

J4 VENTURES INC.

Financial Statements

April 30, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
J4 Ventures Inc.

Opinion

We have audited the accompanying financial statements of J4 Ventures Inc. (the "Company"), which comprise the statements of financial position as at April 30, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended April 30, 2022 and the period from incorporation on March 30, 2021 to April 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the year ended April 30, 2022 and the period from incorporation on March 30, 2021 to April 30, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

June 20, 2022

J4 VENTURES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	April 30, 2022	April 30, 2021
	\$	\$
ASSETS		
Current assets		
Cash	574,216	543,710
Non-current assets		
Deferred financing costs (note 4)	-	11,250
TOTAL ASSETS	574,216	554,960
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 3)	67,998	36,670
Total Liabilities	67,998	36,670
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	698,262	555,000
Equity reserves (Note 4)	75,401	-
Deficit	(267,445)	(36,710)
Total Equity	506,218	518,290
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	574,216	554,960

Nature and continuance of operations (Note 1)

On behalf of the Board of Directors:

"Jeremy Poirier"
Director

"Jordan Carroll"
Director

The accompanying notes are an integral part of the financial statements.

J4 VENTURES INC.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the Year Ended April 30, 2022	From Inception on March 30, 2021 to April 30, 2021
	\$	\$
OPERATING EXPENSES		
Management fees (Note 3)	12,600	-
Office expense	471	40
Professional fees	103,837	36,500
Rent (Note 3)	18,900	-
Share-based payment (Note 3 and 4)	64,949	-
Transfer agent and filing fees	29,978	170
Loss and comprehensive loss for the period	(230,735)	(36,710)
Basic and diluted loss per common share	(0.04)	(0.02)
Weighted average number of common shares outstanding	5,936,301	2,348,387

The accompanying notes are an integral part of the financial statements.

J4 VENTURES INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Equity Reserves		Total equity
	Number of Shares outstanding	Amount	Share-based payments	Deficit	
		\$	\$	\$	\$
Balance at March 30, 2021	-	-	-	-	-
Shares issued for private placement	6,550,000	555,000	-	-	555,000
Comprehensive loss for the period	-	-	-	(36,710)	(36,710)
Balance at April 30, 2021	6,550,000	555,000	-	(36,710)	518,290
Shares issued for cash	2,000,000	200,000	-	-	200,000
Share issuance costs, cash and agent warrants	-	(56,738)	10,452	-	(46,286)
Share-based payment	-	-	64,949	-	64,949
Comprehensive loss for the year	-	-	-	(230,735)	(230,735)
Balance at April 30, 2022	8,550,000	698,262	75,401	(267,445)	506,218

The accompanying notes are an integral part of the financial statements.

J4 VENTURES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Year Ended April 30, 2022	For the Period from Inception on March 30, 2021 to April 30, 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(230,735)	(36,710)
Items not affecting cash:		
Share-based payment	64,949	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	31,328	36,670
	<u>(134,458)</u>	<u>(40)</u>
Cash used in operating activities		
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of shares	200,000	555,000
Share issuance costs	(35,036)	-
Deferred financing costs	-	(11,250)
	<u>164,964</u>	<u>543,750</u>
Cash provided by financing activity		
Change in cash during the period	30,506	543,710
Cash, beginning of period	543,710	-
Cash, end of period	574,216	543,710
Cash paid during the period for:		
Interest	-	-
Taxes	-	-

Supplemental cash flow information:

	For the Year Ended April 30, 2022	For the Period from Inception on March 30, 2021 to April 30, 2021
Warrants issued as agent fees	\$10,452	\$-
Deferred financing costs recognized in equity	\$11,250	\$-

The accompanying notes are an integral part of the financial statements.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

J4 Ventures Inc. (the "Company") was incorporated under the provincial *Business Corporations Act* (British Columbia) on March 30, 2021 and its registered office is at Suite 2500 Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8. The Company completed its initial public offering ("IPO") during the year ended April 30, 2022 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by the exercising of an option or by any concomitant transaction.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and reclassification of assets and liabilities that might be necessary should the Company be unable to continue operates. Management estimates it has sufficient funds to operate for the next twelve months.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Significant Accounting Policies

(a) Statement of Compliance

The financial statements of the Company comply with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). In addition, these financial statements have been prepared using the accrual basis of accounting. These financial statements were approved by the Board of Directors for issuance on June 20, 2022.

(b) Basis of Presentation

These financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Company's presentation currency.

(c) Significant Judgments, Estimates and Assumptions

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

2. Significant Accounting Policies (continued)

(c) Significant Judgments, Estimates and Assumptions (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The fair value of stock options and warrants issued are subject to the limitations of the Black-Scholes option pricing model which incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model required the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as disclosed in Note 1.

(d) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(e) Share-based payments

The Company uses the fair value-based method of accounting for stock options granted to employees and directors and agent options issued on private placements. Under this method, the fair value of the stock options at the date of the grant, as determined using the Black-Scholes option pricing model, is recognized to expense over the vesting period. The fair value of agent options at the date of issuance, as determined using the Black-Scholes model, is recognized as share issuance costs, with the offsetting credit to share-based payments reserve. If the stock options or agent options are exercised, the proceeds are credited to share capital and the fair value of the options or agent options exercised is reclassified from share-based payments reserve to share capital.

From time to time in connection with private placements, the Company issues compensatory finder warrants or broker warrants to agents as commission for services. Awards of finder warrants and broker warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when finder warrants and broker warrants are issued.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at fair value of the goods or services received.

(f) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. Significant Accounting Policies (continued)

(f) Income Taxes (continued)

Deferred tax is recognized on temporary differences arising from the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realized or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(g) Loss Per Share

Basic loss per share is computed by dividing net earnings (loss) by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In periods where a loss is reported all outstanding options, warrants and other convertible instruments are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

Any escrow shares that will be considered contingently returnable until the Company completes a qualifying transaction will not be considered to be outstanding shares for the purposes of the loss per share calculation.

(h) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The Company has classified its financial instruments as follows:

- Cash: FVTPL
- Trade payable and accrued liabilities: Amortized cost

3. Related Party Transactions

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended April 30, 2022, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$12,600 (2021 – \$Nil) to a company controlled by a director and Chief Financial Officer of the Company.

Paid or accrued rent of \$18,900 (2021 - \$Nil) to a company controlled by a director and Chief Executive Officer of the Company.

As at April 30, 2022, \$31,500 (April 30, 2021 - \$Nil) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

During the year ended April 30, 2022, the Company issued 727,500 stock options to the four directors and officers of the Company (being key management personnel), with an exercise price of \$0.10 per share, at a fair value of \$64,949 recorded as share-based payment.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

4. Share Capital

(a) Authorized:

Unlimited Common Shares without par value

Unlimited Preferred Shares without par value

(b) *Issued share capital:*

On March 30, 2021, the Company issued 2,000,000 common shares of the Company at a price of \$0.05 per share for gross proceeds of \$100,000.

On April 14, 2021, the Company closed a private placement and issued 4,550,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$455,000. There were no share issue costs during the period ended April 30, 2021.

On August 20, 2021, the Company completed its IPO of filing its final prospectus with the securities regulatory authorities in the provinces of Alberta and British Columbia. The Company closed the IPO private placement and issued 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000. The Company recorded \$11,250 as deferred financings costs as at April 30, 2021 and upon closing of the IPO these costs were allocated to share issuance costs. The Company paid other share issue costs of \$46,286 and issued 200,000 agent warrants. The agent warrants to acquire 200,000 common shares of the Company at \$0.10 per common share and have an expiry date of August 20, 2023. The agent warrants were valued at \$10,452 or \$0.05 per agent warrant. The fair value of the agent warrant was estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, a risk-free rate of 0.44%, a forfeiture rate of 0%, and volatility of 100%.

(c) *Escrow:*

The Company has 2,000,000 common shares and 727,500 stock options which are subject to an escrow agreement. Common shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions to the extent of options exercised prior to the completion of a qualifying transaction. Escrowed shares may be subject to cancellation if the qualifying transaction is not completed.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

4. Share Capital (continued)

(d) *Share-based payments:*

Stock Option Plan

The Company has a rolling stock option plan (“the Plan”) which is applicable to directors, officers, employees and consultants. Under the Plan, the total outstanding stock options that may be granted are limited to 10% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the Exchange. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors. Common shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions to the extent of options exercised prior to the completion of a Qualifying Transaction.

As at April 30, 2022, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance April 30, 2021	-	\$ -
Granted	727,500	0.10
Balance, April 30, 2022	727,500	\$ 0.10

During the year ended April 30, 2022, the Company issued 727,500 stock options to the four directors and officers of the Company (being key management personnel), which will be subject to an escrow agreement, with an exercise price of \$0.10 per share, at a fair value of \$64,949. The weighted average fair value per option was \$0.09. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 10 years, a risk-free rate of 1.19%, a forfeiture rate of 0%, and volatility of 100%.

A summary of the Company’s stock options outstanding and exercisable as at April 30, 2022 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Remaining Life (in years)
July 29, 2031	727,500	\$0.10	9.25
Outstanding and exercisable	727,500		

Common shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions to the extent of options exercised prior to the completion of a qualifying transaction.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

4. Share Capital (continued)

(e) Share Purchase Warrants

As at April 30, 2022, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2021	-	\$ -
Granted	200,000	0.10
Balance, April 30, 2022	200,000	\$ 0.10

As at April 30, 2022, the following share purchase warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry Date	Remaining Life (in years)
200,000	\$ 0.10	August 20, 2023	1.31

5. Capital Disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1. The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at year end, except as discussed below.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange Policy 2.4.

6. Financial Instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured as level 1 input.

7. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Overview

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to short term nature.

Credit Risk

Credit Risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of \$574,216 to pay liabilities of \$67,998.

Market Risks

The Company will be subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. For the year ended April 30, 2022, the Company held \$Nil financial instruments subject to significant foreign exchange or interest rate risks.

J4 VENTURES INC.
Notes to the Financial Statements
For the year ended April 30, 2022
(Expressed in Canadian Dollars)

8. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
Loss for the period	\$ (230,735)	\$ (36,710)
Expected income tax (recovery)	(62,000)	(10,000)
Permanent difference	17,000	-
Share issuance costs	(12,000)	-
Change in unrecognized deductible temporary differences	57,000	10,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	2022	2021
Deferred tax assets		
Share issue costs	\$ 10,000	\$ -
Non-capital losses	\$ 57,000	\$ 10,000
	67,000	10,000
Unrecognized deferred tax assets	(67,000)	(10,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's deductible temporary differences and unused tax losses that have not been recognized in the statements of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
Share issue costs	37,000	2042-2045	-	-
Non-capital losses available for future periods	212,000	2041 to 2042	37,000	2041