GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

GINGER BEEF CORPORATION
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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.

August 28, 2017

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	2017	2016	**2017**	2016
	$	$	**$**	$
Wholesale Revenue	**1,465,039**	1,382,685	**2,743,885**	2,614,755
Cost of Sales	**1,154,868**	1,023,750	**2,109,196**	1,879,006
Gross Margins	**310,171**	358,935	**634,689**	735,749
Expenses				
Advertising and promotions	**10,890**	20,887	**49,399**	44,615
Depreciation of tangibles *(note 7)*	**56,460**	38,137	**102,730**	70,664
General and administrative	**212,474**	261,906	**435,914**	519,729
Interest and bank charges	**1,554**	1,559	**3,057**	4,512
Interest on long term debt	**2,553**	2,003	**5,402**	4,217
	283,931	324,492	**596,502**	643,737
INCOME FROM OPERATIONS	**26,240**	34,443	**38,187**	92,012
Other Income				
Management fees	**4,000**	-	**8,000**	-
Royalties and franchise fees	**55,004**	57,738	**116,863**	123,285
	59,004	57,738	**124,863**	123,285
Income Before Income Taxes	**85,244**	92,181	**163,050**	215,297
Income Taxes				
Current income taxes		-		-
Deferred income taxes	**22,990**	21,800	**44,000**	52,800
	22,990	21,800	**44,000**	52,800
NET INCOME AND COMPREHENSIVE INCOME	**62,254**	70,381	**119,050**	162,497
Basic and Fully Diluted Income Per Share	**0.00**	0.01	**0.01**	0.01
Weighted average number of shares outstanding *(note 12)*	**13,418,718**	13,670,997	**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)

	June 30, 2017	December 31, 2016
	$	**$**
ASSETS		
Current Assets		
Cash and cash equivalents	**350,096**	533,065
Accounts receivable *(note 3)*	**674,042**	584,997
Due from related parties *(note 6)*	**103,478**	96,884
Inventory *(note 4)*	**329,654**	273,885
Income taxes recoverable	**34,242**	-
Goods and services tax recoverable	**18,989**	16,860
Prepaid and deposits	**6,143**	6,143
	1,516,644	1,511,834
Non-Current Assets		
Property, plant and equipment *(note 7)*	**1,321,731**	1,326,366
Deferred income taxes	**-**	41,600
	1,321,731	1,367,966
TOTAL ASSETS	**2,838,375**	2,879,800
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities *(note 5)*	**375,166**	347,153
Wages payable *(note 5)*	**126,197**	121,446
Employee deductions payable *(note 5)*	**4,275**	8,403
Income tax payable	**-**	77,013
Deferred income taxes	**2,400**	-
Current portion of capital lease obligation *(note 10)*	**28,685**	25,773
Current portion of long term debt *(note 9)*	**89,396**	89,396
	626,119	669,184
Non-Current Liabilities		
Deferred income	**83,333**	83,333
Capital lease obligation *(note 10)*	**84,958**	100,602
Long term debt *(note 9)*	**7,602**	53,748
TOTAL LIABILITIES	**802,012**	906,867
EQUITY		
Share capital *(note 11)*	**1,422,205**	1,455,094
Contributed surplus	**130,830**	130,830
Retained earnings	**483,328**	387,009
	2,036,363	1,972,933
TOTAL LIABILITIES AND EQUITY	**2,838,375**	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 SIX MONTHS ENDED JUNE 30
(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	-	-	**119,050**	**119,050**
Redemption of shares *(note 11)*	**(32,889)**		**(22,731)**	**(55,620)**
As at June 30, 2017	**1,422,205**	**130,830**	**483,328**	**2,036,363**
As at January 1, 2016	1,455,094	130,830	164,435	1,750,359
Net income for the period	-	-	162,497	162,497
As at June 30, 2016	1,455,094	130,830	164,435	1,912,856

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

GINGER BEEF CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
(UNAUDITED)

	2017	2016
	$	$
Cash flows from operating activities		
Net income for the period	**119,050**	162,497
Items not requiring an outlay of cash:		
Depreciation of property, plant and equipment	**102,730**	70,664
Deferred income tax	**44,000**	52,800
	265,780	285,961
Change in non-cash working capital		
Accounts receivable	**(89,045)**	6,830
Due from related parties	**(6,594)**	(18,842)
Goods and services tax recoverable	**(2,129)**	(5,277)
Income taxes recoverable	**(34,242)**	-
Inventory	**(55,769)**	(40,539)
Prepaid and deposits	**-**	(10,000)
Accounts payable and accrued liabilities, wages payable and employee deductions payable	**28,636**	(11,116)
Income taxes payable	**(77,013)**	-
	(236,156)	(78,944)
Net cash flows from operating activities	**29,624**	207,017
Cash flows from financing activities		
Government grants	**-**	36,218
Capital lease obligation	**-**	132,194
Redemption of shares	**(55,620)**	-
Repayment of capital lease obligation	**(12,732)**	-
Repayment of long term debt	**(46,146)**	(42,525)
Net cash flows used in financing activities	**(114,498)**	125,887
Cash flows from investing activities		
Purchase of property, plant and equipment	**(98,095)**	(167,195)
Net cash flows provided by (used in) investing activities	**(98,095)**	(167,195)
Net increase in cash and cash equivalents	**(182,969)**	165,709
Net cash and cash equivalents, beginning of year	**533,065**	251,270
Net cash and cash equivalents, end of the period	**350,096**	416,979
Supplemental cash flow information		
Interest paid	**5,402**	4,217

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 August 28, 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

	June 30, 2017	**December 31, 2016**
	$	$
Current	**554,348**	471,133
Less than 60 days	**69,912**	97,804
Greater than 60 days	**49,782**	16,060
Total trade accounts receivable	**674,042**	584,997
Total accounts receivable	**674,042**	584,997

4. INVENTORY

Inventory consists of three main classifications:

	June 30, 2017	**December 31, 2016**
	$	$
Food	**253,182**	204,647
Packaging material	**69,279**	62,962
Cleaning chemicals	**7,193**	6,276
	329,654	273,885

5. TRADE AND OTHER PAYABLES

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

	June 30, 2017	**December 31, 2016**
	$	$
Trade accounts payable	**310,280**	267,461
Accrued liabilities	**62,194**	79,691
Employee related	**133,164**	129,850
	505,638	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 June 31:

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Royalties	**17,282**	17,685	**37,207**	36,506
Product sale	**28,714**	61,519	**69,199**	111,969

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:

	June 30, 2017	**December 31, 2016**
	$	$
Companies controlled by an officer and director of the Corporation	**53,872**	70,820
Franchise amounts receivable	**59,193**	26,064
	113,065	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 June 30, 2017 comprised salaries of $86,100 (2016 - $86,100) and benefits of $5,743 (2016 - $5,743). Key management personnel compensation paid during the six months ended June 30, 2016 comprised salaries of $172,200 (2016 - $172,200) and benefits of $11,486 (2016 - $11,486)

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery Equipment Furniture & fixtures	Motor Vehicle	Leasehold Improvements	Total
Cost ($)						
Balance as at January 1, 2017	140,000	1,632,624	2,211,178	2,410	32,119	4,018,331
Additions	-	-	37,219	-	60,876	98,095
Dispositions	-	-	-	-	-	-
Balance as at June 30, 2017	**140,000**	**1,632,624**	**2,248,397**	**2,410**	**92,995**	**4,116,426**
Accumulated depreciation ($)						
Balance as at January 1, 2017	-	907,339	1,751,845	2,378	30,403	2,691,965
Depreciation	-	32,652	45,840	5	24,233	102,730
Balance as at June 30, 2017	**-**	**939,991**	**1,797,685**	**2,383**	**54,636**	**2,794,695**
Net Carrying Value ($)						
At December 31, 2016	140,000	725,285	459,333	32	1,716	1,326,366
At June 30, 2017	**140,000**	**692,633**	**450,712**	**27**	**38,359**	**1,321,731**

Equipment under capital leases	
Cost ($)	
Balance as at	
January 1, 2017	450,867
Additions	-
Dispositions	-
Balance as at	
June 30, 2017	**450,867**

Accumulated depreciation ($)	
Balance as at	
January 1, 2017	309,273
Depreciation	13,531
Balance as at	
June 30, 2017	**322,804**

Net Carrying Value ($)	
At December 31, 2016	15,679
June 30, 2017	**128,063**

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 June 31, 2017 was $nil (June 31, 2016 - $nil).

9. LONG TERM DEBT

	June 30, 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	**96,998**	143,144
Less: portion due within one year	**(89,396)**	(89,396)
	7,602	53,748

Principal repayments for the following five years are as follows:

2017	45,143
2018	51,855
	$96,998

10. CAPTIAL LEASE OBLIGATION

	June 30, 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	**113,643**	126,375
Less: portion due within one year	**(28,685)**	(25,773)
	84,958	100,602

Future minimum financing lease payments are approximately:

	2017	15,644
	2018	29,798
	2019	29,798
	2020	29,798
	2021	14,899
Total minimum lease payment		119,937
Less: Future financing charges		(6,294)
Principal Balance		113,643
Current Portion		(28,685)
		84,958

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, June 30, 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 June 30, 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 June 30,2017 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.