

Financial Statements of

JJR CAPITAL VENTURES INC.

(a Capital Pool Company)

For the Nine Month Period Ended September 30, 2004
(unaudited-Prepared by Management)

JJR CAPITAL VENTURES INC.

(a Capital Pool Company)

Balance Sheet

As of September 30, 2004

(unaudited-Prepared by Management)

	September 30, 2004	December 31, 2003
	(unaudited)	(audited)
Assets		
Current		
Cash	\$ 29,198	\$ 7,634
Investments (note 4)	586,000	689,769
Interest Receivable	7,711	309
	622,909	697,712
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 3,939	\$ 34,740
Shareholders' Equity		
Share Capital	692,415	689,915
Contributed surplus	16,000	16,000
Deficit	(89,445)	(42,943)
	618,970	662,972
	622,909	\$ 697,712

See accompanying notes to financial statements

Approved On behalf of the Board:

"Signed" Director
Ronald D. Schmeichel

"Signed" Director
Michael R. Rempel

JJR CAPITAL VENTURES INC.

(a Capital Pool Company)

Statements of Operations and Deficit

(unaudited-Prepared by Management)

For the Three and Nine Month Period Ended September 30, 2004

	Three Months Ended 30-Sep 2004	Nine Months Ended 30-Sep 2004
Revenue		
Interest Income	\$ 2,930	\$ 9,106
Expenses		
Expenses relating to identification of qualifying transaction	2,679	33,146
Filing and exchange Fees	-	1,338
Office and General	985	21,124
	3,664	55,608
Net loss for period	(734)	(46,502)
Deficit, beginning of period	(88,711)	(42,943)
Deficit, end of period	(89,445)	(89,445)
Earnings per common share:		
Basic	\$ 0.00	0.00
Fully Diluted	\$ 0.00	0.00
Weighted average number of common shares outstanding*:		
Basic	10,001,277	10,000,000
Fully Diluted	11,600,000	11,600,000

* See accompanying notes to financial statements

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Statements of Cash Flows

(unaudited-Prepared by Management)

For the Three and Nine Month Period Ended September 30, 2004

	Three Months Ended 30-Sep 2004	Nine Months Ended 30-Sep 2004
Cash provide by (used in):		
Operations:		
Loss for period	\$ (734)	\$ (46,502)
Changes in non-cash operating working capital:		
Interest Receivable	(2,930)	(7,402)
Accounts Payable and accrued liabilities	(4,759)	(30,801)
	<u>(8,423)</u>	<u>(77,303)</u>
Financing:		
Issuance of common shares	2,500	2,500
Investments:		
Investments	-	103,769
Increase in cash position	(5,923)	21,564
Cash, beginning of period	35,121	7,634
Cash, end of period	\$ 29,198	\$ 29,198

Supplementary cash flows information:

Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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Notes to Financial Statements

(unaudited-Prepared by Management)

For the Nine Month Period Ended September 30, 2004

1. INCORPORATION AND NATURE OF BUSINESS:

The Corporation was incorporated under the Business Corporation Act (Ontario) on October 1, 2003 and is classified as a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange ("The Exchange") and publicly traded on the TSX Venture Exchange ("TSXV") under the symbol "JJR". The Corporation proposes to identify and evaluate potential acquisitions or businesses, and once identifies and evaluated, to negotiate an acquisition of participation subject to receipt of regulatory and, if required, shareholder approval.

2. SIGNIFICANT ACCOUNTING POLICIES:

Management has prepared the unaudited financial statements of the Company in accordance with Canadian generally accepted accounting principles for interim financial reporting. Accordingly, they do not include all of the information and notes required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included. The result for the interim periods presented are not necessary indicate of the results that may be expected for any future period. The following information should be read in conjunction with the financial statements and notes thereto included in the Company's audited financial statements for the year ended December 31, 2003. Accounting policies followed in the preparation of the annual financial statements are consistent with those used in the preparation of the September 30, 2004 interim financial statements.

3. AUDITOR REVIEW:

These unaudited financial statements have not been reviewed by the Company's auditors.

4. INVESTMENTS:

Guaranteed Income Certificates, cashable, maturing January 27, 2005 bearing interest at 2%, at cost	\$586,000
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5. SHARE CAPITAL:

The issued and outstanding share consists of:

	September 30, 2004	December 31, 2003
10,025,000 common shares	\$ 692,415	\$ 689,915
(December 2003 - 10,000,000)		

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Notes to Financial Statements

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For the Nine Month Period Ended September 30, 2004

5. SHARE CAPITAL (Continued):

A change in the issued and outstanding common shares for the nine-month period ended September 30, 2004 was as follows:

	Number	Dollars
Balance, December 31, 2003	10,000,000	\$ 689,915
Issue of shares for cash*	25,000	2,500
Balance, September 30, 2004	10,025,000	692,415

* Shares were issued on September 17, 2004 to First Associates Investments Inc., the Corporation agent, as partial exercise of its broker options to purchase 600,000 common shares exercisable at a price of \$0.10 per share for a period of 18 month from the day the common shares of the Corporation were listed on the TSX Venture Exchange. Stock Options outstanding to First Associates Investments Inc. at September 30, 2004 are 575,000 (600,000-25,000) common shares.

6. STOCK OPTIONS:

Stock Options outstanding at September 30, 2004 are as follows:

	Number	Weighted Average Exercise Price Per Share
Outstanding, December 31, 2003	1,600,000	\$ 0.10
Exercised	(25,000)	0.10
Outstanding, September 30, 2004	1,575,000	0.10