JG WEALTH INC.

(Formerly JG Wealth Management Corporation)

Condensed Interim Consolidated Financial Statements

For the Three Months and Nine Months Ended June 30, 2018 and 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 the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

JG WEALTH INC. (formerly JG Wealth Management Corporation)

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, in Canadian dollars)

	Note		June 30 2018		September 30 2017
ASSETS					
Current Assets					
Cash		$	1,054,392	$	469,311
Accounts Receivable			-		-
Sales tax receivable			14,276		7,718
Investments	3,10		4,498,512		3,563,188
Note receivable	4		5,623,218		-
Prepaids and deposits			-		525
TOTAL ASSETS		$	11,190,398	$	4,040,742
LIABILITIES AND SHARESHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	6	$	86,232	$	12,600
Convertible debenture payable	5		1,804,692		-
Deposit	7		2,000,000		-
Due to related parties	10		50,000		121,923
Note payable	8		47,260		176,427
			3,988,184		310,950
Non-Current Liabilities					
Deferred tax liabilities			113,000		113,000
TOTAL LIABILITIES			4,101,184		423,950
SHAREHOLDERS' EQUITY					
Share capital	9		4,926,141		2,317,064
Reserves	5		628,654		39,511
Retained earnings			1,534,419		1,260,217
TOTAL SHAREHOLDERS' EQUITY			7,089,214		3,616,792
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	11,190,398	$	4,040,742

Nature of operations	1
Subsequent events	11

On behalf of the Board

"Sonny Janda"	*"Robert Rosner"*
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

JG WEALTH INC. (formerly JG Wealth Management Corporation)

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

FOR THE THREE AND NINE-MONTH PERIODS ENDED JUNE 30,

(Unaudited, in Canadian dollars)

		Three Months Ended June 30,		Nine Months Ended June 30,	
	Note	2018	2017	2018	2017
Operating Expenses					
Consulting		$ 5,000	$ 15,000	$ 15,254	$ 24,500
Office and administration		4,809	753	10,943	6,753
Professional fees		11,189	4,500	34,961	9,890
Travel		3,488	-	4,537	-
Trust and filing fees		3,846	1,692	22,568	9,022
		28,332	21,945	88,263	50,165
Other Items					
Accretion	5	(327,855)	-	(218,739)	-
Interest Income	4	112,473	-	592,818	8,593
Interest expenses	5	(42,794)	(1,926)	(362,950)	(5,113)
Foreign exchange gain (loss)	4	370	-	(51,516)	-
Gain on foregiveness of interests	5, 8	4,921	-	10,116	-
Realized gain (loss) on sale of investments	3	170,784	-	(143,167)	8,612
Other expenses		(9,735)	-	(9,735)	-
		(91,836)	(1,926)	(183,173)	12,092
Net Income (Loss) for the Period		(120,168)	(23,871)	(271,436)	(38,073)
Other Comprehensive Income (Loss)					
Unrealized gain (loss) on fair value of investments	3	(575,646)	(886,085)	545,638	69,411
Comprehensive Income (Loss) for the Period		$ (695,814)	$ (909,956)	$ 274,202	$ 31,338
Basic and diluted earnings (loss) per share		$ (0.01)	$ (0.01)	$ 0.00	$ 0.00
Weighted Average Number of Common Shares Outstanding					
Basic and diluted		93,658,847	62,868,344	93,658,847	62,868,344

The accompanying notes are an integral part of these consolidated financial stataements.

JG WEALTH INC. (formerly JG Wealth Management Corporation)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, in Canadian dollars, except share number)

		Issued Common Shares		Reserves			
	Note	Number of Shares	Amount	Loan Reserve	Other Capital Reserve	Retained Earnings	Total
Balance at September 30, 2016		62,868,344	$ 2,317,064	$ -	$ 39,511	$ 1,033,420	$ 3,389,995
Net income for the period		-	-	-	-	31,338	31,338
Balance at June 30, 2017		62,868,344	2,317,064	-	39,511	1,064,758	3,421,333
Net loss for the period		-	-	-	-	195,459	195,459
Balance at September 30, 2017		62,868,344	2,317,064	-	39,511	1,260,217	3,616,792
Issuance of common shares	9	48,261,349	2,609,079	-	-	-	2,609,079
Issuance of convertible debentures	5	-	-	589,142	-	-	589,142
Net income for the period		-	-	-	-	274,202	274,202
Balance at June 30, 2018		111,129,693	$ 4,926,143	$ 589,142	$ 39,511	$ 1,534,419	$ 7,089,215

The accompanying notes are an integral part of these consolidated financial statements.

JG WEALTH INC. (formerly JG Wealth Management Corporation)
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED JUNE 30,
(Unaudited, in Canadian dollars)

	2018	2017
Operating Activities		
Net income for the period	$ 274,202	$ 31,338
Adjustments for non-cash items		
Accretion	218,739	-
Accrued interests	262,482	4,542
Interest income	(591,790)	-
Gain from forgiveness of interests	(10,116)	-
Foreign exchange loss	51,516	-
(Gain) loss from sale of investments	143,167	(8,612)
Unrealized gain on fair value of investments	(545,638)	(69,411)
Changes in non-cash working capital items		
Accounts receivable	(6,558)	(7,201)
Accounts payable and accrued liabiliites	73,632	48,024
Due to related parties	-	10,905
Prepaids and deposits	(71,398)	131,858
Deposits	2,000,000	-
Net cash flow provided by (used in) operating activities	1,798,238	141,443
Investing Activities		
Proceeds from repayment of note receivable	-	862,156
Proceeds from sale of investments	1,553,519	12,898
Acquisition of investments	(86,373)	(320,203)
Issuance of promissory note	(5,081,916)	-
Net cash flow provided by (used in) investing activities	(3,614,769)	554,851
Financing Activities		
Proceeds from issuance of convertible debentures	2,340,000	-
Repayment of convertible debentures	(2,422,465)	-
Repayment of promissory note	(125,000)	-
Proceeds from isuance of common shares	2,609,077	-
Net cash flow provided by (used in) financing activities	2,401,612	-
Change in cash during the period	585,081	696,294
Cash, beginning of period	469,311	25,287
Cash, end of period	$ 1,054,392	$ 721,581

The accompanying notes are an integral part of these consolidated 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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements for the three and nine-month periods ended June 30, 2018 were reviewed and authorized for issue by the Board of Directors on August 22, 2018.

Basis of Preparation

These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation

These condensed consolidated interim financial statements included in 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.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Status
1146181 B.C. Ltd.	Canada	Inactive*

**Inactive throughout nine months ended June 30, 2018 and 2017.*

Significant Estimates and Assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates 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 measurement of deferred tax liability.

(Unaudited, in Canadian dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgements, 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 and classification of financial instruments.

3. INVESTMENTS

As at June 30, 2018, 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:

		June 30, 2018		September 30, 2017
Common shares	$	3,641,367	$	2,955,572
Warrants		857,145		607,616
	$	4,498,512	$	3,563,188

As at June 30, 2018, the Company's investments comprised of common shares and warrants of Canadian public companies. The cost and fair values of the investments at June 30, 2018 and September 30, 2017 are as follows:

		June 30, 2018		September 30, 2017
Shares				
Cost	$	3,293,831	$	2,123,825
Fair value	$	3,641,367	$	2,955,572
Warrants				
Cost	$	-	$	-
Fair value	$	857,145	$	607,616

(Unaudited, in Canadian dollars)

3. INVESTMENTS (Continued)

		June 30, 2018		September 30, 2017
Total				
Cost	$	3,293,831	$	2,123,825
Fair value	$	4,498,512	$	3,563,188

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following weighted-average assumptions:

	June 30, 2018	September 30, 2017
Expected life of warrants (years)	1.70 - 3.58	2.71 - 4.08
Annualized volatility	187% - 1375%	187% - 230%
Risk-free interest rate	1.8% - 1.9*7%	1.67%
Dividend rate	0%	0%

The investments were used as security for a note payable in prior years (Note 8).

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 US$400,000 was 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.

In April 2018, the Company was in negotiation with a company formerly with a common director to sell this note receivable, and all parties agreed to extend the repayment date to December 31, 2018. The sale was finalized and completed in July 2018.

As at June 30, 2018, the note receivable was comprised of principal of $5,430,040 (US$4,400,000) and accrued interests of $193,178 (US$151,408).

Also see Notes 7 and 12.

5. CONVERTIBLE DEBENTURE PAYABLE

On November 7, 2017, the Company issued two convertible debentures with principal of $1,560,000 (to a family member of the CEO) and $780,000 (to a company formerly with a common director) 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, see Note 8) at the option of the holders. These convertible debentures are unsecured, will mature one year from issuance, and carry an interest rate of 10% per annum.

The Company considers 15% to be the effective interest rate of these convertible debentures and applied this rate to obtain the fair value ($1,942,162) of the convertible debenture at inception. 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.

During the nine months ended June 30, 2018, the Company incurred $171,044 accretion expenses associated with these convertible debentures. During the three months ended June 30, 2018, the Company made payments of $2,370,767 to the holders of the convertible debenture, which included repayment of principal $2,340,000 and accrued interests $30,767. One of the holders forgave the Company in interests of $4,921. As at June 30, 2018, the Company still owed holders of the convertible debentures $98,301 in accrued interests.

On March 31, 2018, the Company entered into an agreement with an unrelated party to issue a convertible debenture with principal of $2,000,000; in return, the Company received shares of a company located in the United Kingdom of equal value. This convertible debenture is convertible into common shares of the Company at a conversion price of $0.25 per share at the option of the holder. This convertible debenture is unsecured, will mature one year from issuance, and carry an interest rate of 4% per annum.

The Company considers 15% to be the effective interest rate of this convertible debenture and applied this rate to obtain the fair value ($1,808,696) of the convertible debenture at inception. The Company applied the residual method to record the fair value of the conversion option of $191,304 to the Company's loan reserve accordingly.

(Unaudited, in Canadian dollars)

5. CONVERTIBLE DEBENTURE PAYABLE (Continued)

In June 2018, the Company made a payment of $150,000 to the holder. For the nine months ended June 30, 2018, the Company incurred $47,362 in accretion expenses associated with this convertible debenture. As at June 30, 2018, this convertible debenture had a carrying value of $1,706,391.

In July 2018, the Company made a second payment of $697,735 to the holder.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2018		September 30, 2017
Accounts Payable	$	84,582	$	-
Accrued liabilities		1,650		12,600
	$	86,232	$	12,600

7. DEPOSIT

In April 2018, the Company was in negotiation with a company formerly with a common director (the "purchaser") regarding the sale of an asset. Prior to the three months ended June 30, 2018, the Company received $2,000,000 from the purchaser as a deposit for the sale, and the transaction was completed in July 2018, subsequent to the nine months ended June 30, 2018.

Also see Notes 4 and 12.

8. 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 interests at 4% per annum, and the Company used a portion of its investments as collateral for the loan (see Note 3). During the nine months ended June 30, 2018, the Company repaid the principal $125,000, and the lender waived all the accrued interests.

8. NOTE PAYABLE (Continued)

On October 27, 2016, the Company entered into a loan agreement with a relative of CEO of the Company for $45,000 with a repayment date on or before November 2, 2017. The loan bears interests at 3% per annum, and is unsecured. As at June 30, 2018, the balance outstanding including accrued interest was $47,260. As at the report date, the loan is in default.

9. 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.

On June 5, 2018, the Company closed a non-brokered private placement for gross proceeds of $209,079 and by the issuance of 261,349 common shares at a price of $0.80 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.

10. RELATED PARTY TRANSACTIONS

Transactions with Key Management and Directors
The Company did not have transactions with management and directors for the nine months ended June 30, 2018.

(Unaudited, in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (Continued)

Due to Related Parties

As at June 30, 2018, 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. Also see Note 8.

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

Share Capital

During the nine months ended June 30, 2018, the Company issued convertible debentures with total value of $2,340,000, of which $1,560,000 was issued to a relative of the CEO. The Company has repaid the principal of $1,560,000, but still owes accrued interests of $98,301 as at June 30, 2018. Also see Note 5.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of Financial Instruments

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

		June 30, 2018		September 30, 2017
Loans and receivables				
Cash	$	1,054,392	$	469,311
Note receivable		5,623,218		-
FVTPL				
Investments	$	4,498,512	$	3,563,188

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

		June 30, 2018		September 30, 2017
Non-derivative financial liabilities				
Trade payables	$	86,232	$	-
Convertible debenture payable		1,804,692		-
Deposit		2,000,000		-
Due to related parties		50,000		121,923
Note payable	$	47,260	$	176,427

11. 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 of 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 (see 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.

12. SUBSEQUENT EVENTS

In July 2018, the Company has completed the sale of certain debt assets in the principal amount of approximately US$4,400,000 to a company formerly with a common director. The general terms of the agreement are as follows:

- Cash payments totalling $3,500,000, of which $2,000,000 was received during the three months ended June 30, 2018;
- Return of 1,176,471 common shares of JG Wealth for return and cancellation to treasury of the Company.

Also see Notes 4, and 7.

12. SUBSEQUENT EVENTS (Continued)

In July 2018, the Company repaid $697,735 to the holder of its convertible debenture. Also see Note 5.