2017
	$	$
Non-derivative financial liabilities:		
Trade payables	**75,483**	**-**
Convertible debentures payable	**2,014,359**	**-**
Due to related parties	**50,000**	**121,923**
Note payable	**46,232**	**176,427**

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 3). 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.

11. SUBSEQUENT EVENT

The Company has entered into an arms-length letter of intent with Staisse Bay SA to acquire 20% of the fully diluted capital of Pushfor Limited (Pushfor), a private UK company, for investment purposes. In the event the vendor acquires additional shares of Pushfor, the Company has the right to acquire them on similar terms. The Company intends to issue a convertible debenture for $2,000,000 with a coupon of 4% per annum, and convertible at $0.25 cents into common stock of the Company to finance this acquisition. This transaction is subject to conditions customary for a transaction of this nature, including due diligence and exchange approval.