ECC VENTURES 4 CORP.

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

For the three months ended March 31, 2022 and for the period from incorporation on January 14, 2021 to March 31, 2021

ECC VENTURES 4 CORP.

(the "Company")

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the three months ended March 31, 2022

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

ECC VENTURES 4 CORP.
Condensed Interim Statements of Financial Position
As at
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		March 31, 2022		December 31, 2021
Assets				
Current Assets:				
Cash	**$**	**330,555**	$	340,962
Receivables		**4,079**		3,583
Total Assets	**$**	**334,634**	$	344,545
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	**$**	**22,752**	$	13,764
		22,752		13,764
Shareholders' Equity				
Share capital (Note 5)		**402,744**		402,744
Reserves (Note 5)		**65,233**		65,233
Deficit		**(156,095)**		(137,196)
		311,882		330,781
Total Liabilities and Shareholders' Equity	**$**	**334,634**	**$**	344,545

Nature of business and continuing operations (Note 1)

Approved on Behalf of the Board on May 24, 2022:

"Doug McFaul"	*"Brent Ackerman"*
Doug McFaul – CEO/CFO/Director	Brent Ackerman - Director

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

ECC VENTURES 4 CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2022 and for the period from incorporation on January 14, 2021 to March 31, 2021
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		For the three months ended March 31, 2022		For the period of incorporation on January 14, 2021 to March 31, 2021
Expenses				
Administration and bank charges	**$**	**3,018**	$	18
Professional fees		**8,752**	$	36,347
Transfer agent and filing fees		**7,129**		6,890
		(18,899)		(43,255)
Loss and comprehensive loss for the period	**$**	**(18,899)**	$	(43,255)
Weighted average number of common shares outstanding – basic and diluted (Note 6)		**3,650,000**		2,593,421
Basic and diluted loss per share (Note 6)	**$**	**(0.01)**	$	(0.02)

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

ECC VENTURES 4 CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2022, and for the period from incorporation on January 14, 2021 to March 31, 2021
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share Capital				Total
	Number	**Amount**	**Reserves**	**Deficit**	**Shareholders' Equity**
Balance, (incorporation) – January 14, 2021	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued	3,650,000	265,000	-	-	265,000
Loss for the period	-	-	-	(43,255)	(43,255)
Balance, March 31, 2021	**3,650,000**	**$ 265,000**	**$ -**	**$ (43,255)**	**$ 221,745**

	Share Capital				Total
	Number	**Amount**	**Reserves**	**Deficit**	**Shareholders' Equity**
Balance, December 31, 2021	**5,650,000**	**$ 402,744**	**$ 65,233**	**$ (137,196)**	**$ 330,781**
Loss for the period	-	-	-	(18,899)	(18,899)
Balance, March 31, 2022	**5,650,000**	**$ 402,744**	**$ 65,233**	**$ (156,095)**	**$ 311,882**

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

ECC VENTURES 4 CORP.
Condensed Interim Statements of Cash Flows
For the three months ended March 31, 2022 and for the period from incorporation on January 14, 2021 to March 31, 2021
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

		For the three months ended March 31, 2022		For the period of incorporation on January 14, 2021 to March 31, 2021
Cash flows from operating activities:				
Loss for the period	**$**	**(18,899)**	$	(43,255)
Net change in non-cash working capital items:				
GST Receivables		**(496)**		(1,054)
Prepaid expenses		**-**		(7,500)
Accounts payable and accrued liabilities		**8,988**		25,401
		(10,407)		(26,408)
Financing Activity:				
Proceeds from share issuance (Note 5)		**-**		265,000
		-		265,000
Increase/(decrease) in cash for the period		**(10,407)**		238,592
Cash, beginning of the period		**340,962**		-
Cash, end of the period	**$**	**330,555**	$	238,592
Supplementary information with respect to cash flows:				
Income taxes paid	$	**-**	$	-
Interest paid	$	**-**	$	-

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

ECC Ventures 4 Corp. (the "Company") was incorporated on January 14, 2021 under the laws of British Columbia and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4. The head office of the Company is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3, and the records and registered office is located at 2200 HSBC Building 885 West Georgia Street, British Columbia, V6C 3E8.

Since incorporation on January 14, 2021, the Company has had no active business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction ("QT"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V.

As a CPC, 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 will apply until completion of a QT by the Company as defined under the policies of the Exchange.

The Company has an accumulated deficit of $156,095 as at March 31, 2022. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent audited annual financial statements of the Company as at and for the year ended December 31, 2021, which is available on www.sedar.com.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported expenses incurred during the period. Actual results could differ from these estimates. The preparation of these condensed interim financial statements requires management to make judgements regarding the going concern of the Company, as discussed in Note 1. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Deferred tax assets and liabilities</u>

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

<u>Stock options</u>

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

4. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of March 31, 2022, $nil was due to related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at December 31, 2021, and March 31, 2022, the issued share capital was comprised of 5,650,000 common shares.

On February 1, 2021, the Company completed a private placement financing and issued 2,000,000 common shares of the Company at a price of $0.05 per share for total proceeds of $100,000.

On February 1, 2021, the Company completed a private placement financing and issued 1,650,000 common shares of the Company at a price of $0.10 per share for total proceeds of $165,000.

On June 15, 2021, the Company completed an initial public offering ("IPO") of 2,000,000 common shares at a price of $0.10 per share for gross proceeds of $200,000. The Company paid a cash commission of $20,000, a corporate finance fee of $12,000, $7,500 in legal fees, and $7,900 in agent's expenses and granted to the agent, 200,000 agent's options with a fair value of $14,856.

5. SHARE CAPITAL (continued)

(c) Escrowed shares

As at December 31, 2021, the 2,000,000 common shares issued at $0.05 per share are being held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to completion of a QT by a Control Person (as defined in the policies of the Exchange), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(d) Stock options

On February 5, 2021, the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

(d) Stock options (continued)

In 2021 the Company granted stock options to directors of the Company to acquire up to an aggregate of 565,000 common shares. Each option is exercisable to acquire one common share at a price of $0.10 any time prior to June 15, 2031. This resulted in share-based payments expense of $50,377. This amount was also recorded as reserves on the statement of financial position. The fair value of stock options granted during the period was determined using a Black-Scholes option pricing model with the following assumptions: share price – $0.10, exercise price – $0.10, risk free rate – 0.98%, expected life – 10 years, and annualized volatility – 100%.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 14, 2021	-	$ -
Granted	565,000	0.10
Balance, December 31, 2021, and March 31, 2022	**565,000**	**$0.10**

As at March 31, 2022, outstanding options were as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 15, 2021	565,000	$0.10	June 15, 2031	9.21
Fully vested and exercisable, December 31, 2021 and March 31, 2022	**565,000**	**$0.10**		

(e) Agent options

As part of the IPO on June 15, 2021, the Company granted to the agent options to acquire 200,000 common shares at a price of $0.10 per common share until June 15, 2026. The agent's options were determined to have a fair value of $14,856 using a Black-Scholes option pricing model with the following assumptions: share price – $0.10, exercise price – $0.10, risk free rate – 0.98%, expected life – 5 years, and annualized volatility – 100%.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

(e) Agent options

A summary of the Company's agent option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as of January 14, 2021	**-**	**$ -**
Granted	200,000	0.10
Balance, December 31, 2021, and March 31, 2022	**200,000**	**$0.10**

As at March 31, 2022, outstanding agent options were as follows:

Grant Date	Number of agent options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 15, 2021	200,000	$0.10	June 15, 2026	4.21
Fully vested and exercisable, December 31, 2021, and March 31, 2022	**200,000**	**$0.10**		

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended March 31, 2022 was based on the loss attributable to common shareholders of $18,899 and the weighted average number of common shares outstanding of 3,650,000.

Escrow shares are considered contingently returnable until the Company completes a QT. Accordingly, subsequent to the Company's listing on the TSX-V on June 15, 2021, the 2,000,000 shares held in escrow will not be considered to be outstanding for the purposes of the loss per share calculations.

7. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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 QT by the Company as defined under the policies of the Exchange.

8. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at March 31, 2022, the Company is not exposed to currency risk.

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

8. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock markets to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31, 2022, the Company has a cash balance of $330,555 to settle current liabilities of $22,752.

The Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is exposed to liquidity risk as at March 31, 2022.

Fair Value Measurements

The fair value of cash is determined based on Level 1 inputs.

As at March 31, 2022, the Company's financial instruments consist of cash, GST receivable, and accounts payable and accrued liabilities. GST receivable and accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.