GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2017

GINGER BEEF CORPORATION
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(UNAUDITED)

Under National Instrument 51-102, Part 4, subsection 4.3(3)9a), 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 interim consolidated financial statements of Ginger Beef Corporation ("the Corporation") have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditors.

May 30, 2017

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31
(UNAUDITED)

	2017	2016
	$	$
Wholesale Revenue	**1,278,846**	1,232,070
Cost of Sales	**954,328**	855,256
Gross Margins	**324,518**	376,814
Expenses		
Advertising and promotions	**38,509**	23,728
Depreciation of tangibles *(note 7)*	**46,270**	32,527
General and administrative	**223,440**	257,822
Interest and bank charges	**1,503**	2,953
Interest on long term debt	**2,849**	2,215
	312,571	319,245
INCOME FROM OPERATIONS	**11,947**	57,569
Other Income		
Management fees	**4,000**	-
Royalties and franchise fees	**61,859**	65,548
	65,859	65,548
Income Before Income Taxes	**77,806**	123,117
Income Taxes		
Current income taxes	**-**	-
Deferred income taxes	**21,010**	31,000
	21,010	31,000
NET INCOME AND COMPREHENSIVE INCOME	**56,796**	92,117
Basic and Fully Diluted Income Per Share	**0.00**	0.01
Weighted average number of shares outstanding *(note 12)*	**13,418,718**	13,670,997

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

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(UNAUDITED)

	March 31, 2017	December 31, 2016
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	**548,763**	533,065
Accounts receivable *(note 3)*	**626,130**	584,997
Due from related parties *(note 6)*	**108,001**	96,884
Inventory *(note 4)*	**244,110**	273,885
Goods and services tax recoverable	**16,955**	16,860
Prepaid and deposits	**6,143**	6,143
	1,550,102	1,511,834
Non-Current Assets		
Property, plant and equipment *(note 7)*	**1,351,227**	1,326,366
Deferred income taxes	**20,590**	41,600
	1,371,817	1,367,966
TOTAL ASSETS	**2,921,919**	2,879,800
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities *(note 5)*	**410,272**	347,153
Wages payable *(note 5)*	**126,197**	121,446
Employee deductions payable *(note 5)*	**10,394**	8,403
Income tax payable	**77,013**	77,013
Current portion of capital lease obligation *(note 10)*	**25,773**	25,773
Current portion of long term debt *(note 9)*	**89,396**	89,396
	739,045	669,184
Non-Current Liabilities		
Deferred income	**83,333**	83,333
Capital lease obligation *(note 10)*	**94,647**	100,602
Long term debt *(note 9)*	**30,785**	53,748
TOTAL LIABILITIES	**947,810**	906,867
EQUITY		
Share capital *(note 11)*	**1,422,205**	1,455,094
Contributed surplus	**130,830**	130,830
Retained earnings	**421,074**	387,009
	1,974,109	1,972,933
TOTAL LIABILITIES AND EQUITY	**2,921,919**	2,879,800

Approved on Behalf of the Board

(“signed”) Stanley Leung

(“signed”) James Leung

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

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31
(UNAUDITED)

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
	$	$	$	$
As at January 1, 2017	**1,455,094**	**130,830**	**387,009**	**1,972,933**
Net income for the period	**-**	**-**	**56,796**	**56,796**
Redemption of shares *(note 11)*	**(32,889)**		**(22,731)**	**(55,620)**
As at March 31, 2017	**1,422,205**	**130,830**	**421,074**	**1,974,109**
As at January 1, 2016	1,455,094	130,830	164,435	1,750,359
Net income for the period	-	-	92,117	92,117
As at March 31, 2016	1,455,094	130,830	164,435	1,842,476

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

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31
(UNAUDITED)

	2017	2016
	$	**$**
Cash flows from operating activities		
Net income for the period	**56,796**	92,117
Items not requiring an outlay of cash:		
Depreciation of property, plant and equipment	**46,270**	32,527
Deferred income recognized	**-**	-
Deferred income tax	**21,010**	31,000
	124,076	155,644
Change in non-cash working capital		
Accounts receivable	**(41,133)**	57,486
Due from related parties	**(11,117)**	(4,061)
Goods and services tax recoverable	**(95)**	(714)
Inventory	**29,775**	(103,384)
Prepaid and deposits	**-**	4,449
Accounts payable and accrued liabilities, wages payable and employee deductions payable	**69,861**	(38,279)
Income taxes payable	**-**	-
	47,291	(84,503)
Net cash flows from operating activities	**171,367**	71,141
Cash flows from financing activities		
Redemption of shares	**(55,620)**	-
Repayment of capital lease obligation	**(5,955)**	-
Repayment of long term debt	**(22,963)**	(21,157)
Net cash flows used in financing activities	**(84,538)**	(21,157)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(71,131)**	(141)
Net cash flows provided by (used in) investing activities	**(71,131)**	(141)
Net increase in cash and cash equivalents	**15,698**	49,843
Net cash and cash equivalents, beginning of year	**533,065**	251,270
Net cash and cash equivalents, end of the period	**548,763**	301,113
Supplemental cash flow information		
Interest paid	**2,849**	2,215

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

1. NATURE OF OPERATIONS

Ginger Beef Corporation ("the Corporation" or "Ginger Beef") was incorporated under the Business Corporation Act (Alberta) on April 26, 2000 and is listed on TSX Venture Exchange ("TSXV") under the symbol "GB".

The Corporation's operations include Ginger Beef Express Ltd. ("Express") and its wholly-owned subsidiary Ginger Beef Choice Ltd. ("Choice") and 1379915 Alberta Ltd.. Express is a franchiser of Chinese food restaurants located primarily in Calgary, Alberta, and is the holding company for Choice and Crowfoot. Choice is a manufacturer of fresh and frozen Chinese food items for wholesalers primarily in Western Canada and Ontario. Choice was incorporated under the Business Corporation Act (Alberta) on July 22, 1998.

The Corporation's registered and head office is located at 5521 – 3rd Street S.E. Calgary, T2H 1K1.

The condensed consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors on May 30, 2017.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated interim financial statements of the Corporation have been prepared in accordance with IAS 34 *Interim Financial Reporting* using the accounting policies described in note 3 to the Corporation's annual consolidated financial statements for year ended December 31, 2016.

(b) Basis of presentation

These condensed consolidated interim financial statements include the accounts of Ginger Beef Corporation and its subsidiaries. The notes presented do not include all of the information required for full annual financial statements. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2016. The results of operations for any interim period are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2016.

3. TRADE AND OTHER RECEIVABLES

	March 31, 2017	December 31, 2016
	$	$
Current	**486,602**	471,133
Less than 60 days	**109,335**	97,804
Greater than 60 days	**30,193**	16,060
Total trade accounts receivable	**626,130**	584,997
Total accounts receivable	**626,130**	584,997

4. INVENTORY

Inventory consists of three main classifications:

	March 31, 2017	December 31, 2016
	$	$
Food	**163,512**	204,647
Packaging material	**73,256**	62,962
Cleaning chemicals	**7,342**	6,276
	244,110	273,885

5. TRADE AND OTHER PAYABLES

The Corporation’s accounts payable and accrued liabilities comprised the following:

	March 31, 2017	December 31, 2016
	$	$
Trade accounts payable	**325,828**	267,461
Accrued liabilities	**79,694**	79,691
Employee related	**141,341**	129,850
	546,863	477,002

6. RELATED PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Corporation and other related parties are disclosed below:

Trading transactions

The following summarize the Corporation's related party transactions with the franchises owned and/or operated under common management. The following are the transactions for the quarter ended March 31:

	2017	2016
	$	$
Royalties	**19,925**	18,821
Product sale	**40,485**	50,450

The royalties have been included in the royalties and franchise fees and the product sales have been included in wholesale revenue on the statements of net income and comprehensive income.

Due from/to related parties

The following summarized the Corporation's outstanding balances with the franchises under common control:

	March 31, 2017	December 31, 2016
	$	$
Companies controlled by an officer and director of the Corporation	**70,780**	70,820
Franchise amounts receivable	**50,979**	26,064
	121,759	96,884

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The transactions are in normal course of operations and are measured at the exchange amount, which is the amount of consideration and agreed to by the related parties.

Compensation of key management personnel

Key management personnel compensation paid during three months ended March 31, 2017 comprised salaries of $86,100 (2016 - $86,100) and benefits of $5,743 (2016 - $5,743).

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery Equipment Furniture & fixtures	Motor Vehicle	Leasehold Improvements	Total
Cost ($)						
Balance as at January 1, 2017	140,000	1,632,624	2,211,178	2,410	32,119	4,018,331
Additions	-	-	27,107	-	44,024	71,131
Dispositions	-	-	-	-	-	-
Balance as at March 31, 2017	**140,000**	**1,632,624**	**2,238,285**	**2,410**	**76,143**	**4,089,462**
Accumulated depreciation ($)						
Balance as at January 1, 2017	-	907,339	1,751,845	2,378	30,403	2,691,965
Depreciation	-	16,326	22,585	2	7,356	46,270
Balance as at March 31, 2017	**-**	**923,665**	**1,774,430**	**2,380**	**37,759**	**2,738,235**
Net Carrying Value ($)						
At December 31, 2016	140,000	725,285	459,333	32	1,716	1,326,366
At March 31, 2017	**140,000**	**708,959**	**463,854**	**30**	**38,385**	**1,351,227**

Equipment under capital leases	
Cost ($)	
Balance as at January 1, 2017	450,867
Additions	-
Dispositions	-
Balance as at March 31, 2017	**450,867**

Accumulated depreciation ($)	
Balance as at January 1, 2017	309,273
Depreciation	6,962
Balance as at March 31, 2017	**316,235**

Net Carrying Value ($)	
At December 31, 2016	15,679
March 31, 2017	**134,632**

8. BANK FACILITY

The Corporation has a demand operating revolving line of credit to a maximum of $300,000 with the Royal Bank of Canada with interest at Royal Bank Prime plus 1.75% secured by a general security agreement. The balance on this facility as at March 31, 2017 was $nil (March 31, 2016 - $nil).

9. LONG TERM DEBT

	March 31, 2017	December 31, 2016
	$	$
A mortgage with Royal Bank bearing interest at a fixed rate of 3.99% per annum, repayable in monthly blended payments of $7,790 The loan matures and is renewable on December 2018 and is secured by a first ranking security interest in all property of one of the Subsidiaries and a floating charge on land owned by the Subsidiary. Carrying value of secured assets is $868,291	**120,181**	143,144
Less: portion due within one year	**(89,396)**	(89,369)
	30,785	53,775

Principal repayments for the following five years are as follows:

2017	66,433
2018	53,748
	$120,181

10. CAPTIAL LEASE OBLIGATION

	March 31, 2017	December 31, 2016
	$	$
Finance lease with Royal Bank bearing interest at a fixed rate of 4.80% per annum, repayable in monthly blended payments of $2,607 The loan matures on June 1, 2021 and is secured by equipment with carrying value of $125,682	**120,420**	126,375
Less: portion due within one year	**(25,773)**	(25,773)
	94,647	100,602

Future minimum financing lease payments are approximately:

	2017	23,843
	2018	29,798
	2019	29,798
	2020	29,798
	2021	14,899
Total minimum lease payment		128,136
Less: Future financing charges		(7,716)
Principal Balance		120,420
Current Portion		(25,773)
		94,647

11. SHARE CAPITAL

Authorized: Unlimited number of common shares

	Number of Shares	Amount
Balance, January 1, 2016	13,670,997	1,455,094
Balance, December 31, 2016	13,670,997	1,455,094
Repurchased	(309,000)	(32,889)
Balance, March 31, 2017	**13,361,997**	**1,422,205**

The Corporation announced during first quarter of 2017 that it has filed with the TSX Venture Exchange a Notice of Intention to Make a Normal Course Issuer Bid which was expected to commence on February 21, 2017 and terminate on February 20, 2018 or the earlier of the date all shares which are subject to the Normal Course Issuer Bid are purchased.

In the opinion of the Board of Directors of the Corporation, the market price of the Common Shares of the Corporation does not accurately reflect the value of those shares. As a result, the Corporation intends to repurchase Ginger Beef's Common Shares that may become available for purchase at prices, which make them an appropriate use of funds of the Corporation.

Ginger Beef intends to attempt to acquire up to an aggregate of 683,540 of its Common Shares over the next 12-month period, representing approximately 5% of the issued and outstanding Common Shares of Ginger Beef.

Purchases subject to the Normal Course Issuer Bid will be carried out pursuant to open market transactions through the facilities of the TSX Venture Exchange. The Member through which the Normal Course Issuer Bid will be conducted is Raymond James Ltd., Calgary, Alberta. All Common Shares purchased by Ginger Beef under the Normal Course Issuer Bid will be cancelled.

As at March 31, 2017, the Corporation had repurchased 309,000 common shares at a price of $0.18 per share. Premium paid over the book value of each share were recorded as reductions of the Corporation's retained earnings. All shares repurchased were cancelled subsequently.

12. NET INCOME/ (LOSS) PER SHARE

Basic net income/ (loss) per share is calculated by dividing net income/ (loss) by the weighted average number of common shares outstanding during the three-month period ended March 31,2017 of 13,418,718 (2016– 13,670,997). There were no in-the-money options outstanding at either date. No other dilutive securities are outstanding.