JG Wealth Inc.

(Formerly JG Wealth Management Corporation)

Management's Discussion & Analysis

Three Months Ended December 31, 2017

DATE AND SUBJECT OF REPORT

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 Inc. (formerly JG Wealth Management Corporation) ("JG" or the "Company") for the quarter ended December 30, 2017.

This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the same period which are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC). The Company's financial statements and other important information of the Company are available at www.sedar.com. This MD&A has been prepared effective as of February 27, 2018.

FORWARD LOOKING STATEMENTS

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, 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

JG Wealth Inc. (formerly JG Wealth Management Corporation) ("JG" or the "Company") was incorporated on November 29, 2007 and was previously a wholly owned subsidiary of Mag One Products Inc. ("Mag One"). The Company's principal activity is the acquisition and development of real estate properties and investment in marketable securities of public and private companies. The Company's head office is located at 4770-72nd Street, Delta, BC, V4K 3N3. On March 12, 2015, the Company ceased to be a subsidiary of Mag One and the Company's shares commenced trading on Canadian Securities Exchange ("CSE") under the symbol JGW.

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 consolidated financial statements have been retroactively restated to reflect the Share Split.

SUMMARY OF QUARTERLY RESULTS

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:

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net income (loss)	**881,296**	**195,459**	**(909,956)**	**1,045,956**	**(104,662)**	**454,968**	**379,373**	**30,270**
Income (loss) per share, basic and diluted	**0.03**	**0.00**	**(0.03)**	**0.03**	**0.00**	**0.02**	**0.01**	**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

Three months ended December 31, 2017 ("2018 Q1")

During 2018 Q1, the Company had net income of $881,296 (2017: loss of $104,622).There are two main factors for the higher than average performance in this quarter:

1. realized and unrealized gain from investments totaled $781,322 (2017: loss of $92,724) which is unpredictable and is depended on the investments on hand.

2. An interest income of $245,861 (2017 - $6,375) from a $5.28 million promissory note (US$4 million) issued during the current quarter.

Main component of the operating expenses are $27,508 , which is not significantly different from that in the same quarter of 2017 (16,769).

As at December 31, 2017, the Company had $32,359 of cash (September 30, 2017: $469,311), $4,294,267 of investment (September 30, 2017: $3,563,188), note receivable of $5,276,267 (September 30, 2017: $Ni), accounts payable and accrued liabilities of $92,033 (September 30, 2017: $12,600), $50,000 due to related parties (September 30, 2017 - $121,923), Note payable of $46,232 (September 30, 2017: $176,427), convertible debenture payable of $2,014,359 (September 30, 2017 - $Nil), and share capital of $4,717,064 (September 30, 2017: $2,317,064).

LIQUIDITY & CAPITAL RESOURCES

As at December 31, the Company had working capital of $7.4 million. 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 the current quarter, the Company used $5,031,757 for its investing activities which was mainly comprised of the proceeds used in investing in a US$4 million promissory 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.

The Company also received $4.6 million from its financing activities ($2.4 million from share issuance and $2.34 million for the issuance of a one-year term convertible debenture. 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.

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.

TRANSACTIONS WITH RELATED PARTIES

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.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 110,868,344 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

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have proposed transactions that have material effects to the Company to discuss at this time other than the following:

The Company entered into an arms it 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.

SIGNIFICAN ACCOUNTING POLICIEIS AND CHANGES IN ACCOUNTING POLICIES

Refer to the note 2 to the Company's condensed consolidated interim financial statements for the quarter ended December 31, 2017.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's risk exposure in association with its financial instruments have not material change from its recent year ended September 30, 2017.

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.

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**

RISK FACTORS

Risks of the Company's business include the following:

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.

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 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

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

Ayub Khan	Director	
Jatinder Bains	Director	
Sonny Janda	Director and CEO	