

SUSTAINABLE PROJECTS GROUP INC.

FORM 10-Q (Quarterly Report)

Filed 06/06/18 for the Period Ending 02/28/18

Address	2316 PINE RIDGE ROAD, 383 NAPLES, FL, 34109
Telephone	239-316-4593
CIK	0001500305
Symbol	SPGX
SIC Code	1311 - Crude Petroleum and Natural Gas
Industry	Integrated Mining
Sector	Basic Materials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2018

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-54875

SUSTAINABLE PROJECTS GROUP INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

00-0000000

(I.R.S. Employer
Identification No.)

Suite 383, 2316 Pine Ridge Road, Naples, Florida

(Address of principal executive offices)

34109

(Zip Code)

239-316-4593

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Larger accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at June 4, 2018
common stock - \$0.0001 par value	9,088,518

SUSTAINABLE PROJECTS GROUP INC.**Form 10-Q
3rd Quarter****EXPLANATORY NOTE**

As disclosed in SPGX's Form 8-K, filed on December 6, 2017 (SEC Accession No. 0001493152-17-014264) (the "**Original Filing**"), SPGX did not have, and still has not received, the required financial information for the purchase of myfactor.io. AG, including the audited financial statement for myfactor.io. AG for the period ended February 28, 2018 and the pro-forma financial information (collectively, the "**Financial Information**"). As a result, the financial statements for the nine-month period ended February 28, 2018 contained herein should not be relied upon.

SPGX will be filing restated consolidated financial statements for the quarter ended February 28, 2018, which will include the Financial Information.

In addition, SPGX's Board of Directors and management believe that, based on information currently available to it, the financial statements set forth herein were compiled in accordance with generally accepted accounting principles and fairly depict the financial condition and results of operations of SPGX, but do not include any adjustments designed to capture the anticipated restatements that will be required once the Financial Information is received and included in the restated consolidated financial statements. Once received, the Financial Information may impact the unaudited results set forth herein, including the adjustments designed to reflect the necessary restatements as well as the information set forth in the Original Filing.

Finally, SPGX has been advised by Fruci & Associates, SPGX's independent auditors, that, due to their need to complete review procedures, Fruci & Associates is unable at this time to finalize its review of SPGX's consolidated financial statements set forth herein in accordance with established professional standards and procedures for conducting such reviews, as established by generally accepted auditing standards.

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements.****SUSTAINABLE PROJECTS GROUP INC.****(Formerly known as SUSTAINABLE PETROLEUM GROUP INC.)****(Formerly known as BLUE SPA INCORPORATED)****FOR THE NINE MONTHS ENDED FEBRUARY 28, 2018****INDEX TO CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS**

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**SUSTAINABLE PROJECTS GROUP INC.
CONDENSED UNAUDITED INTERIM BALANCE SHEETS**

As at	February 28, 2018	May 31, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,419	\$ 161,096
Accounts receivable – Note 6	6,000	-
Investments – Note 6	316,746	-
Prepaid expenses and deposits – Note 7	823,222	6,917
	1,152,387	168,013
Long Term Assets:		
Note Receivables – Note 5	204,698	-
Leasehold improvements – Note 8	32,667	-
Mineral properties – Note 9	3,750,000	3,750,000
TOTAL ASSETS	\$ 5,139,752	\$ 3,918,013
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities – Note 10	\$ 37,605	\$ 38,072
Amount due to directors – Note 13	8,600	1,293
Amount due to shareholders – Note 13	9,833	9,833
Deferred revenue – Note 13	15,000	30,000
Notes payable – Note 11, 12	-	253,901
Interest payable – Note 11, 12	-	48,702
TOTAL LIABILITIES	71,038	381,801
STOCKHOLDERS' DEFICIT		
Common Stock – Note 11		
Par Value: \$0.0001 Authorized 500,000,000 shares		
Common Stock Issued: 8,963,518 (May 31, 2017 – 8,263,332)	896	826
Additional Paid in Capital	6,215,361	3,806,170
Shares Subscribed (not issued) – Note 11	106,000	59,598
Accumulated Deficit	(1,253,543)	(330,382)
TOTAL STOCKHOLDERS' DEFICIT	5,068,714	3,536,212
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 5,139,752	\$ 3,918,013

See accompanying notes to condensed unaudited interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED UNAUDITED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	For the three months ended February 28, 2018	For the three months ended February 28, 2017	For the nine months ended February 28, 2018	For the nine months ended February 28, 2017
Revenues				
Revenues	\$ 15,000	\$ -	\$ 45,000	\$ -
Interest Income	1,726	-	4,699	-
	<u>16,726</u>	<u>-</u>	<u>49,699</u>	<u>-</u>
Operating Expenses				
Administrative and other operating expenses	(22,327)	2,892	1,948	12,509
Amortization	875	-	2,333	-
Consulting fees	15,778	-	36,778	-
Management fees	9,600	-	78,700	-
Professional fees	(7,168)	1,650	69,346	31,284
Rent	750	-	2,500	-
Gain on disposition of assets	(750)	-	(750)	-
Loss on acquisition of deposit	-	-	779,278	-
	<u>(3,242)</u>	<u>4,542</u>	<u>970,133</u>	<u>43,793</u>
Operating loss before interest expense	19,968	(4,542)	(920,434)	(43,793)
Interest expense	-	(3,646)	(2,727)	(10,392)
	<u>19,968</u>	<u>(8,188)</u>	<u>(923,161)</u>	<u>(54,185)</u>
Operating loss before income taxes	19,968	(8,188)	(923,161)	(54,185)
Income Taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss and comprehensive loss	<u>\$ 19,968</u>	<u>\$ (8,188)</u>	<u>\$ (923,161)</u>	<u>\$ (54,185)</u>
Loss per share of common stock				
-Basic and diluted	<u>\$ 0.002</u>	<u>\$ (0.001)</u>	<u>\$ (0.104)</u>	<u>\$ (0.008)</u>
Weighted average no. of shares of common stock				
-Basic and diluted	<u>8,955,696</u>	<u>7,000,000</u>	<u>8,836,614</u>	<u>7,000,000</u>

See accompanying notes to condensed unaudited interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED UNAUDITED INTERIM STATEMENTS OF STOCKHOLDERS' DEFICIT

	<i>Common Shares</i>	<i>Par value at \$0.0001 Amount</i>	<i>Additional Paid-in Capital</i>	<i>Shares Subscribed</i>	<i>Deficit Accumulated</i>	<i>Total</i>
Balance, May 31, 2016	7,000,000	\$ 700	\$ 16,300	\$ -	\$ (229,097)	\$ (212,097)
Shares Issued at \$3.00 per share for assets	1,250,000	125	3,749,875	-	-	3,750,000
Shares Issued at \$3.00 per share	13,332	1	39,995	-	-	39,996
Subscriptions received at \$3.50 per share	-	-	-	59,598	-	59,598
Net loss and comprehensive loss	-	-	-	-	(101,285)	(101,285)
Balance, May 31, 2017	<u>8,263,332</u>	<u>\$ 826</u>	<u>\$ 3,806,170</u>	<u>\$ 59,598</u>	<u>\$ (330,382)</u>	<u>\$ 3,536,212</u>
Shares issued at \$3.50 per share for lease deposit	400,000	40	1,399,960	-	-	1,400,000
Shares issued at \$3.50 per share for equity investment	6,000	1	20,999	-	-	21,000
Shares issued at \$3.50 per share	31,128	3	108,945	(59,598)	-	49,350
Shares issued at \$3.50 per share for services	10,000	1	34,999	-	-	35,000
Shares issued at \$3.50 per share	78,671	8	275,340	-	-	275,348
Shares issued at \$3.00 per share for debts	101,778	10	305,324	-	-	305,334
Shares issued at \$3.50 per share for services	16,000	2	55,998	-	-	56,000
Shares issued at \$3.50 per share	40,609	4	142,127	-	-	142,131
Shares issued at \$3.50 per share	1,000	-	3,500	-	-	3,500
Shares issued at \$4.00 per share	5,000	-	20,000	-	-	20,000
Shares issued at \$4.20 per share for equity investment	10,000	1	41,999	-	-	42,000
Subscriptions received at \$4.00 per share	-	-	-	106,000	-	106,000
Net loss and comprehensive loss	-	-	-	-	(923,161)	(923,161)
Balance, February 28, 2018	<u>8,963,518</u>	<u>\$ 896</u>	<u>\$ 6,215,361</u>	<u>\$ 106,000</u>	<u>\$ (1,253,543)</u>	<u>\$ 5,068,714</u>

See accompanying notes to condensed unaudited interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	For the nine months ended Feb 28, 2018	For the nine months ended Feb 28, 2017
Cash Flows from operating activities:		
Net loss and comprehensive loss	\$ (923,161)	\$ (54,185)
Loss on acquisition of deposit	779,278	-
Gain on disposition of asset	(750)	-
Interest receivables	(4,698)	-
Amortization	2,333	-
Shares for debt	2,730	-
Shares for services	56,000	-
Changes in current assets and liabilities		
Prepaid expenses	(195,583)	(7,792)
Accounts receivable	(6,000)	-
Accounts payable and accrued expenses	(467)	(9,141)
Amount due to directors	7,307	-
Deferred revenue	(15,000)	-
Interest payable	-	10,392
Net cash used in operating activities	<u>(298,011)</u>	<u>(60,726)</u>
Cash Flows from investing activities:		
Note receivables	(200,000)	-
Acquisition of subsidiary	(258,996)	-
Proceeds from disposal of shares	6,000	-
Net Cash used in investing activities	<u>(452,996)</u>	<u>-</u>
Cash Flows from financing activities:		
Proceeds from issuance of common stock	490,330	-
Shares subscribed, not issued	106,000	-
Notes payable	-	69,901
Net Cash generated from financing activities	<u>596,330</u>	<u>69,901</u>
Net (decrease) increase in cash and cash equivalents	(154,677)	9,175
Cash and cash equivalents at beginning of period	161,096	-
Cash and cash equivalents at end of period	<u>\$ 6,419</u>	<u>\$ 9,175</u>
Supplement Disclosures		
Interest	\$ 2,727	\$ 10,392
Non-cash Financing and Investing Activities		
Common stock issued for deposit on lease	\$ 1,400,000	\$ -
Common stock issued for leasehold improvements	35,000	-
Common stock issued for investments	63,000	-
Common stock issued for debts	305,334	-
Common stock issued for services	56,000	-
	<u>\$ 1,859,334</u>	<u>\$ -</u>

See accompanying notes to condensed unaudited interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
(Formerly SUSTAINABLE PETROLEUM GROUP INC.)
(Formerly known as BLUE SPA INCORPORATED)

NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

1. Organization and Nature of Operations

Sustainable Projects Group Inc. (“the Company”) was incorporated in the State of Nevada, USA on September 4, 2009 as Blue Spa Incorporated which was engaged in the development of an internet based retailer of a multi-channel concept combining a wholesale distribution with a retail strategy relating to the quality personal care products, fitness apparel and related accessories. On December 19, 2016, the Company amended its name from “Blue Spa Incorporated” to “Sustainable Petroleum Group Inc.” On September 6, 2017, the Company obtained a majority vote from its shareholders to amend the Company’s name from “Sustainable Petroleum Group Inc.” to “Sustainable Projects Group Inc.” to better reflect the business it has undertaken. The name change was effective on October 20, 2017.

The Company is engaged in the business of natural resource development and holdings through value based investments and collaborative partnerships with companies across the natural resources sector. It is continually evaluating and acquiring assets for holding and or development. The Company initiated its goals by pursuing investment and partnerships amongst diversified holdings and companies globally. On December 04, 2017, the Company acquired a wholly owned subsidiary.

2. Going Concern

These condensed unaudited interim financial statements have been prepared in conformity with generally accepted accounting principles in the United States or “GAAP”, which contemplate continuation of the Company as a going concern. However, the Company has limited operations and has sustained operating losses resulting in a deficit. In view of these matters, realization of a major portion of the assets in the accompanying balance sheet is dependent upon the continued operations of the Company, which in turn is dependent upon the Company’s ability to meet its financing requirements, and the success of its future operations.

The Company has accumulated a deficit of \$1,253,543 since inception and has yet to achieve profitable operations and further losses are anticipated in the development of its business. The Company’s ability to continue as a going concern is in substantial doubt and is dependent upon obtaining additional financing and/or achieving a sustainable profitable level of operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has \$6,419 cash on hand as at February 28, 2018. Cash used in operations was \$298,011 for the nine-month period ended February 28, 2018. Therefore, the Company will need to raise additional cash in order to fund ongoing operations over the next 12-month period. The Company may seek additional equity as necessary and it expects to raise funds through private or public equity investment in order to support existing operations and expand the range of its business. There is no assurance that such additional funds will be available for the Company on acceptable terms, if at all.

3. Interim reporting and significant accounting policies

While the information presented is unaudited, it includes all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, result of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. All adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the Company’s May 31, 2017 annual financial statements. Operating results for the nine months period ended February 28, 2018 are not necessarily indicative of the results that can be expected for the year ended May 31, 2018.

SUSTAINABLE PROJECTS GROUP INC.
(Formerly SUSTAINABLE PETROLEUM GROUP INC.)
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

There have been no changes in the accounting policies from those disclosed in the notes to the audited financial statements for the year ended May 31, 2017.

Equity investments

Investments where the Company exercises significant influence but does not exercise control over these investments are accounted for using the equity method of accounting and are initially recorded at cost. The Company's allocation of the entities' profits or losses is recognized in the statements of operations and comprehensive income. Where the Company's share of losses on its investments equal or exceed the carrying amount of the investments, the Company would then only recognize further losses if it incurred obligations or made payments on behalf of the equity investments. The Company's equity investments are reduced by any distributions received and may increase for any additional investments made.

Foreign currency translations

The Company maintains an office in Naples, Florida. The functional currency of the Company is the U.S. Dollar, which is also its reporting currency, all figures presented unless otherwise indicated are stated in U.S. Dollar. At the transaction date, each asset, liability, revenue and expense is translated into U.S. dollars by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities are re-measured by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

During the period the Company entered into a transaction whereby it acquired a lease deposit denominated in Swiss Francs, as denoted by "CHF" (see Note 7).

4. Recently issued accounting pronouncements

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any pronouncement not yet effective but recently issued would, if adopted, have a material effect on the accompanying financial statements.

5. Note receivables

On June 28, 2017, the Company entered into a note receivable with a company with a common director of the Company in the amount of \$200,000 with an interest rate of 3.5% per annum that is payable annually. Any unpaid interest shall be added to the principal of the loan on an annual basis and together will become the new amount used to calculate the amount of interest going forward. The note receivable, together with any accrued interest outstanding, is due March 15, 2022.

As of February 28, 2018, the balance and interest owing was \$204,698.

Date	Principal		Interest		Total
As at					
November 30, 2017	\$	200,000	\$	4,698	\$ 204,698

SUSTAINABLE PROJECTS GROUP INC.
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

6. Investments

As of July 6, 2017, the Company entered into a share exchange agreement to acquire 20% ownership of SPG (Europe) AG by purchasing 2,000 shares of SP Group (Europe) AG from a shareholder of SP Group (Europe) AG, in exchange for the issuance of 6,000 common shares of the Company at a value of \$3.50 per share, which was the fair value of the shares at the time of the transaction. In accordance to the Dividend Agreement signed by the parties, the Company is to receive 20% of the declared dividends. The Company shares a common director, common management and a majority shareholder with SP Group (Europe) AG. As a result, it was determined that the Company would ordinarily have significant influence; however, the investee lacks the financial information that the Company, and any other shareholder, would need to apply the equity method of accounting. The Company has attempted and failed to obtain that information and accordingly concluded it appropriate to account for the investment using the cost method at this time.

On January 18, 2018, the Company sold 25% interest of its ownership of SP Group (Europe) AG for \$6,000. Therefore, the Company now holds 15% interest of SPG Group (Europe) AG. The sale from SP Group (Europe) AG created a gain of \$750 for the Company. The amount of \$6,000 has not been paid.

The Company entered into a Share Purchase Agreement dated July 25, 2017 with Flin Ventures AG to purchase all the shares of myfactor.io AG for \$175,500 (EUR 150,000) subject to due diligence, buy back of an outstanding bond issued by myfactor.io AG for \$83,496 (EUR 70,000) and other conditions. Effective December 4, 2017, myfactor.io AG became a wholly owned subsidiary of the Company, pending regulatory approval. Due diligence costs with respect to this Share Purchase Agreement are included in investments.

7. Prepaid expenses and deposits

	<u>February 28, 2018</u>	<u>May 31, 2017</u>
Prepaid legal	\$ -	\$ 6,917
Prepaid expenses	187,222	-
Deposit on lease (CHF)	600,000	-
Foreign exchange on lease deposit	36,000	-
	<u>823,222</u>	<u>6,917</u>
Total	<u>\$ 823,222</u>	<u>\$ 6,917</u>

Prepaid expenses represent advance to Amixca AG of \$184,722 and prepaid rent of \$2,500. The Company have decided not to acquire Amixca AG after its due diligence. On January 18, 2018, the Company entered into an agreement with Amixca AG for a period of three years commencing February 1, 2018 to provide business development services. The prepayment of \$190,000 to Amixca AG will serve as consulting fees over the three year period.

On June 23, 2017, the Company acquired a lease deposit in the amount of CHF600,000 for the office building located at Falkenstrasse 28, Zurich, Switzerland, 8008, made by an arm's length party, Daniel Greising, on behalf of SP Group (Europe) AG. As consideration for an assignment of the lease deposit to the Company, the Company issued Mr. Greising 400,000 restricted shares of common stock. In addition, the owner of the office building granted a sublease of the office from SP Group (Europe) AG to the Company rent-free for a term of 10 years commencing July 1, 2017 to be completed and terminated on June 30, 2027. The shares were valued at \$3.50 per share, which was the fair value of the shares at the time of the transaction, for a valuation of \$1,400,000. The Company has incurred an \$779,278 loss on the acquisition of the deposit.

SUSTAINABLE PROJECTS GROUP INC.
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

8. Leasehold Improvements

On July 6, 2017, the Company issued 10,000 restricted common shares at a value of \$3.50 per share for leasehold improvements rendered for a total valuation of \$35,000. The fair value of the shares issued was used to measure the value of services received as that was more reliably measurable.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Leasehold Improvements	\$ 35,000	\$ 2,333	\$ 32,667

9. Mineral Properties

On March 13, 2017, the Company entered into a property purchase agreement to acquire mineral claims located in the Thunder Bay Mining Division in the townships of Rickaby and Lapierre, Ontario, Canada. The Company paid 1,250,000 restricted common stocks at \$3.00 per share, which was the fair value of the shares at the time of the transaction, for a total value of \$3,750,000. (See Note 11).

The Company has an interest in 13 mineral claims. All the mineral claims are contiguous. Nine (9) of the mineral claims are freehold patented mineral claims and the other four (4) mineral claims are unpatented Crown Land claims. The combined claims make up an area of 336 hectares which is equivalent to approximately 810 acres.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of February 28, 2018 are summarized as follows:

	<u>February 28, 2018</u>	<u>May 31, 2017</u>
Accrued audit fees	\$ 21,157	\$ 9,000
Accrued accounting fees	1,500	1,126
Accrued legal fees	7,814	22,756
Accrued office expenses	7,134	5,190
Total	<u>\$ 37,605</u>	<u>\$ 38,072</u>

SUSTAINABLE PROJECTS GROUP INC.
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

11. Common stock

Share issuances during the nine months ended February 28, 2018:

- a) Issued 400,000 restricted shares of common stock for the deposit for the office lease. The stocks issued were valued at \$3.50 per share, which was the fair value of the shares at the time of the transaction, for a total value of \$1,400,000. The Company recorded a \$779,278 loss on the exchange.
- b) Issued 6,000 shares of common to acquire 20% of SP Group (Europe) AG. The shares were valued at \$3.50 per share, which was the fair value of the shares at the time of the transaction, which was determined based on previous issuances in the current fiscal year.
- c) Sold 31,128 shares of common stock for cash at \$3.50 per share.
- d) Issued 10,000 shares of common stock at \$3.50 per share for leasehold improvements.
- e) Sold 78,671 shares of common stock for cash at \$3.50 per share.
- f) Issued 101,778 shares of common stock at \$3.00 per share, which was the fair value of the shares at the time of the transaction, for debt of \$305,334 which consisted of \$253,901 in principal loan and \$51,433 in interest.
- g) Issued 16,000 shares of common stock at \$3.50 per share for services rendered by a director of the Company in lieu of cash payment.
- h) Sold 40,609 shares of common stock for cash at \$3.50 per share.
- i) Sold 1,000 shares of common stock for cash at \$3.50 per share.
- j) Sold 5,000 shares of common stock for cash at \$4.00 per share.
- k) Issued 10,000 shares of common stock at \$4.20 per share for the purchase of 10% holdings of Falcon Projects AG.

Share issuances during the year ended May 31, 2017 :

- a) Sold 13,332 shares of common stock at \$3.00 per share.
- b) Issued 1,250,000 shares of common stock for the acquisition of 2 mineral properties. The shares were valued at \$3.00 per share.

At November 30, 2017, the Company had 8,947,518 common shares outstanding (May 31, 2017 – 8,263,332).

There were no warrants or stock options outstanding as of November 30, 2017 and November 30, 2016.

Share Subscriptions

At February 28, 2018, the Company received 1,500 common shares subscriptions at a price of \$4.00 per share for a value of \$6,000 (see Note 13) which have not yet been issued.

The Company settled a debt with Workplan Holding AG of CHF 100,000 by providing 25,000 restricted shares valued at \$4.00 per share (see Note 13). The shares have not yet been issued.

SUSTAINABLE PROJECTS GROUP INC.
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

12. Notes payable

On July 31, 2017, all the notes below were repaid in full. The Company issued 101,778 common shares by converting the debt at \$3.00 per share.

Related Parties:

There were six (6) unsecured promissory notes bearing interest at 8% per annum which were due on demand to a shareholder of the Company. These promissory notes were repaid in full by converting into common shares of the Company at \$3.00 per share.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 6, 2010	\$ 3,000	\$ 1,638	\$ 4,638
February 22, 2011	1,500	773	2,273
May 17, 2011	7,500	3,727	11,227
September 16, 2011	5,000	2,351	7,351
November 4, 2011	5,000	2,297	7,297
December 14, 2012	13,000	4,647	17,647
Total	<u>\$ 35,000</u>	<u>\$ 15,433</u>	<u>\$ 50,433</u>

There were six (6) unsecured promissory notes bearing interest at 4% per annum which were due on demand due to shareholders of the Company. These promissory notes were repaid in full by converting into common shares of the Company at \$3.00 per share.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 4, 2016	\$ 1,000	\$ 43	\$ 1,043
July 12, 2016	25,000	1,052	26,052
September 15, 2016	20,000	699	20,699
December 22, 2016	13,901	337	14,238
January 13, 2017	10,000	218	10,218
March 08, 2017	30,000	477	30,477
Total	<u>\$ 99,901</u>	<u>\$ 2,826</u>	<u>\$ 102,727</u>

There was one (1) unsecured promissory note bearing interest at 8% per annum which was due on demand, and convertible at a conversion price of US\$0.005 per share at the lender's option. The convertible note was at the same interest rate as promissory notes that have no conversion feature. The promissory note was repaid in full by converting into common shares of the Company at \$3.00 per share.

SUSTAINABLE PROJECTS GROUP INC.
(Formerly SUSTAINABLE PETROLEUM GROUP INC.)
(Formerly known as BLUE SPA INCORPORATED)

NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 04, 2013	\$ 30,000	\$ 9,376	\$ 39,376

Unrelated Parties:

There was one (1) unsecured promissory note bearing interest at 8% per annum which was due on demand. The promissory note was repaid in full by converting into common shares of the Company at \$3.00 per share.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 15, 2012	\$ 10,000	\$ 4,305	\$ 14,305

There were five (5) unsecured promissory notes bearing interest at 8% per annum which were due on demand, and convertible at a conversion price of US\$0.005 per share at the lender's option. The convertible notes were at the same interest rate as promissory notes that have no conversion feature. These promissory were repaid in full by converting into common shares of the Company at \$3.00 per share.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 2, 2013	\$ 14,000	\$ 4,851	\$ 18,851
October 15, 2013	15,000	4,554	19,554
January 8, 2014	10,000	2,849	12,849
December 3, 2014	20,000	4,261	24,261
September 22, 2015	20,000	2,976	22,976
Total	<u>\$ 79,000</u>	<u>\$ 19,491</u>	<u>\$ 98,491</u>

SUSTAINABLE PROJECTS GROUP INC.
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NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
February 28, 2018

13. Related Party Transactions

During the period ended February 28, 2018, the Company incurred management fees from two directors totaling an aggregate of \$78,700 (2017 – nil). As at February 28, 2018, \$8,600 (2017 - \$1,293) was owing to directors for management fees and \$9,833 (2017 - \$9,833) was owing to two shareholders for expenses paid on behalf of the Company.

One director participated in the subscription of 1,000 shares of the Company valued at \$3,500 (see Note 11).

During the period ended February 28, 2018, the Company paid \$2,500 (2017 - \$1,000) to a company with a director in common for rent for its office in Naples, Florida and \$ Nil (2017 - \$10,500) for advertising and website design.

Transactions with a Majority Shareholder

Workplan Holdings Inc.

During the year ended May 31, 2017, Workplan Holdings Inc., a company controlled by a sole shareholder, purchased 4,000,000 restricted common shares from the former sole officer and director of the Company.

The Company entered into a property purchase agreement with Workplan Holdings Inc. and issued 1,250,000 restricted common stocks at \$3.00 per share and acquired two mineral properties. (see Note 9)

The shareholder paid expenses on behalf of the Company in the amount of \$500. As at February 28, 2018, this amount was owing.

The Company entered into a \$30,000 demand notes payable with Workplan Holding AG, a company controlled by Workplan Holdings Inc., at an interest rate of 4% per annum. As at February 28, 2018, the total principal and interest outstanding on the note was repaid in full by converting the principal loan and interest at \$3.00 per share. The Company issued 10,159 common shares.

The Company settled a CHF 100,000 debt with Workplan Holding AG by entering into an agreement to issue 25,000 restricted shares valued at \$4.00 per share. The CHF 100,000 was a loan from Workplan Holding AG to pay Flin Ventures to complete the Share Purchase Agreement for myfactor.io. The Company have not yet issued the shares.

SP Group (Europe) AG

SP Group (Europe) AG and the Company share a common majority shareholder. The Company entered into a 3 year consulting agreement with SP Group (Europe) AG whereby the Company will provide advisory and consulting services commencing May 1, 2017. The agreement provides that SP Group (Europe) AG pays the Company as follows:

- a. \$5,000 per month for the first year
- b. \$10,000 per month for the second year
- c. \$15,000 per month for the third year

The Company received a lump sum payment which have been allocated to deferred revenues. As of February 28, 2018, there was \$15,000 remaining in deferred revenues (May 31, 2017 - \$30,000).

On July 6, 2017, the Company entered into an agreement with SP Group (Europe) AG to acquire 20% ownership of SP Group (Europe) AG by issuing 6,000 restricted common stock of the Company at \$3.50 per share for a total value of \$21,000. SP Group (Europe) AG has a portfolio of approximately 20 different projects in the natural resources sector which it develops and finances. SP Group (Europe) AG and Workplan Holdings Inc. have a common shareholder and director. (See Note 6)

The Company sold 25% interest of its ownership of SP Group (Europe) AG for \$6,000. Therefore, the Company now holds 15% interest of SPG Group (Europe) AG. The sale from SP Group (Europe) AG created a gain of \$750 for the Company. (see Note 6). The \$6,000 was paid by the buyer subsequent to the period ended February 28, 2018.

14. Subsequent Events

Subsequent to February 28, 2018, the Company received \$6,000 from the sale of 25% interest of its ownership of SP Group (Europe) AG.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

General

The following discussion of Sustainable Projects Group Inc.'s financial condition, changes in financial condition and results of operations for the nine months ended February 28, 2018 should be read in conjunction with its unaudited interim financial statements and related notes for the nine months ended February 28, 2018.

Sustainable Projects Group Inc. ("SPGX") is a business development company engaged in natural resource development and holdings through value based investments and collaborative partnerships with companies across sustainable sectors. It is continually evaluating and acquiring assets for holding and or development. SPGX initiated its goals by pursuing investment and partnerships amongst diversified holdings and companies globally. SPGX is currently involved in the following businesses: (1) Mineral Exploration; (2) Consulting Services; and (3) Collaborative partnerships.

Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding SPGX's capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding SPGX's ability to carry out its planned development and production of products. Forward-looking statements are made, without limitation, in relation to SPGX's operating plans, SPGX's liquidity and financial condition, availability of funds, operating and exploration costs and the market in which SPGX competes. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined below, and, from time to time, in other reports SPGX files with the SEC. These factors may cause SPGX's actual results to differ materially from any forward-looking statement. SPGX disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Plan of Operation

SPGX's plan of operation for the next 12 months is to continue to evaluate and acquire assets and partnerships for holding or business development activities, and to collaborate, develop and create new assets with a continued focus on sustainability. SPGX is currently evaluating other projects to find attractive partnerships to expand SPGX's business development activities. Other projects of interest that management is currently researching are in the field of sustainability. Currently, SPGX is evaluating the following projects:

1. Thunder Bay Claims - Work Program.

SPGX planned to complete two 2,000 meter diamond drill programs on the Thunder Bay Claims by the end of 2018 at an estimated cost of \$1.2 million. The two programs will require approximately 80 days to complete. One drill program will be conducted on the Foisey claims of the Thunder Bay Claims to test the north branching arm of a gold-bearing breccia system. The second drill program will be conducted on gold-mineralized zones on the Thunder Bay claims, which have been identified from previous and historic work. SPGX is currently in the process to secure funding for the drill program, as well as looking to add qualified personnel to expand the program.

2. Alimex GmbH - Collaborative Partnership

On June 28, 2017, SPGX loaned Alimex GmbH \$200,000 with a per annum interest rate of 3.5%. Alimex GmbH is a global producer of high-precision aluminium cast plates. SPGX is currently negotiating terms and conditions of an agreement to continue work with Alimex.

3. Arundel AG - Investment and Development

During the next 12 months SPGX will continue to seek opportunities to fund and invest in projects held by Arundel AG. SPGX continues to negotiate terms to fund and invest in projects across various sectors such as real estate and oil & gas which Arundel holds. Arundel AG is a Swiss investment company whose shares are listed on the SIX Swiss Exchange.

4. Consulting Services - Amixca AG

SPGX plans to continue to provide consulting services throughout the next 12 months, in addition to the consulting services it is currently providing SP Group (Europe) AG. Effective January 18, 2018 SPGX engaged Amixca AG, a private Swiss corporation whose business is consulting, for a period of 36 months commencing February 1, 2018 to January 31, 2021. Amixca AG will provide financial consulting services to SPGX on projects currently under development and on projects to be rolled out in the next 3 years.

5. Myfactor.io AG

Effective December 4, 2017, SPGX closed a share purchase agreement between Flin Ventures AG and SPGX dated for reference July 25, 2017. SPGX purchased 50,000 shares in the capital of myfactor.io AG. These shares represent a 100% interest in myfactor.io AG. As consideration for the purchased shares, SPGX paid EUR\$150,000 (US\$178,000) to the seller for the purchased shares, subject to the certain conditions being fulfilled by the seller. Prior to closing the seller agreed to arrange payment or settlement of all debt owed by myfactor.io AG and to have myfactor.io AG buy back all outstanding bonds issued by myfactor.io AG. Also, as a condition of closing the seller was required to replace the board of directors of myfactor.io AG with nominees of SPGX and to have the shares transferred and registered in the name of SPGX. All of the closing conditions have been fulfilled, and as a result the purchase of the shares in the capital of myfactor.io AG is now complete and effective. See Exhibit 10.8 - Share Purchase Agreement for more details. Myfactor.io AG is a company incorporated in Liechtenstein. The company holds a bond and its primary focus is the development and growth of SME's in such sectors as real estate, patents and other industrial property rights.

In addition, management anticipates incurring the following expenses during the next 12 month period:

- Management anticipates spending approximately \$2,000 in ongoing general and administrative expenses per month for the next 12 months, for a total anticipated expenditure of \$24,000 over the next 12 months. The general and administrative expenses for the year will consist primarily of professional fees for the audit and legal work relating to SPGX's regulatory filings throughout the year, as well as transfer agent fees, development costs and general office expenses.
- Management anticipates spending approximately \$16,000 in complying with SPGX's obligations as a reporting company under the *Securities Exchange Act of 1934*. These expenses will consist primarily of professional fees relating to the preparation of SPGX's financial statements and completing and filing its annual report, quarterly report, and current report filings with the SEC.

As at February 28, 2018, SPGX had cash of \$6,419 and total liabilities of \$71,038. Accordingly, SPGX will require additional financing in the amount of \$104,619 in order to fund its obligations as a reporting company under the *Securities Act of 1934* and its general and administrative expenses for the next 12 months.

During the 12 month period following the date of this report, management anticipates that SPGX will not generate enough revenue to continue the development of current projects and projects in the pipeline. Accordingly, SPGX will be required to obtain additional financing in order to continue its plan of operations. Management believes that debt financing will not be an alternative for funding SPGX's plan of operations as it does not have tangible assets to secure any debt financing. Rather management anticipates that additional funding will be in the form of equity financing from the sale of SPGX's common stock. However, SPGX does not have any financing arranged and cannot provide investors with any assurance that it will be able to raise sufficient funding from the sale of its common stock to fund its plan of operations. In the absence of such financing, SPGX will not be able to develop its products and its business plan will fail. Even if SPGX is successful in obtaining equity financing and developing its various business ventures, additional development of its website and marketing program will be required. If SPGX does not continue to obtain additional financing, it will be forced to abandon its business and plan of operations.

Risk Factors

An investment in SPGX's common stock involves a number of very significant risks. Prospective investors should refer to all the risk factors disclosed in SPGX's Form S-1/A – Amendment #3 filed on December 15, 2011.

Liquidity and Capital Resources*Nine month Period Ended February 28, 2018*

At February 28, 2018, SPGX had a cash balance of \$6,419 and a working capital surplus of \$1,081,349, compared to a cash balance of \$161,096 and negative cash flows from operating activities of \$213,788 for the fiscal period ended May 31, 2017.

The notes to SPGX's condensed unaudited interim financial statements as of February 28, 2018, disclose its uncertain ability to continue as a going concern. SPGX has not and does not expect to generate sufficient revenues to cover its expenses in the next 12 months, and additionally SPGX has accumulated a deficit of \$1,253,543 since inception. As of February 28, 2018, SPGX had \$71,038 in current liabilities compared to \$381,801 for the period ended May 31, 2017. When its current liabilities are offset against its current assets of \$1,152,387 SPGX is left with working capital surplus of \$1,081,349.

While SPGX has successfully generated sufficient working capital through revenue (\$45,000) and the sale of common stock, and management believes that SPGX can continue to do so for the next year, there are no assurances that SPGX will succeed in generating sufficient working capital through the sale of common stock to meet its ongoing cash needs.

Net Cash Flows Used in Operating Activities . Net cash flows from operating activities during the nine month period ended February 28, 2018 was a net cash used in operations of \$298,011, which was primarily due to a net loss of \$923,161 and non-cash items consisting of a loss on acquisition of deposit of \$779,278, interest receivables of \$4,698, amortization of \$2,333, shares for debt and shares for services of \$2,730 and \$56,000, respectively, changes in current assets and liabilities consisting of increase of prepaid expenses of \$195,583, deferred revenue of \$15,000, and \$7,307 due to directors; compared to a net loss of \$60,726, which was primarily due to a increase in prepaid expenses of \$7,793, accrued expenses of \$9,141 and an increase in interest payable of \$10,392, compared to a net loss of \$23,446 for the same time period for the prior fiscal period, which was primarily due to accrued expenses of \$7,843 and interest payable of \$8,753.

Net Cash Flows From Investing Activities . Net cash flows from investing activities during the nine month period ended February 28, 2018 was a net cash used in investing activities of \$452,996, which was primarily due to \$200,000 in notes receivables and \$258,996 for the acquisition of a subsidiary, compared to \$nil for the same time period for the prior fiscal period.

Net Cash Flows From Financing Activities . SPGX's net cash flow from financing activities during the nine month period ended February 28, 2018 was \$596,330 due to proceeds from issuance of common stock of \$490,330 and subscribed not-issued shares of 106,000, compared to \$69,901 (notes payable) for the same time period for the prior fiscal period.

Results of Operations – Nine months ended February 28, 2018 and February 28, 2017

	For the Three Months Ended February 28 2018 \$	For the Three Months Ended February 28 2017 \$	For the Nine Months Ended February 28 2018 \$	For the Nine Months Ended February 28 2017 \$
Revenues				
Revenues	15,000	–	45,000	–
Interest Income	1,726	-	4,699	-
Operating expenses				
Administrative and other operating expenses	(22,327)	2,892	1,948	12,509
Amortization	875	-	2,333	-
Consulting fees	15,778	-	36,778	-
Management fees	9,600	-	78,700	-
Professional fees	(7,168)	1,650	69,346	31,284
Rent	750	-	2,500	-
Loss on acquisition of deposit	-	-	779,278	-
Interest expense	-	(3,646)	(2,727)	(10,392)
Operating loss before income taxes	(19,968)	(8,188)	(923,161)	(54,185)
Income taxes	-	-	-	-
Net loss and comprehensive loss	(19,968)	(8,188)	(923,161)	(54,185)

Nine month Period Ended February 28, 2018

Net Loss . During the nine month period ended February 28, 2018, SPGX had a net loss of \$923,161 or \$(0.104) per share. The loss was primarily due to loss on acquisition of deposit, compared to the same time period for the prior fiscal period, when SPGX had a net loss of \$54,185 or \$(0.008) per share. The loss was primarily due to administrative and other operating expenses and professional fees.

Revenue . During the nine month period ended February 28, 2018, SPGX had revenues of \$49,699. The revenue was primarily due to consulting fees and interest income, compared to the same time period for the prior fiscal period, when SPGX had no operating revenues. SPGX's activities have been financed from revenues and the proceeds of share subscriptions and debt financing.

Operating Expenses . SPGX's operating expenses during the nine month period ended February 28, 2018 were \$923,161. The operating expenses were primarily due to a loss on acquisition of deposit of \$779,279, professional fees of \$69,346, and management fees of \$78,700.

Going Concern

SPGX has not attained profitable operations and is dependent upon obtaining financing to pursue any extensive business activities. For these reasons the financial statements have been prepared assuming SPGX will continue as a going concern.

Future Financings

Management anticipates raising financing through debt financing or the sale of SPGX's common stock in order to continue to fund its business operations. Issuances of additional common stock will result in dilution to SPGX's existing stockholders. There is no assurance that SPGX will achieve any additional sales of its common stock or arrange for debt or other financing to fund its planned activities.

Inflation

Management does not believe that inflation will have a material impact on SPGX's future operations.

Off-balance Sheet Arrangements

SPGX has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Contingencies and Commitments

SPGX had no contingencies or long-term commitments at February 28, 2018.

Tabular Disclosure of Contractual Obligations

SPGX is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Critical Accounting Policies

SPGX's financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. Management believes that understanding the basis and nature of the estimates and assumptions involved with the following aspects of SPGX's financial statements is critical to an understanding of SPGX's financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available to management. Actual results could differ from those estimates.

Development Stage Company

SPGX is a developmental stage company, and follows the guideline of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codifications ("ASC") Topic 915 Development State Entities. All losses accumulated since inception has been considered as part of SPGX's development stage activities.

Website Development Costs

SPGX recognized the costs associated with developing a website in accordance with ASC 350-50 "Website Development Cost" that codified the American Institute of Certified Public Accountants ("AICPA") Statement of Position ("SOP") NO. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Relating to website development costs SPGX follows the guidance pursuant to the Emerging Issues Task Force (EITF) NO. 00-2, "Accounting for Website Development Costs". The website development costs are divided into three stages, planning, development and production. The development stage can further be classified as application and infrastructure development, graphics development and content development. In short, website development cost for internal use should be capitalized except content input and data conversion costs in content development stage.

Costs associated with the website consist primarily of website development costs paid to third party. These capitalized costs will be amortized based on their estimated useful life over three years upon the website becoming operational. Internal costs related to the development of website content will be charged to operations as incurred. Web-site development costs related to the customers are charged to cost of sales.

Fair Value of Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The fair value of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and short term note - related party, approximate their carrying values since they are short term in nature and they are receivable or payable on demand. Management is of the opinion that SPGX is exposed to significant interest or credit risks arising from the bank-held assets. SPGX is operating outside the United States of America and may have significant exposure to foreign currency risk due to the fluctuation of the currency in which SPGX operates and the U.S. dollar. SPGX accounts for certain assets and liabilities at fair value.

Concentration of Credit Risk

SPGX places its cash and cash equivalents with a high credit quality financial institution. SPGX maintains United States Dollars. SPGX minimizes its credit risks associated with cash by periodically evaluating the credit quality of its primary financial institution.

Foreign Currency Translation

SPGX is located and operating outside of the United States of America. The functional currency of SPGX is the U.S. Dollar. At the transaction date, each asset, liability, revenue and expense is translated into U.S. dollars by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities are re-measured by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

Research and Development Costs

Research and development costs will be expensed as incurred.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

SPGX is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management maintains “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “**Exchange Act**”), that are designed to ensure that information required to be disclosed in SPGX’s Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including SPGX’s Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of SPGX’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of February 28, 2018).

Based on that evaluation, management concluded, as of the end of the period covered by this report, that SPGX's disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms. In particular, SPGX failed to complete and file its assessment of its internal controls over financial reporting in a timely manner for the period ended February 28, 2018. As a result, SPGX's disclosure controls and procedures have not been effective since then and, as a result, were not effective for the period covered by this report.

Subsequently, management has adopted policy to utilize external service providers to review and provide comment on disclosure reports and statements. As a result of the implementation of this policy, management believes that SPGX's disclosure controls and procedures will now be effective.

Changes in Internal Controls over Financial Reporting

As of the end of the period covered by this report, there were no changes in SPGX's internal controls over financial reporting during the quarter ended February 28, 2018, that materially affected, or are reasonably likely to materially affect, SPGX's internal control over financial reporting subsequent to the date of management's last evaluation. However, as a result of management's completion of the assessment of SPGX's internal controls over financial reporting, certain changes have been made, as discussed above, that will materially affect SPGX's internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, does not expect that SPGX's controls and procedures will prevent all potential error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

SPGX is not a party to any pending legal proceedings and, to the best of management's knowledge, none of SPGX's property or assets are the subject of any pending legal proceedings.

Item 1A. Risk Factors.

SPGX is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the quarter of the fiscal year covered by this report and to the date of this quarterly report, (i) SPGX did not modify the instruments defining the rights of its shareholders, (ii) no rights of any shareholders were limited or qualified by any other class of securities, and (iii) SPGX did not sell any unregistered equity securities, with the exception of the following:

May 2018 - Asset Purchase

On May 22, 2018, SPGX entered into an asset purchase agreement with Global Gaming Media Inc. for the acquisition of certain assets used in the business of Global Gaming Media Inc., including, without limitation, an application for Florida lotteries, all software rights to the Gator Lotto Software, and the domain name www.gatorlotto.com (collectively, the "Assets"). As consideration for the purchase of the Assets, SPGX will issue 100,000 restricted shares of common stock in the capital of SPGX to Global Gaming Media Inc. for a purchase price of \$400,000. See Exhibit 10.12 - Asset Purchase Agreement for more details.

For the issuance of the restricted shares, SPGX relied upon Section 4(2) of the Securities Act of 1933 for the issuance of the restricted shares of common stock to Global Gaming Media Inc. The value of the restricted shares of common stock was agreed upon between the parties of the Asset Purchase Agreement. Management is satisfied that SPGX complied with the requirements of the exemption from the registration and prospectus delivery of the Securities Act of 1933. The offering was not a public offering and was not accompanied by any general advertisement or any general solicitation. The share certificates representing the shares were issued bearing a legend with the applicable trading restrictions.

May 2018 - \$4.00 Debt Settlement

On May 25, 2018 the board of directors authorized the issuance of 25,000 restricted shares of common stock as settlement of \$100,000 of debt owed to one creditor of the company at a settlement price of \$4.00 per restricted share. The \$100,000 represented the principal and interest due and owing on an outstanding loan. The 25,000 restricted shares of common stock were issued to one non-US creditor outside the United States.

SPGX set the value of the restricted shares arbitrarily without reference to its assets, book value, revenues or other established criteria of value. All the restricted shares issued in this settlement were issued for investment purposes in a “private transaction”.

For the non-US creditor outside the United States in this closing, SPGX relied upon Section 4(2) of the Securities Act of 1933 and Rule 903 of Regulation S promulgated pursuant to that Act by the Securities and Exchange Commission. Management is satisfied that SPGX complied with the requirements of the exemption from the registration and prospectus delivery of the Securities Act of 1933. The offerings were not public offerings and were not accompanied by any general advertisement or any general solicitation. SPGX received from the creditor a completed and signed debt settlement agreement containing certain representations and warranties, including, among others, that (a) the creditor was not a U.S. person, (b) the creditor subscribed for the shares for its own investment account and not on behalf of a U.S. person, and (c) there was no prearrangement for the resale of the shares with any buyer. No offer was made or accepted in the United States and the share certificates representing the shares were issued bearing a legend with the applicable trading restrictions.

Currently, there are no outstanding options or warrants to purchase, or securities convertible into, shares of SPGX’s common stock.

Item 3. Defaults Upon Senior Securities.

During the quarter of the fiscal year covered by this report, no material default has occurred with respect to any indebtedness of SPGX. Also, during this quarter, no material arrearage in the payment of dividends has occurred.

Item 4. Mining Safety Disclosures.

There are no current mining activities at the date of this report.

Item 5. Other Information.

During the quarter of the fiscal year covered by this report, SPGX reported all information that was required to be disclosed in a report on Form 8-K.

SPGX has adopted a code of ethics that applies to all its executive officers and employees, including its CEO and CFO. See Exhibit 14 – Code of Ethics for more information. SPGX undertakes to provide any person with a copy of its financial code of ethics free of charge. Please contact SPGX at 403 E. Commerce Street, San Antonio, Texas, 78205 to request a copy of SPGX’s code of ethics. Management believes SPGX’s code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

Item 6. Exhibits**(a) Index to and Description of Exhibits**

All Exhibits required to be filed with the Form 10-Q are included in this quarterly report or incorporated by reference to SPGX's previous filings with the SEC, which can be found in their entirety at the SEC website at www.sec.gov under SEC File Number 333-169331.

Exhibit	Description	Status
3.1	<u>Articles of Incorporation, filed as an exhibit to SPGX's Form S-1/A – Amendment #1 (Registration Statement) filed on December 17, 2010, and incorporated herein by reference.</u>	Filed
3.2	<u>By-Laws, filed as an exhibit to SPGX's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.</u>	Filed
3.3	<u>Certificate of Amendment, filed as an exhibit to SPGX's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.</u>	Filed
3.4	<u>Certificate of Amendment, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on December 19, 2016, and incorporated herein by reference.</u>	Filed
10.1	<u>Share Purchase Agreement dated July 25, 2016 between Workplan Holding Inc. and Law Yau Yau, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on August 11, 2016, and incorporated herein by reference.</u>	Filed
10.2	<u>Property Purchase Agreement dated March 13, 2017 between Sustainable Projects Group Inc. and Workplan Holding Inc., filed as an exhibit to SPGX's Form 8-K (Current Report) filed on March 17, 2017, and incorporated herein by reference.</u>	Filed
10.3	<u>Deposit Agreement dated June 23, 2017 among SP Group AG, Daniel Greising, and Sustainable Petroleum Group Inc., filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.</u>	Filed
10.4	<u>Share Purchase Agreement dated July 6, 2017 between Sustainable Petroleum Group Inc. and Christopher Grunder, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.</u>	Filed
10.5	<u>Dividend Agreement dated July 10, 2017 among Christopher Grunder, Sustainable Petroleum Group Inc. and SP Group (Europe) AG, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.</u>	Filed
10.6	<u>Consulting Agreement dated April 24, 2017 between SP Group (Europe) AG and Sustainable Petroleum Group Inc., filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 31, 2017, and incorporated herein by reference.</u>	Filed
10.7	<u>Services Agreement dated August 1, 2017 between Sustainable Petroleum Group Inc. and Dr. Philip Grothe, filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 31, 2017, and incorporated herein by reference.</u>	Filed
10.8	<u>Share Purchase Agreement dated July 25, 2017 between Flin Ventures AG and Sustainable Petroleum Group Inc., filed as an exhibit to SPGX's Form 8-K (Current Report) filed on December 6, 2017, and incorporated herein by reference.</u>	Filed
10.9	<u>Share Purchase Agreement dated January 18, 2018 between Mathias Gujer and Sustainable Projects Group Inc., filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 19, 2018, and incorporated herein by reference.</u>	Filed

Exhibit	Description	Status
10.10	Consultant Agreement dated January 18, 2018 between Sustainable Projects Group Inc. and Amixca AG, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 19, 2018, and incorporated herein by reference.	Filed
10.11	Share Purchase Agreement dated January 30, 2018 between Sustainable Projects Group Inc. and Workplan Holding AG, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 31, 2018, and incorporated herein by reference.	Filed
10.12	Asset Purchase Agreement dated for reference May 22, 2018 between Sustainable Projects Group Inc. and Global Gaming Media Inc, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on May 31, 2018, and incorporated herein by reference.	Filed
14	Code of Ethics, filed as an exhibit to SPGX's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.	Filed
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Included
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Included
101 *	Financial statements from the quarterly report on Form 10-Q of Sustainable Projects Group Inc. for the quarter ended February 28, 2018, formatted in XBRL: (i) the Interim Balance Sheets, (ii) the Interim Statements of Operations; (iii) the Interim Statements of Stockholders' Deficit and Comprehensive Income, and (iv) the Interim Statements of Cash Flows	Furnished

* In accordance with Rule 402 of Regulation S-T, the XBRL (“eXtensible Business Reporting Language”) related information is furnished and not deemed filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, Sustainable Projects Group Inc. has caused this report to be signed on its behalf by the undersigned duly authorized person.

SUSTAINABLE PROJECTS GROUP INC.

Dated: **June 5, 2018**

By: /s/ Stefan Mühlbauer

Name: **Stefan Mühlbauer**
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31

**SUSTAINABLE PROJECTS GROUP INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Stefan Mühlbauer, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ending February 28, 2018 of Sustainable Projects Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 5, 2018

/s/ Stefan Mühlbauer

Stefan Mühlbauer
Chief Executive Officer

**SUSTAINABLE PROJECTS GROUP INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Christian Winzenried, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ending February 28, 2018 of Sustainable Projects Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 5, 2018

/s/ Christian Winzenried

Christian Winzenried
Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Sustainable Projects Group Inc. (the "Company") on Form 10-Q for the period ending February 28, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stefan Mühlbauer, Chief Executive Officer of the Company and a member of the Board of Directors, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stefan Mühlbauer

Stefan Mühlbauer
Chief Executive Officer
June 5, 2018

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Sustainable Projects Group Inc. (the "Company") on Form 10-Q for the period ending February 28, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christian Winzenried, Chief Financial Officer of the Company and a member of the Board of Directors, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christian Winzenried

Christian Winzenried
Chief Financial Officer
June 5, 2018
