

J4 VENTURES INC.

Condensed Interim Financial Statements

For the three-month period ended

July 31, 2023 and 2022

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of J4 Ventures Inc. have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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

J4 VENTURES INC.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three months ended July 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

	For the Three Months Ended July 31, 2023	For the Three Months Ended July 31, 2022
	\$	\$
OPERATING EXPENSES		
Management fees (Note 3)	3,150	3,150
Office expense	975	40
Professional fees	4,885	10,618
Rent (Note 3)	4,725	4,725
Transfer agent and filing fees	4,113	2,891
Loss and comprehensive loss for the period	(17,848)	(21,424)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average number of common shares outstanding – Basic and diluted	6,550,000	6,550,000

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

J4 VENTURES INC.
Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Equity Reserves		Total equity
	Number of Shares outstanding	Amount	Share-based payments	Deficit	
Balance at April 30, 2022	8,550,000	698,262	75,401	(267,445)	506,218
Loss and comprehensive loss for the year	-	-	-	(90,009)	(90,009)
Balance at April 30, 2023	8,550,000	\$ 698,262	\$ 75,401	\$ (357,454)	\$ 416,209
Loss and comprehensive loss for the year	-	-	-	(17,848)	(17,848)
Balance at July 31, 2023	8,550,000	\$ 698,262	\$ 75,401	\$ (375,302)	\$ 398,361

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

J4 VENTURES INC.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the three-month period ended July 31,	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(17,848)	(21,424)
Items not affecting cash:		
Share-based payment	-	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(4,196)	(6,536)
Cash used in operating activities	(22,044)	(27,960)
Change in cash during the period	(22,044)	(27,960)
Cash, beginning of the period	495,461	574,216
Cash, end of the period	473,417	546,256
Cash paid during the period for:		
Interest	-	-
Taxes	-	-

No supplemental cash flow information for the periods ended July 31, 2023 and 2022.

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

J4 VENTURES INC.
Notes to the Condensed Interim Financial Statements
For the period ended July 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

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 condensed interim 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 condensed interim 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.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Report Standards and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements were approved by the Board of Directors for issuance on September 22, 2022.

(b) Basis of Presentation

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

J4 VENTURES INC.

Notes to the Condensed Interim Financial Statements

For the period ended July 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant Accounting Policies (continued)

(c) Significant Judgments, Estimates and Assumptions

The preparation of these condensed interim 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 condensed interim 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.

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 condensed interim 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 the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of the goods or services received.

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2. Significant Accounting Policies (continued)

(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.

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.

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2. Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

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.

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
- Accounts 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 three-month period ended July 31, 2023, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$3,150 (2022 – \$3,150) to a company controlled by a director and Chief Financial Officer of the Company.

Paid or accrued rent of \$4,725 (2022 - \$4,725) to a company controlled by a director and Chief Executive Officer of the Company.

As at July 31, 2023, \$70,875 (April 30, 2023 - \$63,000) 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.

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4. Share Capital

(a) Authorized:

Unlimited Common Shares without par value
Unlimited Preferred Shares without par value

(b) *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.

(c) *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 July 31, 2023, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, April 30, 2023 and 2022	727,500	\$ 0.10
Granted	-	-
Balance, July 31, 2023	727,500	\$ 0.10

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4. Share Capital (continued)

A summary of the Company's stock options outstanding and exercisable as at July 31, 2023, is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Remaining Life (in years)
July 29, 2031	727,500	\$0.10	8.00
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.

(e) Share Purchase Warrants

As at July 31, 2023, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2023 and 2022	200,000	\$ 0.10
Granted	-	-
Balance, July 31, 2023	200,000	\$ 0.10

As at July 31, 2023, 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	0.05

***Expired subsequent to period end.**

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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 period 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 using level 1 inputs.

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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 July 31, 2023, the Company had a cash balance of \$473,417 to pay liabilities of \$75,056.

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 period ended July 31, 2023, the Company held \$Nil financial instruments subject to significant foreign exchange or interest rate risks.