BLOCKCHAIN VENTURE CAPITAL INC.

FORM 2A
LISTING STATEMENT

FOR AN INITIAL APPLICATION FOR LISTING OF COMMON SHARES

August 8, 2022

Neither the Canadian Securities Exchange nor any other securities regulatory authority has in any way passed upon the merits of the application for listing of common shares described in this listing statement.

To allow Blockchain Venture Capital Inc. ("BVCI") to carry out its CADT (as defined below) related business, BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. Unless and until BVCI is registered under applicable securities laws for purposes of carrying out its CADT related business, or BVCI is otherwise satisfied that it can conduct such business in compliance with all applicable securities laws, it intends to have all its CADT trading occur through a dealer (via the BVC Chain (as defined below)) that is resgistered in a category of registration under applicable securities laws which permits CADT to be traded through it - i.e., KVB. See below, under the heading "Securing a Registered Securities Dealer". BVCI has entered into a Dealer Services Agreement (as defined below) with KVB pursuant to which CADT trading may occur through KVB; however, there is no assurance that the conditions to the benefit of KVB in the Dealer Services Agreement will be satisfied. Accordingly, there is no assurance BVCI will be able to pursue its proposed CADT business or any related BvcPay (as defined below) business that relies on CADT. The business that BVCI is currently capable of carrying out is limited to its BVC Chain business division, which is intended to provide fee based innovative technology infrastructure solutions and services to organizations and other business participants in the emerging blockchain and ledger technology industry. Readers are urged to review Item 17 "Risk Factors" in this Listing Statement.

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Glossary of Terms

The following terms used in this Listing Statement have the following meanings. This is not an exhaustive list of defined terms used in this Listing Statement and additional terms are defined throughout the Listing Statement:

"**Amalgamation**" means the amalgamation of BVCI and Flexwork pursuant to Section 174 of the OBCA;

"**Amalgamation Agreement**" means the amalgamation agreement dated March 15, 2021 between BVCI and Flexwork, as amended and restated effective June 1, 2021 and further amended March 2, 2022;

"**AML**" means anti-money laundering, counter terrorist financing and sanctions compliance;

"**Articles**" means the articles of incorporation of BVCI dated January 12, 2018, as amended pursuant to the articles of amendment of BVCI dated January 10, 2020;

"**associate**" has the meaning ascribed thereto in the Securities Act (Ontario);

"**Board**" means the board of directors of BVCI prior to the Transaction and the board of directors of the Issuer following the Transaction;

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Toronto, Ontario are not generally open for business;

"**BVC Chain**" means BVCI's proprietary blockchain technology which supports BvcPay and related functions and the native Stablecoin, CADT, and which can operate as a centralized or decentralized ledger;

"**BVCI**" or the "**Company**" means Blockchain Venture Capital Inc., a corporation incorporated under the OBCA on January 12, 2018 by way of articles of incorporation, as amended on January 10, 2020 by way of articles of amendment. BVCI refers to Blockchain Venture Capital Inc. prior to completion of the Transactions. Upon completion of the Transactions, the Issuer became the successor of both BVCI and Flexwork, and it assumed the Blockchain Venture Capital Inc. name;

"**BVCI Common Shares**" means common shares in the capital of BVCI;

"**BVCI Options**" means the issued and outstanding options of BVCI exercisable for BVCI Common Shares;

"**BVCI Private Placement**" means the non-brokered private placement offering of 675,050 BVCI Common Shares at a price of $2.00 and 85,715 Units at a price of $1.75 for aggregate gross proceeds of $1,500,101.25.

"**BvcPay**" means the mobile application developed by BVCI which functions as a decentralized Digital Currency wallet and a blockchain explorer;

"**CADT**" means the cryptographic stablecoin issued or to be issued by the Issuer via the BVC Chain and KVB Wallet, including the related or derivative rights and responsibilities of a User set out in a User Agreement; each CADT is supported on a 1:1 basis with a Canadian dollar;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**control**" and related terms including "**controlling**" and "**controlled**", shall mean the possession, directly or indirectly, by or on behalf of a person or group of persons acting jointly or in concert, of the following in respect of another person: (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and (iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

"**Consolidation**" means the consolidation of the Flexwork Common Shares that was completed immediately prior to the closing of the Amalgamation pursuant to which shareholders of Flexwork received one post-Consolidation Fleexwork Common Share for every 21.25353 pre-Consolidation Flexwork Common Shares held.

"**CRA**" means the Canada Revenue Agency and any successor thereto;

"**Cryptocurrency**" means a Digital Currency in which encryption (cryptography) techniques are used to regulate the generation and transfer of units of the currency, and which generates a ledger for recording and verifying transactions with those units;

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange;

"**CSE Escrow Agreement**" means the escrow agreement to be entered into on the day the Issuer is listed on the CSE, among the Issuer, the Transfer Agent and certain shareholders, pursuant to which 15,093,184 Issuer Common Shares will be held in escrow pursuant to National Policy 46-201 *Escrow for Initial Public Offerings;*

"**CSE Escrow Shares**" means the 15,093,184 Issuer Common Shares that are held in escrow pursuant to the CSE Escrow Agreement;

"**Custodial Account**" means the custodial account maintained by the Issuer, through its Custodian, where the Canadian funds corresponding to circulated CADT is held on a one-to-one basis;

"**Custodian**" means Wyth Trust (formerly Concentra Trust), a subsidiary of Wyth Bank (formerly Concentra Bank), and BVCI's custodian;

"**Dealer Services Agreement**" means the Dealer Services Agreement dated November 16, 2021 between BVCI and KVB;

"**Development Agreement**" means the Software Development Agreement dated November 1, 2020 between BVCI and Hengwell;

"**Digital Currency**" means an internet or electronic based medium of exchange (i.e., distinct from physical, such as banknotes and coins) that exhibits properties similar to physical currencies, however, allows for near instantaneous transactions and borderless transfer-of-ownership. Stablecoins and Cryptocurrencies are types of Digital Currencies. Like traditional money these currencies may be used to buy physical goods and services but could also be restricted to certain communities such as, for example, for use inside an on-line game or social networks;

“**Fiat Currency**” means a currency that a government has declared to be legal tender but is not backed by a physical commodity such that the value of fiat currency is derived from the relationship between supply and demand rather than the value of the material that the money is made of;

“**Flexwork**” means Flexwork Properties Ltd., a corporation incorporated under the laws of Ontario on July 11, 2005 by way of certificate of incorporation, as amended on September 24, 2009, February 22, 2011 and September 17, 2018 by way of articles of amendment. Flexwork refers to Flexwork Properties Ltd. prior to completion of the Transactions. Upon completion of the Transaction, the Issuer became the successor of both BVCI and Flexwork, and it assumed the Blockchain Venture Capital Inc. name;

“**Flexwork Common Shares**” means common shares in the capital of Flexwork;

“**Flexwork Options**” means the issued and outstanding options of Flexwork exercisable for Flexwork Common Shares;

“**Hengwell**” means Hengwell Information Technology Co., Ltd., a China based corporation;

“**Hengwell Agreement**” means the Blockchain Technology Service Purchase Contract dated November 10, 2018 between Hengwell and BVCI, as superceded by the Development Agreement and the Maintenance Agreement.

“**IFRS**” means International Financial Reporting Standards;

“**Issuer**” means Blockchain Venture Capital Inc., a company existing under the Act, and being the entity formed by way of articles of amalgamation dated August 3, 2022, all pursuant to the Transaction whereby BVCI and Flexwork amalgamated. Upon completion of the Transactions, the Issuer became the successor of both BVCI and Flexwork, and it assumed the Blockchain Venture Capital Inc. name;

“**Issuer Common Shares**” means common shares in the capital of the Issuer;

“**Issuer’s Option Plan**” has the meaning set out in Item 9 – Options to Purchase Securities;

“**Issuer Option**” means the option to purchase an Issuer Common Shares granted pursuant to the Issuer Option Plan;

“**Issuer Warrants**” means warrants to purchase Issuer Common Shares;

“**KVB**” means KVB Financial Canada Inc., a corporation registered as an Exempt Market Dealer in the Provinces of Alberta, British Columbia and Ontario, and the selling agent through whom CADT will be sold on behalf of the Corporation;

“**KVB Wallet**” means BvcPay, as branded and customized for KVB for purposes of CADT transactions made through KVB, as selling agent of CADT, all as contemplated by the Dealer Services Agreement.;

“**KYC**” means know your client;

“**Listing Statement**” means this CSE Form 2A Listing Statement, which is being filed as required in accordance with the policies of the CSE;

“**Listing Date**” means the date of listing of the Issuer Common Shares on the CSE;

"**Maintenance Agreement**" means the Blockchain Software Maintenance and Support Agreement dated November 1, 2020 between BVCI and Hengwell;

"**NI 41-101**" means National Instrument 41-101 *General Listing Statement Requirements*;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings*;

"**OBCA**" means the *Business Corporations Act* (Ontario), as from time to time amended or re-enacted, and includes any regulations made pursuant thereto;

"**person**" includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association and pronouns have a similarly extended meaning;

"Promissory Note" means the promissory note dated November, 2018 issued by BVCI to Hengwell in the amount of $1,200,000. See Item 3 - "General Development of the Business" - "Development Agreement";

"Reverse Takeover" has the meaning set out in National Instrument 51-102 *Continuous Disclosure Obligations*. The Transaction, as defined herein, constitutes a Reverse Takeover;

"**Securities Act**" means the *Securities Act* (Ontario), as amended;

"**Securities Authorities**" means, collectively, the securities commissions or similar securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

"**Shareholder**" means a holder of Issuer Common Shares;

"Stablecoin" means a Digital Currency designed to minimize the volatility of its price, typically by linking it to some other asset or basket of assets (such as fiat currency or a commodity) or by use of a price-stabilising algorithm.

"**subsidiary**" has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned by BVCI);

"**Tax Act**" means the *Income Tax Act* (Canada) as amended;

"**TPS**" means transactions per second which a network is capable of performing;

"**Transaction**" means the Amalgamation of BVCI and Flexwork pursuant to the terms of the Amalgamation Agreement, which constituted a Reverse Takeover of Flexwork by BVCI, and it includes the Consolidation and the BVCI Private Placement;

"**Transfer Agent**" means TSX Trust Company;

"**U.S.**" means the United States of America;

“**Unit**” means a unit comprised of a BVCI Common Share and a BVCI Common Share purchase warrant, to be offered by BVCI;

"**User**" means a person that is party to a User Agreement, whose identity has been verified and who has been accepted for purposes of acquiring, transacting in and redeeming CADT; and

"**User Agreement**" means a user agreement between a User and the Issuer, and all attachments thereto, in the form prescribed by the Issuer from time to time and which must be completed and executed (electronically or otherwise) by a prospective User in order to become a User and acquire CADT.

INTRODUCTION

This Listing Statement is furnished on behalf of the management of the Issuer in connection with the initial application for listing of Issuer Common Shares on the CSE, as more particularly described in this Listing Statement and in accordance with the rules of the CSE.

Capitalized terms used in this Listing Statement which are not otherwise defined have the meanings set forth under the heading "Glossary of Terms" of this Listing Statement. Information contained in this Listing Statement is given as of the date hereof, unless otherwise specifically stated.

Forward Looking Statements

Certain statements in this Listing Statement may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate" and other similar terminology. These statements reflect the Issuer's current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under "Risk Factors". Although the forward-looking statements contained in this Listing Statement are based upon what management of the Issuer believes are reasonable assumptions, the Issuer cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement. In particular, this Listing Statement contains forward-looking statements pertaining to the following:

- expectations regarding industry trends, overall market growth rates and the Issuer's growth rate and growth strategy;
- The Issuer's operations, business plans and strategies and discussion of trends affecting the business of the Issuer;
- The Issuer's competitive position in the industry;
- the anticipated revenues and cashflows from operations and consequent funding requirements of the Issuer;
- The Issuer's ability to secure and complete anticipated contracts;
- The Issuer's expected results from operations, future capital and other requirements and expenditures (including the amount, nature and resources of funding thereof);
- the anticipated revenues to be realized by the Issuer from future contracts;
- The Issuer's operating expenses;
- business prospects and opportunities;
- dependence on key personnel;

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer, that could influence actual results include, but are not limited to the following:

- The Issuer has a limited operating history and may encounter difficulties managing its growth and development, or may be unsuccessful in its business efforts generally;
- The Issuer's CADT and BvcPay businesses are not currently operational and there is no assurances that they will ever be operational;
- the market for the Issuer's technology platform and services is unproven and may not mature and develop at expected levels;
- anticipated relationships with Canadian financial institutions may not materialize in the manner expected or may not materialize at all;
- unintended violations of privacy laws could lead to public relations problems and could impair the Issuer's ability to obtain Users for the Issuer's services;
- technological malfunction caused by cyber attacks, human error or natural disaster could lead to a disruption in the Issuer's services;
- The Issuer may fail to successfully market and develop its technology and brand;
- The Issuer may fail to expand its sales capabilities in the manner intended;
- The Issuer may experience delays in the operation of its computer and platform system;
- The Issuer may experience interruptions or delays in services it receives from third-party service providers, or from its own facilities, to host and deliver its services.
- The Issuer may experience delays in the operation of its computer network;
- The Issuer may fail to enforce its intellectual property rights, or maintain or develop its brand;
- The Issuer may be unable to attract or retain key qualified personnel;
- The Issuer may require additional capital to support its business growth, and this capital may not be available on acceptable terms or at all;
- a market may not continue to develop or exist for the Issuer Common Shares;
- The Issuer may issue additional shares in an equity financing that may have the effect of diluting the interest of its shareholders;
- The Issuer's services may be compromised in the event of a widespread or persistent internet outage;
- The Issuer will continue to incur increased costs and demands upon management as a result of becoming a public company;
- The Issuer has a limited operating history and may be unsuccessful in its business efforts;
- changes in legislation and government;
- changes and volatility in general business and economic conditions, and the financial markets generally.

The factors identified above are not intended to represent a complete list of the factors that could impact the Issuer. Additional risk factors are noted under the heading "*Risk Factors*" in this Listing Statement.

Although the Issuer has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Issuer does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Issuer or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

2. Corporate Structure

The Issuer

This Listing Statement has been prepared in connection with the Transaction and the proposed listing on the CSE of the Issuer Common Shares.

The corporate name of the Issuer is "Blockchain Venture Capital Inc." The Issuer was formed on August 3, 2022 under the OBCA by way of the Amalgamation of Flexwork and BVCI pursuant to the Amalgamation Agreement, all as contemplated by the Transaction. Pursuant to the Transaction, the articles of the Issuer are the Articles of Amalgamation of the Issuer, a copy of which is available on the Resulting Issuer's SEDAR profile at www.sedar.com. The Issuer has no subsidiaries.

The Issuer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The head office and the registered office of BVCI is located at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3.

On May 25, 2022 the Issuer obtained the conditional approval to list the Issuer Common Shares on the CSE.

BVCI Prior to the Transaction

BVCI, Blockchain Venture Capital Inc., was incorporated under the *OBCA* on January 12, 2018. Pursuant to articles of amendment dated January 10, 2020, BVCI removed restrictions on the transfer of it shares, removed the limit on the number of its shareholders, removed restrictions on the business BVCI could carry on, and redesignated all of its preference shares and its common shares, including all such issued and outstanding shares, as one new class of common shares.

On August 23, 2019, BVCI was registered as a money service business ("MSB") with the Financial Transaction and Reports Analysis Centre of Canada (FINTRAC), under MSB registration number M19821264. On January 21 2021, BVCI had received confirmation from FINTRAC that its MSB registration had been extended for two (2) more years to January 31, 2024 (from January 31, 2022).

BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. See Item 3 - General Development of the Business prior to the Transaction.

The head office and the registered office of BVCI was located at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3. BVCI does not presently have a parent company or a subsidiary.

Flexwork Prior to the Transaction

By way of a Certificate of Incorporation, Flexwork Properties Ltd. was incorporated in the Province of Ontario on July 11, 2005 as “Richmond Energy Corp.”. Thereafter, by way of an Articles of Amendment dated September 24, 2009, Flexwork changed its name to “REC Minerals Corp.”. Thereafter, Flexwork changed its name to “Reliant Gold Corp.” by Articles of Amendment dated March 1, 2011, which in turn, was carried out pursuant to shareholder approval obtained on February 22, 2011. Finally, by Articles of Amendment dated September 17, 2018, Flexwork changed its name from Reliant Gold Corp. to Flexwork Properties Ltd., pursuant to shareholder approval obtained on August 30, 2018. The head office and registered address of Flexwork are located at 1 King Street West, Suite 4009, Toronto, Ontario, Canada, M5H 1A1.

Flexwork is a reporting issuer in the provinces of Ontario, British Columbia and Alberta. Flexwork Common Shares were listed on the CSE under the stock symbol “RNG” since February 28, 2018. On May 28, 2018, the Flexwork Common Shares were subject to a voluntary trading halt so that it could explore opportunities for and complete a potential Fundamental Change, such as a reverse takeover transaction. Such trading halt remained in place until completion of the Transaction.

3. General Development of the Business

3.1 General development of the Business

The Issuer was formed by way of Amalgamation of Flexwork and BVCI pursuant to the Transaction. As a result, the development of the Issuer’s business is based upon the development of the businesses of BVCI and Flexwork prior to the completion of the Transaction. However,as the Transaction constituted a Reverse Takeover of Flexwork by BVCI, and Flexwork had no active business, did not generate revenue from operations, and had no source of revenue in any of the three most recently completed financial years, the general development of the business of the Issuer is primarily based upon the development of the business of BVCI prior to the completion of the Transaction. See Item 3, “General Development of the Business prior to the Transaction”.

General development of the Business prior to the Transaction

Prior to the formation of the Issuer pursuant to the Amalgamation of BVCI and Flexwork, Flexwork had a limited history and was not considered an operating corporation. BVCI was incorporated on January 12, 2018 to launch its blockchain initiative in response to the unmet demand for digital based payment solutions, and to address various infrastructure shortfalls of the more traditional financial infrastructure, including costs, liquidity and counterparty risk management.

Instrumental to BVCI’s intended business and its growth strategy is BVC Chain, a proprietary blockchain platform and ledger technology, which can operate as a centralized or decentralized ledger. BVC Chain was designed to be a turnkey solution, which can be customized and implemented by organizations wishing to deploy blockchain platform based solutions, products or services. BVC Chain also serves as the platform and infrastructure for BvcPay and CADT. BvcPay is a cloud based mobile application that has the capability to function as a Digital Currency wallet and which can facilitate point of sale and online transactions using Bitcoin, Ethereum and CADT. CADT is the native Digital Currency of the BVC Chain, and it is intended to be a Stablecoin.

BVCI intends to have three business divisions, each of which will primarily relate to one of its proprietary technology assets: (i) BVC Chain; (ii) BvcPay; and (iii) CADT. Development of the BVC Chain technology, as well as BvcPay and CADT, was completed pursuant to the Hengwell Agreement, as subsequently replaced by the Development Agreement and the Maintenance Agreement. The Development Agreement provided for a cost to BVCI of $1,200,000 for services associated with the development of the BVC Chain by Hengwell. Pursuant to the Maintenance Agreement, Hengwell developed BvcPay and CADT on behalf of BVCI, and is to provide 24/7 maintenance and support services to BVCI, resolve any service incidents reported by BVCI, develop corrections, bug fixes, improvements and enhancements with respect to such technology, and provide new and/or updated documentation to reflect maintenance and further updates or changes to such technology, as well as provide training to BVCI's representatives. The Maintenance Agreement provides for annual fee of $24,000. See additional details below, under the heading "Development Agreement" and "Maintenance Agreement".

Pursuant to the BVC Chain business division, BVCI intends to provide fee based innovative technology infrastructure solutions and services to organizations and other business participants in the emerging blockchain and ledger technology industry. The fee BVCI will charge customers will very depending on the complexity of the solution and time required to implement the solution on behalf of a customer. Implementing the solution primarily involves integrating the customer's computer software (which would vary depending on the customer and the solution being implemented) into the BVC Chain, via an application programming interface (API). Such work is expected to be done by Hengwell on behalf of BVCI pursuant to the Maintenance Agreement.

As at the date hereof, BVCI is not currently offering CADT or any related BvcPay applications as it is not currently registered as a dealer in accordance with applicable securities laws, and the provision of dealer services by KVB pursuant to the Dealer Services Agreement is subject to the satisfaction of several conditions, including development of the KVB Wallet, and KVB obtaining the necessary assurances that the KVB Wallet functions in a manner that is in compliance with applicable securities laws. As there is no assurance BVCI will obtain registration as an exempt market dealer under applicable securities laws in a manner that permits it to trade in CADT or otherwise deploy any related BvcPay applications, or the conditions to the benefit of KVB in the Dealer Services Agreement will be satisfied, there is no assurance BVCI will be able to pursue its proposed CADT business or any related BvcPay business that relies on CADT, each of which are described below. See Item 17 - "Risk Factors". Also see Item 4, "Narrative Description of Business" - "BVC Stablecoin - CADT".

The BvcPay business division is intended to provide a cloud based mobile application that functions as a digital asset wallet, and which can facilitate point of sale and online transactions over the BVC Chain using Bitcoin, Ethereum, CADT and Canadian Dollars. As contemplated by the Dealer Services Agreement, BvcPay has been branded as the KVB Wallet and customized for purposes of having CADT transactions carried out through KVB, as selling agent of CADT once the applicable condition of the Dealer Services Agreement have been met. BvcPay Users are anticipated by management to originate from the various BVC Chain implementations carried out under its BVC Chain business division, as well as Users who independently subscribe and use BvcPay (including the KVB Wallet), either to store Cryptocurrency, or transact at various retail/ecommerce channels. BVCI does not currently intend to charge Users to download or fund the BvcPay or the KVB Wallet. However, a small percentage fee will apply where a transaction with BvcPay results in a net increase or decrease to the Canadian funds held in the Custodial Account.

BVCI's CADT business division is expected to issue CADT, a cryptographic stablecoin supported on a 1:1 basis with an equivalent amount of Canadian dollar held in the Custodial Account. CADT is expected to support real time pricing, payment, settlement, digital asset issuance and ledger capabilities. BVCI's objective is to generate revenue from its CADT business division by capturing a small percentage fee of any transaction whereby a User acquires newly issued CADT or the holder of CADT redeems CADT resulting in a corresponding increase or decrease, as the case may be, to the amount of CADT on the BVC Chain and the amount of corresponding Canadian funds held in the Custodial Account.

BVCI currently assumes and conducts itself on the basis that CADT, either alone or in connection with a User Agreement, will be a security and derivative. As such, BVCI assumes that it is required to be registered as a dealer pursuant to applicable securities laws in order to carry out its proposed CADT business, or that it must rely on an exemption from such requirement for registration. As BVCI is not currently registered as a dealer, all of its current CADT trading activities are expected to be carried out through KVB and the KVB Wallet in reliance on an exemption from the registration requirement, as contemplated under applicable securities laws in Alberta, British Columbia and Ontario. Similarly, BVCI intends to rely on an exemption from the prospectus requirement under such securities laws such that CADT can be distributed to the public without the need for the filing of a prospectus. Specifically, BVCI intends to prepare and maintain a current offering memorandum, and otherwise comply with the requirements of the offering memorandum exemption, as prescribed in National Instrument 45-106 *Prospectus Exemptions*.

BVCI believes that BVC Chain, and if operational BvcPay (and the KVB Wallet) and CADT will, strategically position it to capture the full value chain resulting from the transitioning of data and other financial assets to a blockchain platform and ledger, and the new paradigm of conducting business that utilize such technologies. By leveraging its proprietary technologies, both alone and in combination with one another, BVCI hopes to strategically position itself to provide an expansive and valuable blockchain ecosystem for organizations, businesses and individuals, with the intent of better monetizing that ecosystem as it grows by continually attracting new customers who can also participate in it and benefit from it.

BVCI believes that if it can sucessfully provide BVC Chain based infrastructure solutions and services to organizations and business customers, as those customers grow or otherwise realize the benefits of a distributed ledger based infrastructure, they will further embrace the technology and look to further leverage it, which will generate new opportunities for innovation to address additional customer needs. BVCI believes that this will in-turn lead to increasing brand awareness and high-quality referrals, as well as additional opportunities that will facilitate the growth of BVCI and the BVC Chain ecosystem. Similarly, BVCI believes that to the extent it can successfully deploy its BvcPay business and its CADT business, the adoption of BvcPay and or CADT by Users will further benefit BVC Chain ecosystem participants, leading to further brand awareness and growth.

Development of Technology

Integral to the development of BVCI's business was its development of the BVC Chain technology through its consultant Jiangsu Hengwell Information Technology Co., Ltd. ("Hengwell"), a China based corporation, pursuant to the Hengwell Agreement. The Hengwell Agreement was subsequently replaced by the Development Agreement and the Maintenance Agreement, each dated effective November 1, 2020, to better reflect the actual arrangement agreed to by the parties and to formalize certain oral amendments that had been agreed to following the initial execution of the Hengwell Agreement.

Prior to its development, Mr. Xin (Richard) Zhou, BVCI's CEO, had ongoing dealings with the principals of Hengwell while working together on Blockchain development projects related to the manufacturing sector. During this time, Mr. Zhou and Mr. Hedong Zhang, the CEO of Hengwell, discussed the potential applications and benefits of Blockchain technology to financial infrastructures generally, and more specifically, payment solution services. These discussions led to a more formal arrangement whereby BVCI was incorporated by Mr. Zhou and the parties entered into the Hengwell Agreement. Pursuant to the Hengwell Agreement, as superceded by the Development Agreement and the Maintenance Agreement, BVCI engaged Hengwell as its consultant to develop the underlying technology to the BVC Chain, and its services to develop and deploy CADT and BvcPay on the BVC Chain, and to provide ongoing maintenance services in respect of this technology. The development of BVC Chain, CADT and BvcPay was completed in the first quarter of 2019. See details of the Development Agreement and the Maintenance Agreement, below, under the following headings: “Development Agreement” and “Maintenance Agreement”, respectively.

Development Agreement

The Development Agreement provided for the development by Hengwell of certain software and work product for BVCI relating to the BVC Chain blockchain, which included the programming tools, scripts and routines comprising the software (including source code) as well as all documentation, specifications, and other documents, work product and materials related to the “BVC Chain”, together with all ideas, concepts, processes, and methodologies developed in connection therewith. (collectively, the “Work Product”). The Development Agreement further provided that BVCI would be the sole and exclusive owner of all right, title and interest in and to the Work Product, including all intellectual property rights therein. The Development Agreement provided for a purchase price for the Work Product of $1,200,000, and a provision that allowed BVCI to pay such amount by way of a promissory note. As all work was completed under the Development Agreement, BVCI issued the Promissory Note, dated November, 2018 to Hengwell in the amount of $1,200,000. The Promissory Note is unsecured, does not bear interest, and it is repayable on or before November 10, 2023. On November 7, 2019, BVCI entered into a set-off agreement with Hengwell whereby 378,000 BVCI Common Shares were issued to Hengwell in exchange for the settlement of $200,000 of the principal amount owing under the Promissory Note. As at March 31, 2022, $750,000 remained owing under the Promissory Note.

As all work was completed under the Development Agreement, the Development Agreement is no longer in effect. However, pursuant to such agreement, its expiration is not to affect BVCI’s rights in any of the work product developed by Hengwell on behalf of BVCI pursuant to such Agreement. Similarly, the Development Agreement includes representations and warranties from Hengwell respecting the work product, which representations and warranties are stated as surviving the expiration of the Development Agreement. In particular, the Development Agreement provides for the following representations and warranties, among other things: that (i) BVCI will receive good and valid title to all Work Product, free and clear of all liens and encumbrances of every nature and kind whatsoever; (ii) BVCI will be the owner of all right title and interest in and to the Work Product (including, without limitation, all “Intellectual Property Rights” therein); (iii) all Work Product will be the original creation of Hengwell; and (iv) the Work Product will not infringe, misappropriate, or otherwise violate any “Intellectual Property Right” or other right of any third party. The Development Agreement defines “Intellectual Property Rights” broadly by including, among other things, all patents, trademarks, copyrights and other intellectual property rights.

The Development Agreement also contains confidentiality provisions for the benefit of BVCI, as will as an indemnification provision for the benefit of BVCI in the event Hengwell breaches any representation, condition, warranty, covenant or obligation of it under the Development Agreement. The Development Agreement also provides that such confidentiality and indemnity provisions survive the expiration of the Development Agreement. The Development Agreement provides that it is for the sole benefit of the parties thereto and their respective successors and permitted assigns.

The Development Agreement also contemplates the execution of the Maintenance Agreement by BVCI and Hengwell for the provision by Hengwell of on-going maintenance and support, as described in the Maintenance Agreement. See below under the heading “Maintenance Agreement”.

While the Development Agreement does include some assurances and protections in respect of ownership of intellectual property rights in the BVC Chain and related technology, there is no certainty such technology does not infringe the rights of any other third party, or that Hengwell does not breach any of the representations or warranties that it provides in such agreement, or otherwise challenges BVCI's ownership rights in such technology. Similarly, to the extent any such assurances and protections are included in the Development Agreement, there is no certainty they can be relied upon or successfully enforced. BVCI did not perform any due diligence on Hengwell, or in respect of the BVC Chain technology or ay Work Product to ensure it does not infringe the rights of any third party, nor did the Issuer perform any such due diligence. See Item 17 - Risk Factors.

Maintenance Agreement

Pursuant to the Maintenance Agreement, Hengwell is to provide 24/7 maintenance and support services, resolve any service incidents reported by BVCI, develop corrections, bug fixes, improvements and enhancements, provide new and/or updated documentation to reflect maintenance releases and provide training to BVCI's representatives. Hengwell is subject to confidentiality provisions in favour of BVCI which include keeping confidential any information in any form or medium that BVCI considers confidential or proprietary, including information consisting of technology, trade secrets, know-how, business operations, plans, strategies, customers and pricing. The fee for the maintenance and support services is $24,000 per year, payable by way of one annual installment. The Maintenance Agreement further provides that BVCI is and will be the sole and exclusive owner of all right, title and interest in and to all maintenance releases, documentation, and any other work that Hengwell provides to BVCI, including all intellectual property rights therein. The term of the Agreement is for a period of 5 years from the effective date (November 1, 2020).

The Maintenance Agrement includes representations and warranties from Hengwell respecting deliverables to be provided by Hengwell pursuant to such agreement, such as maintenance releases, documentation, and any other work product that Hengwell provides or makes available to BVCI in connection with the maintenance services ("Deliverables"). Such representations are similar to those provided in the Development Agreement, and like the Development Agreement, they survive any termination or expiration of the Maintenance Agreement. Similarly, the Maintenance Agreement includes confidentiality provisions and indemnity provisions in favour of BVCI which are similar to the Development Agreement. and which also survive the expiration or termination of the Development Agreement. The Mainenance Agreement provices that it enures to the benefit of the parties, and their respective permitted successors and assigns.

While the Maintenance Agreement includes some assurances and protections in respect of ownership of intellectual property rights in Deliverables, there is no certainty such technology does not infringe the rights of any other third party, or that Hengwell does not breach any of the representations or warranties that it provides in such agreement, or otherwise challenges BVCI's ownership rights in any such Deliverables. Similarly, to the extent any such assurances and protections are included in the Maintenance Agreement, there is no certainty they can be relied upon or successfully enforced. BVCI did not perform any due diligence on Hengwell, or in respect of any Deliverables to ensure such Deliverables do not infringe the rights of any third party, nor did the Issuer perform any such due diligence. See Item 17 - "Risk Factors".

Securing a Custodian

After completion of the development of the BVC Chain, management focused its efforts on identifying a Canadian financial institution that was suitable to act as a custodian to hold the Canadian funds represented by CADT and to facilitate transactions related to CADT via BvcPay and the BVC Chain, and an application programming interface (API). In the fourth quarter of 2019, BVCI identified Concentra Trust, a subsidiary of Concentra Bank (now Wyth Trust, a subsidiary of Wyth Financial), a Schedule I Canadian financial institution, as a potential custodian. Following preliminary discussions, the parties worked closely together to develop an application programming interface ("API") between the BVC Chain and the Custodian's internal computer banking software. The API was successfully completed and tested in May of 2020. The terms of the relationship between BVCI and the Custodian are set out in a Custodial Agreement dated effective July 20, 2020. See details below, under the heading "Custodial Agreement".

Custodial Agreement

The Custodial Agreement is dated July 20, 2020 and has been entered into between BVCI and the Custodian (the "Custodial Agreement"). The Custodial Agreement is in respect of the services the Custodian will provide as custodian to BVCI. the Custodian will hold in safe custody Canadian dollar funds (the "Custodial Funds") received in consideration of the issuance of CADT by BVCI in a custodial account (the "Custodial Account"). BVCI will pay the Custodian a fee based on a percentage of the amount of deposits to and withdraws from the account, which amounts will correspond to the issuance and redemptions of CADT, respectively. The Custodian is acting solely in its capacity as a service provider to BVCI. The obligations and responsibilities of the Custodian are entirely administrative and not discretionary or fiduciary in nature; the Custodian is not acting as a trustee to BVCI or any holder of CADT.

During the term of the Custodial agreement, neither the Custodian, BVCI, nor any third-party is entitled to any of the Custodial Funds at any time, and no such amounts paid into the Custodial Account shall become the property of the Custodian, or be subject to any debts, liabilities, liens, interests or encumbrances of any kind of the Custodian. Notwithstanding the foregoing, in the event credits to the Custodial Account are made by the Custodian, in its sole discretion, in anticipation of the receipt of funds, and such funds are not received or payment is reversed:

(i) if the transaction where funds are not received, or payments that are reversed, is equal to or less than $1,000 (or such other amount agreed in writing by BVCI and the Custodian from time to time) and such amount is less than the retainer amount to be deposited by BVCI to the Custodian (such retainer being due and payable on the effective date of the agreement), the Custodian shall deduct an equivalent amount from such retainer deposit, in lieu of a deduction from the Custodial Account; and

(ii) in all other circumstances, notwithstanding (i) above, the Custodian may debit the Custodial Account with an amount representing (1) funds which are not actually received for value at such later date or (2) the reversed payment.

For transactions that exceed $1,000 (or such other amount as agreed in writing by the parties from time to time), the Custodian shall delay the notification through the API of that the funds have been received for not less than forty-eight (48) business hours (or such other period as agreed in writing by the parties from time to time). There is a risk that reversals may occur beyond the forty-eight (48) business hour delay in notification period.

Each of BVCI and the Custodian are subject to confidentiality obligations which survive the expiration or termination of the agreement.

Pursuant to the Custodial Agreement, the Custodian is required to conduct its obligations thereunder honestly and in good faith, and exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, but in any event no less than the reasonable standards of a professional custodian (the "Standard of Care"). The Custodial Agreement further provides that the Custodian is not liable for any action taken or omitted by it, or any action suffered by it to be taken or omitted excepting only its own failure to act in accordance with its Standard of Care.

BVCI has agreed under the Custodial Agreement to indemnify and hold harmless the Custodian and its affiliates, and their respective directors, officers, employees, delegates, assigns, representatives, related companies and agents, from and against any and all losses, claims, damages, liabilities, penalties, actions, suits, demands, levies, assessments, costs, expenses and disbursements, including any and all legal fees and disbursements (the "Losses"), of any kind or nature whatsoever, which may at any time be suffered by, imposed on, incurred by or asserted against the Custodian, whether groundless or otherwise, howsoever arising from, out of, in connection with, or as a result of:

(i) any suit or claim brought or commenced against a CADT holder or prospective CADT holder which arises from the failure of BVCI to observe, perform or keep the obligations required of BVCI under the agreement and any agreement with a CADT holder;

(ii) any suit or claim brought or commenced against the Custodian by any CADT holder, prospective CADT holder, or any other person, in each such case which arises from the issuance, delay in issuance, lack of issuance, cancellation, delay in cancelation or failure to cancel by BVCI of any CADT;

(iii) the failure or delay in BVCI complying with its obligations to use its best efforts to bring to the attention of the Custodian any new statute or regulation pertaining to securities law and cryptocurrency, which may affect the provisions of the agreement (other than new statutes or regulations pertaining to the operation of a Canadian federal trust company);

(iv) any act, omission or error of the Custodian in connection with its acting as the Custodian; and

(v) any other act or thing done or omitted to be done by, or any error by, BVCI or any affiliate, or their respective directors, officers, employees, agents, delegates and assigns, as the case may be;

except to the extent any such Losses are directly as a result of a breach of the Standard of Care by the Custodian.

BVCI is subject to representations and warranties which are standard for these types of custodial agreements, including the following:

(i) BVCI represents it will maintain and enforce an information technology security program and will take steps to enforce, review and update industry-standard internal security procedures; and

(ii) BVCI will comply with all applicable laws in its dealings with its Users and the Custodian.

The Custodial Agreement expires upon the earlier of the following to occur:

(i) Where there are no Custodial Funds held in the Custodial Account for a period of ninety (90) consecutive days as all CADT has been surrendered by the holders of CADT;

(ii) the Custodian exercising its termination rights as specified in the agreement; and

(iii) the Custodian being removed by BVCI exercising its removal and termination rights as specified in the agreement.

Pursuant to the Custodial Agreement, the Custodian will hold the Custodial Funds indefinitely, or until such time that the corresponding amount of CADT is surrendered or otherwise redeemed and removed from the BVC Chain., or until such time that the Custodial Agreement expires or is terminated in accordance with its terms. Prior to the expiration or any termination of the Custodial Agreement, in the event there are still funds in the Custodial Account, BVCI will appoint a successor custodian (which must be a Canadian financial institution or a Canadian trust company that is acceptable to the Custodian, in its sole discretion) to hold funds. Upon the appointment of a successor custodian, the Custodian will deliver, within ten (10) days, all of BVCI's property in the Custodian's possession, to the successor custodian. If BVCI does not appoint a successor custodian, the Custodian may, in its discretion, pay all of the Custodial Funds into an account administered by a court of competent jurisdiction in Ontario, Canada. Under no circumstances can the Custodian transfer funds to BVCI at any time during this process.

Registration as Money Service Business

To comply with applicable laws related to BvcPay and the provision of payment and other money service based solutions and services that BVCI intends to provide, on August 23, 2019 BVCI was registered as a money service business ("MSB") with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"), under MSB registration number M19821264, which registration was renewed for two (2) years effective January 15, 2022. Following the Transaction, the Issuer continues to be registered under this registration. BVCI was required, and the Issuer is required, to maintain a comprehensive anti-money laundering ("AML") and counter-terrorist financing ("CTF") policy which conforms with the Proceeds of Crime (Money Laundering) Terrorist Financing Act (Canada) and its regulations. As an MSB, the Issuer is required to have a chief AML officer. The Issuer has appointed Ming Yeung as the chief AML officer and compliance officer. The Issuer has also developed a relationship with The AML Shop in Toronto, an independent AML/CTF consultant, to provide ongoing advice and support specific to AML/CTF. Ms. Cywinska, a director of BVCI, is the Chief Operating Officer of The AML Shop. As such, the AML Shop is considered a related party to the Issuer.

The Issuer has also engaged the services of GBC plc (formerly IDM Global, Inc.) ("Identity Mind") pursuant to an agreement dated December 30, 2018 between BVCI and Identity Mind (the "Identity Mind Agreement"). Pursuant to the Identity Mind Agreement, Identity Mind provides, through the BVC Chain, technical support and services to BVCI for AML and fraud prevention (which then forms the basis of BVCI's AML screening) across a range of platforms covering Know Your Customer ("KYC"), sanctions screening and AML transaction monitoring, including: (i) real time anti-fraud reputation service, (ii) customer account origination service (KYC service), which evaluates in real time the validity of certain elements of a User's information provided, (iii) real time anti-money laundering monitoring service and (iv) merchant risk service. Further, as additional services to BVCI regarding identity proofing for onboarding of client's KYC, Identity Mind provides identity validation and authentication, risk and compliance analysis, sanctions/PEP screening and identification of possible identity fraud, through the Identity Mind database. For transaction monitoring for AML, Identity Mind monitors movement of money transactions (transfers, withdrawals, deposits and suspicious activity monitoring). For API platform services, the Identity Mind platform provides electronic DNA and IndentityLink analysis functionality that identifies identities and their risk in the context of a transaction or on-boarding process. The service also includes 1 hour of web based training for up to 5 Users and provides a help desk support from Monday to Friday, 9:00am Pacific Time to 5:00pm Pacific Time. One hour email response is available for critical issues during the aforementioned business hours and next business day email response is available for non-critical maintenance and support. In consideration of the services, BVCI paid a fee on closing and is obligated to pay a monthly fixed fee. Pursuant to the Identity Mind agreement, either party may terminate the agreement if any of the following events occur: (i) the other party materially breaches the agreement (after receiving written notice of such breach and 30 days opportunity to cure), (ii) the agreement is in violation of applicable law, or (iii) the other party becomes insolvent, enters into bankruptcy or other similar proceedings, or attempts to make an assignment for the benefit of creditors.

By engaging IndentityMind, and integrating their services into the BvcChain, BVCI believes it is better positioned to provide more efficient and seamless money service based solutions while still complying with laws applicable to the money and payment based solutions it intends to provide on the BVC Chain and via BvcPay.

Corporate Changes and Debt Extinguishment

On October 17, 2019, BVCI entered into a share exchange agreement with Mr. Richard Zhou as well as a subscription and debt extinguishment agreement. Pursuant to such share exchange agreement, 99,999 common shares in the capital of BVCI held by Mr. Zhou were exchanged for 199,998 preference shares in the capital of BVCI at a deemed price per share of $0.005. Pursuant to such subscription and debt extinguishment agreement, $23,979 owing by BVCI to Mr. Zhou was extinguished in exchange for an additional 4,759,400 preference shares in the capital of BVCI at a deemed price per share of $0.005. Subsequently, on October 25, 2019, BVCI and Mr. Zhou entered into a second subscription agreement and debt extinguishment agreement. Pursuant to that second debt extinguishment agreement, $201,000 owing by BVCI to Mr. Zhou was extinguished in exchange for the issuance of 55,833 common shares to Mr. Zhou at a price per share of $3.60. Pursuant to that second subscription agreement, Mr. Zhou subscribed for an additional 16,614 common shares in the capital of BVCI at a price per share of $3.60.

On November 7, 2019 BVCI entered into a set off agreement with Hengwell. Pursuant to such agreement, 378,000 BVCI Common Shares were issued in exchange for the settlement of $200,000 of the principal amount that remains owing to Hengwell in relationship to development of the BVC Chain technology. See Item 3 - "General Development of the Business - Development Agreement".

On December 23, 2019, BVCI undertook a stock split on all outstanding Common Shares on the basis of 180:1 whereby holders of record on thed ate thereof received 180 Common Shares for every one (1) Common Share held.

Effective for BVCI's 2020 fiscal year, BVCI changed its fiscal year-end from October 31 to December 31 to better align it with that of Flexwork in anticipation of the Transaction. This resulted in BVCI's 2020 fiscal year being a 14 month transition year. However, the audited financial statements for BVCI's 2020 fiscal year attached hereto are for the 12-month period from January 1 to December 31, 2020.

On January 10, 2020, BVCI amended its Articles to create a new single class of common shares, and, in connection with these amendments, all issued and outstanding common shares and preference shares were redesignated as such new class of common shares.

On August 1, 2020 a promissory note was signed by BVCI to evidence shareholder loans owing to Richard Zhou, the president and director of BVCI. Such promissory note reflected amounts Mr.Zhou had previously agreed (effective November 20, 2018) to advance to BVCI from time to time. All amounts owing under such note were repaid in full on October 20, 2021.

On August 31, 2020, BVCI issued 620,000 options pursuant to its Stock Option Plan. All such options expire on October 1, 2025, and allow the holder thereof to acquire one (1) common share in the capital of BVCI at a price of $0.53 at any time prior to expiration.

On November 16, 2021, pursuant to the Dealer Services Agreement, BVCI issued 100,000 warants to KVB. All such warrants expire on November 16, 2026, and allow the holder thereof to acquire one (1) common share in the capital of BVCI at a price of $1.50 at any time prior to expiration.

Private Placements

On April 30, 2020 BVCI completed a non-brokered private placement offering of 514,771 BVCI Common Shares at a price per share of $0.53 to raise gross proceeds of $272,828.63.

On June 30, 2020 BVCI completed a non-brokered private placement offering of 37,736 BVCI Common Shares at a price per share of $0.53 to raise gross proceeds of $20,000.08.

On July 28, 2020 BVCI completed a non-brokered private placement offering of 170,041 BVCI Common Shares at a price per share of $0.53 to raise gross proceeds of $90,121.73.

On September 11, 2020 BVCI completed a non-brokered private placement offering of 50,000 BVCI Common Shares at a price per share of $0.53 to raise gross proceeds of $26,500.

On March 01, 2021, BVCI completed a non-brokered private placement offering of 538,914.54 BVCI Common Shares at a price per share of $0.53, and 6,666 BVCI Common Shares at a price per share of $1.50, to raise aggregate gross proceeds of $295,625.01.

On June 08, 2021, BVCI completed a non-brokered private placement offering of 512,496 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $768,744.

On August 14, 2021, BVCI completed a non-brokered private placement offering of 274,407 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $411,610.50.

On September 27, 2021, BVCI completed a non-brokered private placement offering of 316,565 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $474,847.50.

On September 30, 2021, BVCI completed a non-brokered private placement offering of 177,958 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $266,937.

On November 01, 2021, BVCI completed a non-brokered private placement offering of 306,667 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $460,000.50.

On November 30, 2021, BVCI completed a non-brokered private placement offering of 72,000 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $108,000.

On January 10, 2022, BVCI completed a non-brokered private placement offering of 142,535 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $213,802.50, and 31,250 BVCI Common Shares at a price per share of $2.00 to raise aggregate gross proceeds of $62,500.

On February 15, 2022, BVCI completed a non-brokered private placement offering of 91,333 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $136,999.50, and 9,500 BVCI Common Shares at a price per share of $2.00 to raise aggregate gross proceeds of $19,000.

On April 21, 2022 BVCI completed a non-brokered private placement offering of 24,000 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $36,000, and 16,000 BVCI Common Shares at a price per share of $2.00 to raise aggregate gross proceeds of $32,000.

On July 15, 2022 BVCI completed a non-brokered private placement offering of 137,833 BVCI Common Shares at a price per share of $1.50 to raise aggregate gross proceeds of $206,749.50, and 198,600 BVCI Common Shares at a price per share of $2.00 to raise aggregate gross proceeds of $397,200 and 57,143 BVCI units, comprised of one BVCI Common Share and one BVCI Warrant at a price of $1.75 per Unit to raise aggregate proceeds of $100,000.25.

On July 21, 2022 BVCI completed a non-brokered private placement offering of 65,550 BVCI Common Shares at a price of $2.00 to raise aggregate gross proceeds of $131,100.

On July 27, 2022, BVCI completed a non-brokered private placement offering of 609,500 BVCI Common Shares at a price per share of $2.00 to raise aggregate gross proceeds of $1,219,000 and 85,715 BVCI units, comprised of one BVCI Common Share and one BVCI Warrant at a price of $1.75 per Unit to raise aggregate proceeds of $150,001.25.

Regulatory Matters

On September 17, 2020, BVCI filed a preliminary prospectus with the Ontario Securities Commission (the "Regulator"). It received a receipt for the preliminary Listing Statement on September 18, 2020. On January 22, 2021, the preliminary prospectus was withdrawn by BVCI as the Board was of the opinion that it was unlikely the concerns expressed by BVCI's principal security regulator's staff (the "Staff") would be addressed to their satisfaction prior to the date a final prospectus or amended preliminary prospectus was required to be filed pursuant to applicable securities laws. Consequently, the Board withdrew the preliminary prospectus with the intent of continuing to engage with Staff to address their concerns and subsequently refile a preliminary prospectus. However, during this time, the opportunity arose to carryout the Amalgamation with Flexwork, which the Board felt would be a more efficient and cost effective process to take BVCI's business public.

A concern expressed by Staff following its review of BVCI's preliminary prospectus was that CADT alone, and or in connection with a User Agreement, may be considered to be a security and or a derivative under applicable securities laws. While no formal decision was made on the matter, to alleviate concerns, BVCI now assumes and conducts itself on the basis that CADT, either alone or in connection with a User Agreement, is a security and derivative for the purpose of compliance with the securities laws that would otherwise apply if CADT and or the User Agreement was in fact a security and a deriviative. As a result, to allow BVCI to carry out its CADT related business, BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. Unless and until BVCI is registered under applicable securities laws for purposes of carrying out its CADT related business, or BVCI is otherwise satisfied that it can conduct such business in compliance with all applicable securities laws, it intends to have all its CADT trading occur through a dealer (via the BVC Chain) that is resgistered in a category of registration under applicable securities laws which permits CADT to be traded through it - i.e., KVB. See below, under the heading "Securing a Registered Securities Dealer".

A further concern expressed by Staff following its review of the preliminary prospectus related to its relationship with Hengwell Information Technology Co. Ltd. ("Hengwell") and the nature of the transactions carried out with Hengwell under the Hengwell Agreement, as subsequently replaced by the

Development Agreement and Maintenance Agreement. In regards to these concerns, the Board confirmed that Hengwell is not and has not previously been an affiliate of BVCI or the Issuer, and BVCI's relationship with Hengwell has been and is currently limited to Hengwell being a consultant to the Issuer, as specifically contemplated by the Development Agreement and Maintenance Agreement, and now as a creditor of the Issuer, as contemplated by the Promissory Note. With respect to the nature of the transactions carried out under such agreements, the Board confirmed Hengwell was engaged by and at the initiative of BVCI, as a consultant to BVCI, to develop the BVC Chain technology for BVCI, and with the intent that such development was in furtherance of BVCI's business goals, and that BVCI would be the owner of the BVC Chain technology, which it believes is consistent with Hengwell's own business model of developing technology on behalf of third parties. Consequently the Board is of the position that such transactions do not constitute the acquisition of a business. See Item 3 - "General Development of the Business - Development Agreement", and See Item 3 - "General Development of the Business - Maintenance Agreement".

The Transaction

On March 15, 2021, Flexwork and BVCI entered into an Amalgamation Agreement to carry out the Transaction, which agreement was subsequently amended and restated effective June 1, 2021 and further amended March 2, 2022. The Transaction closed on August 3, 2022. In connection with the Transaction:

- The Consolidation of the Flexwork Common Shares was completed immediately prior to the closing of the Amalgamation. Pursuant to the Consolidation, shareholders of Flexwork received one post-Consolidation Flexwork Common Share for every 21.25353 pre-Consolidation Flexwork Common Shares held.

- The BVCI Private Placement was completed, whereby an aggregate of 675,050 Common Shares at a price of $2.00 and 85,715 Units at a price of $1.75 were issued for aggregate gross proceeds of $1,500,101.25.

- The Issuer was formed by way of Amalgamation, pursuant to which the following occurred:

    - The Issuer was named Blockchain Venture Capital Inc.;

    - The Issuer was authorized to issue an unlimited number of Issuer Common Shares;

    - an aggregate of up to 25,699,179 Issuer Common Shares were issued to the former holders of BVCI Common Shares and (post-consolidated) Flexwork Common Shares, in each case on a one-to-one basis, with the effect that ninety-five (95%) of the Issuer Common Shares were issued to former holders of BVCI Common Shares and five (5%) of the Issuer Common Shares were issued to the former holders of (post-consolidated) Flexwork Common Shares;

    - BVCI's stock option plan was adopted as the Issuer's Option Plan;

    - all BVCI Options were converted into options of the Issuer, on the basis of one Issuer Option for each BVCI Option, with no change to the exercise price or expiry date, all of which are considered outstanding under the Issuer's Option Plan;

    - all Flexwork Options (on a post-consolidation basis) were converted into options of the Issuer, on a one-to-one basis, with the exercise price being deemed on a post-consolidation basis and with no change to the expiry date, all of which are considered outstanding under the Issuer's Option Plan;

  - The Issuer's bylaws were adopted;

- All of the directors and officers of Flexwork resigned, and all of the officers and directors of BVCI were appointed to corresponding offices of the Issuer, being as follows:

<u>Name</u>	<u>Offices Held</u>
Richard Zhou	Director, President and Chief Executive Officer
Steven Olsthoorn	Director, Chief Financial Officer and Corporate Secretary
Monika Cywinska	Director
Justin Poy	Director
Winfield Ding	Director

- The financial year end of the Issuer became December 31, being the financial year end of each of Flexwork and BVCI; and

- NVS Professional Corporation, being the auditor of BVCI, was appointed as the auditor of the Issuer.

The Transaction represented a Reverse Takeover of Flexwork by BVCI as, following the Transaction, the former securityholders of BVCI hold a significant majority of the outstanding Issuer Common Shares.

Securing a Registered Securities Dealer

BVCI currently assumes and conducts itself on the basis that CADT, either alone or in connection with a User Agreement, is a security and derivative for the purpose of compliance with the securities laws that would otherwise apply if CADT and or a User Agreement was in fact a security and a deriviative. As a result, BVCI also assumes that it must be registered as a securities dealer under an appropriate category of registration under applicable securities laws in order to carry out its CADT related business, or it must be able to rely on an exemption from such registration requirement. Consequently, BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. Unless and until BVCI is registered under applicable securities laws for purposes of carrying out its CADT related business, or BVCI is otherwise satisfied that it can conduct such business in compliance with all applicable securities laws without being registered, it intends to rely on an exemption from the registration requirements contemplated under applicable securities laws.

Pursuant to National Instrument 31-103 *Registration Requirements*, *Exemptions and Ongoing Registrant Obligations*, a dealer registration exemption exists where a trade in a security is made through a registered dealer that is resgistered in a category of registration under applicable securities laws which permits CADT to be traded through it, all as further prescribed therein. Such instrument also provides that a condition to relying on it is that the person intending to rely on it, as well as their representatives, do not solicit or contact directly any purchaser or prospective purchaser in relation to the trade. Consequently, on November 16, 2021, the Corporation entered into the Dealer Services Agreement with KVB, an exempt market dealer. See additional details, below, under the heading "Dealer Services Agreement". Also see

Item 17 - “Risk Factors”, and Item 4 - “Narrative Description of Business - Government Regulation and Compliance”.

Dealer Services Agreement.

The Dealer Services Agreement sets out a relationship between the Corporation and KVB that provides for respective obligations of the parties intended to ensure that (i) all trades in CADT by BVCI are made through KVB (and the KVB Wallet), but via the BVC Chain; and (ii) in respect of any trade in CADT, BVCI does not solicit or contact directly any purchaser or prospective purchaser, in each case subject only to BVCI itself being registered under securities laws in a category that permits the trade.

Pursuant to the terms of the Dealer Services Agreement, KVB has been appointed the exclusive selling agent authorized to offer CADT for sale using the KVB Wallet in the provinces of Ontario, British Columbia and Alberta. KVB is required to use “commercially reasonable” efforts to sell CADT. Subject to the approval of BVCI, KVB has the right to retain sub-agents for the distribution of CADT. Notwithstanding such exclusivity, BVCI will also have the right to sell and offer to sell CADT during the term of the Dealer Services Agreement, provided it becomes registered as a dealer in accordance with applicable securities laws, and otherwise complies with all applicable laws. Further, should BVCI sell CADT, it must effect the sale using the KVB Wallet and no other e-wallet application. The Dealer Services Agreement has a term of 5 years, subject to certain rights of early termination.

In consideration of the above services to be rendered by KVB to BVCI, BVCI is required to compensate KVB. Such compensation is equal to a fraction of a percent of the amount of an issuance or redemption of CADT which results in an increase or decrease in Canadian funds held in the Custodial Account. In the event any goods and service tax is payable in respect of any such fee, it will be the responsibility of BVCI.

As part of the consideration for KVB to enter into the Dealer Services Agreement, BVCI also issued to KVB warrants to purchase 100,000 common shares of BVCI at the purchase price of $1.50 per common share (the “Dealer Warrants”). The Dealer Warrants are exercisable for a period of 5 years.

The Dealer Services Agreement provides that all costs and expenses incurred by KVB in relation to such agreement itself and the services of KVB provided thereunder, are the responsibility of BVCI. This includes KVB's due diligence costs, costs of negotiating and preparing the Dealer Services Agreement, marketing, research and IT and computer costs, additional staff and legal and compliance costs.

Pursuant to the Dealer Services Agreement, certain conditions must be satisfied before any CADT can be issued through KVB. Specifically, the following conditions must be satisfied by BVCI:

1. BVCI must develop the KVB Wallet in a manner that functions properly to transact with BVCI and the Custodian, all in respect of the trading in CADT with Users, and ensuring that the KVB Wallet functions well for purposes of compliance with applicable securities laws. However, KVB remains independently responsible for its reporting obligations as an exempt market dealer for compliance with applicable securities laws;

2. BVCI must provide written evidence satisfactory to KVB that the Custodian is being regulatorily compliant by providing custodial services to BVCI in respect of the Custodial Account;

3. BVCI must share with KVB its money services business compliance program and provide reasonable assistance to KVB with developing its own compliance program; and

4. BVCI must cause its AML software provider IDM Global, Inc. to provide a User license to KVB and

provide training to KVB to use the software to perform analysis for necessary FINTRAC reporting.

In addition, the Dealer Services Agreement requires that BVCI provide to KVB the services it receives, or cause the services it receives to be provided directly to KVB, in each case, by the following counterparties: (i) the Custodian, (ii) Hengwell; (iii) IDM Global Inc.; and (iv) the AML Shop.

The Dealer Services Agreement also includes an indemnity provision whereby BVCI is required to indemnify KVB in the event of any of the following, among other things: (i) any misrepresentation or omission in this Offering Memorandum or any other document or report filed with a securities regulator or on SEDAR, or with FINTRAC; (ii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority, FINTRAC, OSFI, stock exchange or by any other competent authority based upon any failure to comply with applicable laws preventing or restricting the distribution of CADT; (iii) any failures to comply with any applicable laws.

3.2 Significant Acquisitions and Dispositions

On August 3, 2022, BVCI and Flexwork completed the Transaction. See Section 3.1 – General Development of the Business. Aside from the Transaction, BVCI has not completed any other significant acquisition.

3.3 Trends, Commitments, Events or Uncertainties

There are significant risks associated with the business of the Issuer following the direct listing of its shares on the Canadian Securities Exchange, as described above and in Item 17 – “Risk Factors”. Readers are strongly encouraged to carefully read all such risk factors. In addition, please see the forward-looking statements that are outlined commencing on page 6 of this Listing Statement.

4. Narrative Description of the Business

General

BVC Chain and blockchain based solutions

The Issuer’s proprietary blockchain platform and ledger technology, BVC Chain, provides an infrastructure capable of supporting a multitude of ledger based solutions, products and services. The Issuer believes that BVC Chain is an innovative blockchain technology that provides it with a competitive advantage. In particular, the Issuer believes that the benefits the BVC Chain offers over other blockchain platforms and ledger technologies strategically position it to provide an expansive and valuable blockchain ecosystem for business and individuals, and to better monetize that ecosystem, and attract new customers who can benefit from it.

BVC Chain was designed to be more robust and diversified than other blockchain platforms and ledger technologies and to overcome many of the limitations and shortfalls of these other technologies. In particular, BVC Chain can handle up to 5,000 transactions per second, it can facilitate both business-to-business as well as business-to-consumer transactions, it can support Stablecoins, it is scalable without the need to change system architecture, and it includes a built in fingate (A built in fingate allows a blockchain to be built on the BVC Chain). In addition, BVC Chain is capable of functioning as an (original) decentralized exchange, and it serves as a platform for turing complete contracts, and as a platform for financial products and services innovation generally.

The Issuer believes that blockchain platform and ledger technology has the potential to make business processes more automated, secure and transparent, while reducing costs to the business. The potential benefits of this technology arise in the following circumstances, among others: (i) where there is value to be created from the removal of traditional financial institutions as central points of control (an intermediary) to verify transactions, leading to near or real time processing and settlement of transactions which are verifiable on a public ledger secured by cryptography, (ii) where there are efficiencies to be realized from the automation of transactions between parties according to business logic embedded in a smart contract, and (iii) where the provision of more information that participants know to be verified and immutable can reduce the economic value lost by a lack of trust between parties. By reducing costs and increasing efficiencies and trust among all participants in the economy, the Issuer believes that blockchain platform and ledger technology will support and nourish models of peer-to-peer mass collaboration that could make many of the existing financial and other organization forms for transacting redundant.

The Issuer intends to identify use cases for the BVC Chain, and market those solutions to businesses and organizations that could benefit from one or more of those solutions. Key use cases include the following:

- Fintech and bankink
- E-commerce portals
- Smart cities
- Business and personal credit tracing
- Intellectual property and digital asset protection
- Archive management
- Supply chain and logistics tracing
- Payment platforms for online gaming
- Donation monitoring
- Smart agriculture
- Environmental protection

The Issuer intends to charge customers a fee for implementing blockchain based solutions that rely on the BVC Chain. Fees are expected to vary depending on nature and complexity of solution. The Issuer expects each implementation to take approximately 6 months. However, length of time to implement will also vary based on nature and complexity of solution being implemented.

The Issuer expects that blockchain based solutions will, in many cases, rely on BvcPay as the user interface for the applicable solution, particularly for payment based solutions. See “BvcPay and Payment and Settlement Solutions”, below.

BvcPay and Payment Settlement Solutions

As at the date hereof, BVCI is not currently offering BvcPay applications as such services will rely on CADT and BVCI is not currently registered as a dealer in accordance with applicable securities laws, and the provision of dealer services by KVB pursuant to the Dealer Services Agreement is subject to the satisfaction of several conditions. As there is no assurance BVCI will obtain registration as an exempt market dealer under applicable securities laws in a manner that permits it to trade in CADT or otherwise deploy any related BvcPay applications, or the conditions to the benefit of KVB in the Dealer Services

Agreement will be satisfied, there is no assurance BVCI will be able to pursue its proposed BvcPay business that relies on CADT.

Relying on BVC Chain as the underlying technology, the Issuer has developed BvcPay (and the KVB Wallet brand thereof), a cloud-based application serving as the platform through which transactions can be carried out on the BVC Chain in a user-friendly manner. BVCI expects that BvcPay (and the KVB Wallet) will be unlike other more traditional micro-payment software solutions as it has multi-functionality, and is suitable for individuals, businesses, online merchants, financial institutions, governments and any others that may want to operate in the Issuer's blockchain ecosystem. The Issuer offers a website platform to download BvcPay, without charge. Currently, it is also available for downloaded from certain third party app stores.

BvcPay supports the following related functions:

- **Account Openings**. Once downloaded, BvcPay can be used to open a customer account with the Issuer. To open an account, prospective Users must agree to a User Agreement with the Issuer, and Users must supply certain information through the BVC Chain necessary for the Issuer and its third-party service providers to conduct KYC and AML/CTF due diligence. Users must also consent to allow the Issuer and its third-party consultants, to conduct ongoing monitoring as required by the Proceeds of Crime (Money Laundering) Terrorist Financing Act (the "PCMLTFA") and its regulations. Further, the Issuer and its third-party service providers may share certain information about Users with other financial institutions in accordance with the "travel rule" guideline published by the Financial Action Task Force ("FATF") and as adopted by FINTRAC in Canada. See Item 4 - "Narrative Description of Business - Account Openings and Flow of Funds" for more details.
- **Account Funding and Redemptions**. Through BvcPay, Users with a BVCI Account will be able to fund an account with Canadian dollars using automated funds transfers (with other electronic means to be determined) between their banking institution and the Custodian, which automated transfers are initiated by the Custodian. BvcPay will then allow BVCI Account holders to then apply to become a client of KVB, and, if approved by KVB, to purchase and redeem CADT for Canadian Dollars. See Item 4 - "Narrative Description of Business - Account Openings and Flow of Funds" for more details.
- **Digital Asset Wallet**. Users will be able to store CADT, Bitcoin and Ethereum in their digital wallet accessed through BvcPay.
- **Payment and Settlement System**. BvcPay will allow Users to send and receive payments in Canadian dollars, CADT, Bitcoin and Etherium to and from other Users within the platform free of transaction service charges, unless the transaction results in a net increase or decrease to the Canadian funds held in the Custodial Account, in which case fees apply. CADT transactions will however subject to the applicable user being a client of KVB (initiated via the KVB Wallet) and using the KVB Wallet for such payment and settlement transactions, as well as compliance with certain securities laws which BVCI assumes apply to CADT transactions. As a result of the application of such securities laws, the KVB Wallet does not facilitate the resale or transfer of CADT between CADT Holders. Rather, BVCI will operate on an issuance and redemption-based model whereby BVCI is the counterparty to all CADT transactions. See Item 4 - "Narrative Description of Business - Account Openings and Flow of Funds" for more details.
- **Digital KYC, AML and CTF**. Through BvcPay and the BVC Chain, and the Issuer, and its third-party service providers connected via the BVC Chain, can perform KYC, AML/CTF due diligence on (prospective) Users. To conduct this due diligence, (prospective) Users of BvcPay must submit

personal information through BvcPay, which information is sent to KVB's third-party service providers via the BVC Chain to perform the due diligence and return results in a timely manner to BVCI, the Custodian or KVB, as the case may be. Sanctions and watchlist screening is also conducted by a third-party service provider via the BVC Chain. The Issuer scans all parties related to a transaction against various sanctions and watchlists which include, but are not limited to: the Office of Foreign Assets Control ("OFAC") Specially Designated Nationals ("SDN") list, HM Treasury, Justice for Victims of Corrupt Foreign Officials Act ("JVCFOA"), Public Safety Canada Listed Terrorist Entities, Special Economic Measures Act ("SEMA") and the UN Consolidated List ("UNCS"). Users and prospective Users information is also scanned against lists of known politically exposed persons. Scans are conducted using the individual's complete name at the time of onboarding and periodically thereafter. In the event of a potential sanctions match, the transaction is held pending a review to adjudicate the match. During the review, the Issuer compares common differentiators such as date of birth or country of origin to determine the veracity of the match. If a match is determined to be false, the transaction is completed. Otherwise, any customer funds that the Corporation is in possession of is held and reported to FINTRAC and other relevant law enforcement agencies.

The Issuer offers payment and settlement solutions to merchants that leverage BVC Chain and BvcPay, allowing for payment and settlement transactions to be made in Canadian dollars, CADT, Bitcoin and Etherium via the BVC Chain. Such solutions reduce industry friction and creates a compelling value proposition for potential business customers. These customers can effectively settle payment transactions 24 hours a day, 7 days a week, 365 days a year, securely and in virtually real-time, via the BVC Chain. In contrast, traditional payment and settlement transactions are limited by traditional banking hours and substantial clearing delays. Not only are these traditional transactions typically subject to transaction and other clearing fees, but this delay in transaction execution results in reduced capital efficiency, reduced liquidity and/or increased counterparty risk.

BvcPay and the BVC Chain represent near "turn-key" digital payment and settlement solutions for merchants and other organization. Prospective merchants and other organization that wish to adopt BvcPay as a payment and settlement solution do not need to spend a significant amount of time and resources developing customized applications that interface directly with a financial institution or other custodian of fiat currency. Rather, a business simply needs to integrate the payment system into their operations, and then promote or otherwise make the payment system available for use by its customers and other counterparties to payment and settlement transactions. To integrate the payment system into a business customer's operations, the Issuer will work with the business customer to connect the customer to the BVC Chain as a node via an application programming interface (API).

Once a payment and settlement solution is implemented for a merchant or other organization, consumers or other counterparties that deal with that merchant or organization that elect to open a user account with the Issuer are linked to the merchant or organization's account (or a sub-account) and the merchant or organization becomes the "node" (or a connection to the BVC Chain which supports the BVC Chain network) for transactions between the merchant/organization and the consumer/counterparty. The Issuer believes that these dynamics will serve as an organic growth, viral marketing tool; as more merchants open accounts with the Issuer, their customers and counterparties may adopt BvcPay thereby expanding its user base and adoption. In addition, management expects Users of the digital asset wallet available through BvcPay (including the KVB Wallet) may also adopt BvcPay for their payment function if and as adopted by more merchants.

The Issuer does not intend to charge fees for the download of BvcPay (or the KVB Wallet) or for the use of any of its current functions by consumers/counterparties. However, any transaction resulting in a net increase or decrease to the Canadian funds held in the Custodial Account (whether such transaction is conducted by a customer, merchant or organization) will be charged a fee. The Issuer also intends to charge a fee for the implementation of the payment solution for merchants and organizations. Such fees are expected to be similar to those charged for implementing other blockchain based solutions for business customers and organizations. See Item 4 - “ Narrative Description of the Business - BVC Chain and blockchain based solutions”.

BVC Stablecoin - CADT

The market for global payments and money transfers is large and growing, primarily driven by increasing globalization of economies and cross-border movement of people, capital, and technology-based services. The Issuer believes that this growth along with the continuing adoption of Stablecoins presents a large opportunity for its business. To leverage this opportunity, BVCI developed the Stablecoin, CADT, which is the native currency of the BVC Chain.

Stablecoins are a class of Digital Currency that seek to maintain price stability (and reduce volatility) to make the Stablecoin a better medium of exchange and store of value. Stablecoins can be used to purchase goods and services, settle transactions, exchange currencies and efficiently move capital globally in a near real time manner and without the friction that exists today within the global banking environment, and without the volatility that exists with many other Digital Currencies.

The stability of a Stablecoin is typically achieved by relating the Stablecoin to a value indicator which is generally considered to be stable, or through a stabilising algorithm. For example, a value indicator might be a fiat currency or a commodity, in which case the Stablecoin might be collateralized on a unit for unit basis through the holding of that currency or commodity in support of the Stablecoin’s value. In the case of CADT, the value indicator is Canadian currency, and it is related to CADT through the trust relationship established between the Issuer and CADT holders pursuant to the User Agreements in effect from time to time between the Issuer and CADT holders.

Any CADT issued into circulation will represent beneficial ownership, on a one-to-one basis, in the corresponding Canadian funds held by the Issuer’s Custodian. Ownership and changes to ownership from time to time will be tracked and verified through the BVC Chain public ledger. Transactions with CADT will represent the near real time transfer of the beneficial ownership of the Canadian funds held by the Custodian. The relationship between the Issuer and the Custodian with respect to those funds is set out in the Custodial Agreement. See Item 3 - “General Development of the Business - Custodial Agreement”.

Stablecoins such as CADT are capable of enhancing traditional payment functions. For example, bank transfers or credit card payments require a series of third-party checks to confirm whether a consumer has sufficient funds or credit, as the case may be, which must then clear the banking system. Through the BVC Chain, CADT will have the capability to automate away payment intermediaries, and the potential to eliminate or reduce related overhead and intermediary costs. With CADT, there will be no need for a merchant to verify whether a consumer has sufficient funds and there will be no need for the merchant to confirm whether funds have been cleared by the merchant’s bank account in order for the merchant to spend the CADT. Rather, ownership of CADT and the transfer of that ownership is intended to be evidenced by the consumer and merchant’s respective public cryptographic keys tracked on a public ledger. Holders of CADT will be able to protect their ownership of CADT by protecting the privacy of their private cryptographic key paired to their public cryptographic key.

A number of cost factors and associated issues influence the delivery of cross-border payments. These cost factors include correspondent banking fees, telecommunication costs, foreign exchange fees, scheme fees and interchange fees. Additionally, legal, regulatory and compliance costs are often higher than those for domestic payments. CADT transactions will not involve the traditional fees and surcharges associated with traditional cross-border payment methods. International payments utilizing CADT will be able to be made without the need of a third-party intermediary (such as SWIFT, Paypal, etc.), and processing times are near instantaneous in comparison to the requirements of conventional wire transfers. Additionally, CADT is expected to prove useful to payment service providers, as they provide standardisation and interoperability which are key to increasing efficiency and realizing economies of scale in cross-border payments.

Stablecoins such as CADT may also facilitate other Digital Currency trading transactions. Due to regulatory constraints, many Digital Currency exchanges restrict or disallow the use of fiat currency on their platforms such that Digital Currencies must be bought and sold with other Digital Currency, which are often subject to extreme price fluctuations. This can lead to uncertainty, and liquidity and capital risks for trading participants. Stablecoins provide a potential solution to these issues and inconveniences. For example, a Digital Currency exchange might allow for the exchange between a Stablecoin and one or more other more volatile Digital Currencies, which would facilitate more immediate access to the volatile Digital Currencies, as well as the liquidation of those volatile positions via the exchange to a Stablecoin.

The Issuer intends to leverage the benefits of CADT as a Stablecoin which then compliments its business in respect of BvcPay (currently branded as the KVB Wallet for purposes of all CADT transactions) and payment and settlement solutions, which the Issuer believes will further enhance brand awareness and adoption of the BVC Chain ecosystem generally. The Issuer anticipates generating revenue directly from CADT when a transaction is carried out that results in a net increase or decrease to Canadian funds held in the Custodial Account. Such fee will be an amount equal to a small percentage of the applicable transaction, a portion of which is then paid to the Custodian and a portion to KVB.

The Issuer currently assumes CADT, alone or in connection with a User Agreement, is a security and a derivative in all jurisdictions of Canada. As a result, the Issuer's CADT business, and all CADT transactions are subject to compliance with the securities laws of these jurisdictions. Consequently, unless and until the laws of all jurisdictions of Canada can be complied with, BVCI's CADT business will be limited to the jurisdictions in which such laws are complied with. Such laws require, among other things, that (i) BVCI not distribute CADT unless a prospectus has been filed in respect of CADT, and a receipt issued form the regulator or regulatory authority for such prospectus, or an exemption from such requirement is relied upon (the "**Prospectus Requirement**"), and (ii) that BVCI not act as a "dealer" of CADT unless registered as a dealer in a category that permits dealing in CADT, or an exmption from the dealer registration requirement is relied upon (the "**Registration Requirement**").

With respect to the Prospectus Requirement, BVCI intends to rely on one or more exemptions from such requirement. In particular, BVCI primarily intends to rely on the offering memorandum exemption provided for in National Instrument 45-106 *Prospectus Exemptions* (the "**Offering Memorandum Exemption**"). In order to rely on such exemption, BVCI must prepare an offering memorandum in accordance with the prescribed form, and it must deliver a copy of such offering memorandum to all users prior to or at the time the user purchase CADT. Such offering memorandum will also be accessible through the KVB Wallet. Provided the applicable conditions of the Offering Memorandum Exemption are satisfied, BVCI will be permitted to issue and redeem CADT, and effectively act as the counter-party to all trades in CADT without the need to comply with the Prospectus Requirement. However, by relying on the Offering Memorandum Exemption, some Users will be subject to limitations on the amount of CADT that they are permitted to acquire in any 12 month period. In particular, some Users will not be permitted to purchase more than a maximum of $10,000 of CADT in any 12 month period (on a rolling basis). Further, such maxium purchase limit may be reduced in certain circumstances, such as where the user has acquired other securities in reliance on the Offering Memorandum Exemption in the prior 12 month period, or it is dertermined that a lower limit is more suitable to the user. Other limitations may also apply depending on the specific circumstances applicable to each user.

With respect to the Registration Requirement, as at the date hereof, BVCI is not offering CADT or any related BvcPay applications as it is not currently registered as a dealer in accordance with applicable securities laws, and the provision of dealer services by KVB pursuant to the Dealer Services Agreement is subject to the satisfaction of several conditions, including development of the KVB Wallet, and KVB obtaining the necessary assurances that the KVB Wallet functions in a manner that is in compliance with applicable securities laws. As there is no assurance BVCI will obtain registration as an exempt market dealer under applicable securities laws in a manner that permits it to trade in CADT or otherwise deploy any related BvcPay applications, or the conditions to the benefit of KVB in the Dealer Services Agreement will be satisfied, there is no assurance BVCI will be able to pursue its proposed CADT business or any related BvcPay business that relies on CADT. See Item 17 - “Risk Factors” and Item 3 - “Regulatory Matters”.

Provided that BVCI does obtain registration as a dealer in a category that permits it to trade in CADT, or the conditions to the benefit of KVB in the Dealer Services Agreement are satisfied, then BVCI’s proposed CADT business will be limited to the jurisdictions in which it or KVB, as the case may be, is registered for purposes of trading in CADT. As KVB’s dealer registration is limited to Alberta, British Columbia and Ontario, and BVCI’s application for registration is also limited to those jurisdiction, the proposed CADT business will be limited such that Users of CADT would be limited to residents of Alberta, British Columbia or Ontario, unless and until BVCI or KVB are registered under applicable securities laws in one or more other jurisdictions of Canada. To the extent registration in another jurisdiction is pursued (for which there is no current intent), there is no assurance such a registration would be obtained. Similarly, as BVCI intends to issue CADT in reliance on the Offering Memorandum Exemption, the amount of CADT that can be sold to any given user may be subject to limitations depending on the specific circumstance applicable to the user. In particular, it is anticipated that many individual users will be limited to purchasing not more than $10,000 of CADT in any 12 month period.

Account Opening and Flow of Funds

The following will apply in respect to Users opening a user account and funding it with Canadian Dollars and or using the KVB Wallet for purposes of payment or settlement in CADT:

- In order to acquire or use CADT, prospective Users must have a BVCI user account, and they must be a client of KVB (which is initiated via the KVB Wallet). User accounts will be free to open by Users in eligible markets as long as applicable regulatory requirements, such as AML and KYC requirements, are met. To open an account, the prospective user must download the KVB Wallet through BVCI’s website and complete the registration process. Such process requires that a prospective user submit personal information for purposes of completing AML and KYC due diligence, and that the prospective user agree to the Issuer’s form of User Agreement and KVB’s form of client agreement, as in effect from time to time.

- Users that open an account with the Issuer are not opening a bank account. Consequently, Users that acquire CADT are not depositing funds with the Issuer, and the amount in a user account does not constitute evidence of indebtedness, nor does it constitute a liability by the Issuer to a user, other than to comply with instructions from the user in relation to transactions initiated by the user as provided for in the User Agreement. There is no interest payable to the user on any amount in the user's account wallet, and the amount in a user's account wallet is not insured by the Canada Deposit Insurance Corporation or any such other deposit insurance.

- Users that wish to acquire newly minted CADT directly from the Issuer may do so by initiating the transaction through the KVB Wallet. To do so, the user must submit subscription documentation to KVB (facilitated via the KVB Wallet) and the user must directly deposit the corresponding amount of funds with the Custodian (currently by automated funds transfer). Subject to satisfactory completion of such subscription documents, verification of anti-money laundering requirements, and receipt of such funds by the Custodian (all of which is carried out via the BVC Chain), the Custodian and KVB notify one another and the Issuer, via their respective application programming interface and the BVC Chain, at which time the Issuer issues (or "mints") CADT as the representation of the beneficial ownership of the funds so deposited. Similarly, where a user wishes to redeem CADT, it initiates the transaction through the KVB Wallet. Upon surrendering the CADT, the CADT is destroyed (or "burned") and the Custodian transfers a corresponding amount of Canadian funds from the Custodial Account to the user's bank account (currently via automated funds transfer).

- Users that hold CADT are not permitted to send CADT to other Users or otherwise resell their CADT. The KVB Wallet does not facilitate the resale or transfer of CADT between Users. Rather, it operates on an issuance and redemption-based model whereby BVCI is the counterparty to all CADT transactions. This can occur in one of two ways. The User can either initiate a redemption request directly with the Issuer (via the KVB Wallet), or it can initiate a transaction with another user (also via the KVB Wallet), which will also have the effect of initiating a redemption request with BVCI. Each such transaction is summarized as follows:

    - Where a redemption request is initiated directly with the Issuer, an automated funds transfer (AFT) is initiated with the Custodian via the BVC Chain, the CADT is debited from the user's digital wallet and burned, the BVC Chain ledger is updated accordingly, and the corresponding amount of Canadian funds in the Custodial Account is withdrawn and transferred through the banking system to the user's bank account.

    - Where a redemption request to the Issuer is initiated by way of initiating a transaction with another user (the "second user") over the BVC Chain, the initiating user's CADT is debited from their KVB Wallet and burned by BVCI, and the BVC Chain ledger is updated accordingly. However, an AFT is not initiated in this circumstance. Instead, the user directs the Issuer (via the BVC Chain, and as per the User Agreement) to credit the proceeds of such redemption to the second user. If directed by the second user, BVCI will then issue newly minted CADT to the second user via KVB, the BVC Chain ledger will be updated accordingly, and the Custodian notified (via the BVC Chain) for purposes of updating its sub-account indexes. In this manner, BVCI is the counterparty in all CADT transactions.

- Users that hold CADT will not have any direct contractual relationship with the Custodian. Rather, upon opening a User account with the Issuer, and as a condition to opening that account, a customer must enter into the Issuer's form of user agreement, as in effect from time to time. Such agreement provides that the funds represented by CADT are held by the Issuer, through the Issuer's Custodian (pursuant to the Custodial Agreement), and that the Issuer holds such funds (through the Custodian) as a trustee for the benefit of the user.

- To facilitate the issuance and redemption of CADT in exchange for the corresponding Canadian funds they represent ownership of, the Custodian and KVB's respective application programming interface (API) is linked to the BVC Chain. This allows their respective API to instruct the BVCI Chain to either: (a) issue or "mint" CADT and send it directly to the user's digital wallet once the corresponding Canadian funds have been received and all requirements have been satisfied, or, (b) in the case of a redemption, destroy or "burn" the CADT. To expedite KYC and AML requirements, the Custodian's and KVB's respective API are also linked to the Issuer's third party identification verification and AML/KYC compliance service provider through its link to the BVC Chain. This structure allows the Custodian and KVB to receive customer verified information through the BVC Chain directly from a reliable third party source when that customer provides the necessary information in connection with opening a customer account with the Issuer. See Item 3 - "General Development of the Business - Custodial Agreement".

Canadian Funds held by the Custodian are stored free of charge to CADT holders. Fees payable to the Custodian for services are entirely payable by the Issuer pursuant to the Custodial Agreement entered into between the Issuer and the Custodian. See Item 3 - "General Development of the Business - Custodial Agreement". The Custodian does not insure any amount in the Custodial Account, nor is any such amount insured by the Canada Deposit Insurance Corporation or any such other deposit insurance. BVCI does not maintain and is not eligible for insurance through government-sponsored programs or deposit insurance, and as of the date of this Listing Statement the Issuer does not have any private insurance coverage over amounts held by the Custodian. No interest is payable on any amount in the Custodial Account.

Stated Business Objectives

The following table describes the Issuer's business objectives that it expects to accomplish in the 12 months following the date of this listing statement:

Business Objective	Milestones	Estimated Costs related to Business Objective	Time to complete
Grow BvcPay User base	Obtain 300,000 registered Users	$500,000	12 months
Build out BVC Chain ecosystem with 10 additional solutions or services implemented on it for customers.	8 non-binding memorandums of understanding (MOUs) are in place with prospective customers as of the date of this listing statement in relation to BVC Chain solutions related to: • E-commerce portal(1) • Culture intellectual property protection(2) • Fintech and banking solutions(3) The Issuer intends to take steps to try to convert such MOUs into and otherwise secure definitive binding contracts, and then implement the applicable solution on behalf of the client.	$500,000	6 to 12 months

Business Objective	Milestones	Estimated Costs related to Business Objective	Time to complete
Become a major payment solution provider in North America	Establish relationships with merchants such as retail/wholesale, international trades, vendors, restaurants, banks and cities. Attend trade shows hosted by The Real Home Expo, the Canadian International Automobile (Toronto) Show, and Trillium Automobile Dealers Association et cetera. Working with a "Point of Sale" technology developer to implement BvcPay into restaurant chain by adding BvcPay to the hardware of that developer which is used by the restaurant chain. Enter agreements with "Point of Sale" (POS) processing companies to integrate BvcPay into POS hardware.	$300,000	12 months
Obtain registration as an exempt market dealer under applicable securities laws.	Take such steps as may be reasonably necessary with the intent of addressing any regulatory concerns in respect of the pending application.	$50,000	unknown(4)
Complete work required under the Dealer Services Agreement(5)	Develop KVB Wallet, and generally satisfy KVB that such wallet functions in a manner that complies with applicable securities laws.	$10,000	1 month

Notes:

(1) Ecommerce portal solutions contemplated by the MOUs generally relate to implementing faster, modern and efficient payment solutions for prospective client's e-commerce business by integrating the prospective client's internal computer software into the BVC Chain via an application program interface to allow it to accept payments from its clients via an internet portal and via the BVC Chain. One such prospective client sells hardware, construction materials, décor and other various items through its website. A second prospective client operates an online food delivery platform.

(2) Cultural intellectual property protection contemplated by one MOU relates to development of non-fungible tokens (NFTs) for a prospective client's film production. Certain non-fungible tokens may constitute securities and/or derivatives under applicable securities laws. While it is not intended that BVCI would be the issuer of any NFT developed for such client, such laws may nonetheless affect the ability of the Issuer or the prospective client to successfully develop or deploy the work contemplated under this Agreement. See Item 17 - "Risk Factors - Government Regulation and Compliance".

(3) The fintech and banking solutions contemplated by the MOUs generally relate to the following: (i) integrating BVCPay and or CADT into current payment processing payment systems of prospective client's payment channels and systems; (ii) providing payment solution services directly to a prospective client that is a retailer or wholesaler, which may include integrating the prospective client's computer software program(s) into the BVC Chain, integrating BVC Pay, and or CADT such that its clients and other service provides can settle transactions between them.: In one specific case, the applicable MOU relates to enhancing the prospective clients currency exchange business through the use of CADT. In another specific case, the MOU relates to integrating CADT into the prospective client's other payment solutions that it provides to its clients.

(4) As registration is subject to approval of the applicable securities regulators or regulatory authorities, there is no assurance when BVCI will obtain registration as an exempt market dealer under applicable securities laws, if at all.

(5) Pursuant to the Dealer Services Agreement, certain conditions must be satisfied before any CADT can be issued through KVB. See Item 3 - General development of the Business prior to the Transaction - Dealer Services Agreement.

Sales and Marketing

The Issuer is initially offering services to customers in Canada. CADT Users however will initially be limited to the provinces of Alberta, British Columbia and Ontario. Because payment and settlement transactions occur globally, the Issuer expects to benefit from the scalability of internet based services, and the reach of Internet based marketing and traffic acquisition. the Issuer's ability to expand internationally will depend in part on the Issuer's ability to satisfy applicable legal and regulatory requirements in countries where it proposes to offer its services. See "Item 17 – Risk Factors".

The Issuer will deploy a variety of online marketing to raise awareness of BvcPay and its BVC Chain technology. Marketing campaigns will emphasize the security, efficiency and convenience of BvcPay and its function as a digital asset wallet to attract Users, with a heavy focus on international students studying in Canada and new Canadian immigrants. The Issuer will also market to cryptocurrency holders and younger generations generally. Online marketing is designed and executed by a third-party professional marketing and public relations firm. Pursuant to the Issuer's current agreement with its marketing consultant, an annual fee of $200,000 is being paid for news releases, public relation event strategy planning, user acquisition campaign proposal, and website, video, social media and email content preparation. News releases are disseminated through social media and news sources such as Yahoo Finance and Reuters. In January 2022, BVCI entered into a contract with the Justin Poy Agency whereby it was appointed as BVCI's Agency of Record for twelve (12) months in 2022. Justin Poy controls such agency and is a director of BVCI. As such, the contract with Justin Poy Agency constitutes a related party transaction.

The Issuer will also market directly to both mature and emerging businesses in Canada across various industries that it believes are most likely to benefit from digital ledger payment solutions that overcome the shortfalls of traditional payment methods, such as import/export businesses and real estate developers. Efforts with this direct marketing will primarily be carried out by collaborating and discussing the benefits of BvcPay with merchants, and via attendance at trade shows. the Issuer has a budget of $10,000 allocated to attendance at trade shows in the next twelve (12) months.

The Issuer also intends to pursue strategic partnerships with the Canadian affiliate or representative of major payment companies. The intent of pursuing these relationships is to integrate BvcPay into the payment company's payment terminals. Such partnerships have the potential to enhance these players' payment platform functionality while offering the Issuer increased exposure. Management will primarily rely on their own personal connections in pursuing these relationships.

The Issuer does not offer services to prohibited persons, including, without limitation, (i) persons in countries or associated with organizations that are subject to economic sanction by the Canadian Department of Foreign Affairs, Trade, and Development, (ii) persons in embargoed countries and individuals or organizations designated as "Specially Designated Nationals" by the United States Treasury Department's Office of Foreign Assets Control, or "OFAC", or (iii) persons that do not satisfy KYC/AML/ATF due diligence conducted by the Issuer or the Custodian.

BVCI Website

The Issuer operates a wholly-owned website under the domain name www.bvcadt.com. The www.bvcadt.com website is currently offered in English and Chinese. The Issuer does not currently intend to offer such website in any other language.

Growth

The Issuer believes that if it can grow its customer base of BvcPay merchant and consumer Users, as those customers grow, they will further embrace the benefits of blockchain technology and Digital Currency, which will generate new opportunities for innovation to address additional customer needs. The Issuer believes that this will in-turn lead to increasing brand awareness and high-quality referrals, as well as additional opportunities that will facilitate the growth of the Issuer.

The Issuer believes that the benefits the BVC Chain technology and BvcPay will offer over other blockchain technologies strategically position it to take advantage of such opportunities by providing additional and more comprehensive and customized blockchain technology solutions and services that leverage the capabilities of those technologies, thereby leading to a more expansive and valuable BVC Chain ecosystem that it can monetize. As evidenced by the proliferation of Digital Currency offerings in recent years, and the rapid growth of an industry to support these offerings, the Issuer believes that other core use cases for the BVC Chain lies in digital asset securitization, blockchain-enabled decentralized trading platforms, KYC/AML/ATF, and financial archives management.

The Issuer believes that the BVC Chain ecosystem can grow to a critical mass of adoption and utilization across the digital ledger and blockchain industry via (i) expansion of its customer base and the future application of the various functions the BVC Chain supports in connection with providing blockchain technology solutions and services to those customers; (ii) collaboration, strategic alliances, joint ventures and other contractual arrangements with customers, businesses and industry participants, and (iii) ongoing internal technology development.

With expansion of the BVC ecosystem and its capabilities, the Issuer believes it will be able to create synergies among the businesses in the ecosystem and, as a result, the value of the network will continue to increase providing the Issuer with the opportunity to provide additional solutions and services, and thereby earn fees commensurate with the significant value it provides. the Issuer believes that many of the customized functions and related technology that are most likely to be deployed in the BVC Chain ecosystem will have applications outside the specific use case for which they were initially developed, and that the work in initially customizing that technology for a specific use case can be leveraged by the Issuer to provide additional solutions and services for other third parties. In other words, the Issuer anticipates that as solutions are provided to customers, the customer will become a BVC Chain infrastructure provider that utilizes the Issuer as a foundational layer for their products and services, thereby enhancing the performance of those business and the capabilities of the BVC ecosystem.

Technology and Development

The Issuer relies primarily on Hengwell, and its team of twenty (20) skilled software engineers with broad technical expertise, to maintain and improve the BVC Chain platform, including BvcPay and related technology, as well as the Issuer’s website. Pursuant to the Maintenance Agreement, Hengwell provides twenty-four (24) hour, seven (7) days a week maintenance and support services for a fixed annual fee. See Item 3 - “General Development of the Business - Maintenance Agreement”.

The Issuer does not currently employ any of its own software engineers. However, five (5) individuals with a broad range of skills in these areas have and continue to contract their services to the Issuer from time to time as and when needed. In the next 12 months, the Issuer intends to hire a full-time chief technology officer, and two part-time software engineers.

The Issuer, in conjunction with its consultants, as well as Hengwell and its team, have invested substantial time, effort and financial resources on the development of the Issuer's BVC Chain and related technology infrastructure. The Issuer is committed to further enhancing its technology and believes that it will be an important component in attracting customers.

The BVC Chain platform, including BvcPay, is updated regularly and enhancements continue to be a regular activity. Significant efforts will be dedicated to product and feature enhancement and improvement throughout the term of the Maintenance Agreement to fully leverage the benefits of Hengwell and its team of skilled software engineers.

All of the Issuer's networking, data management and cyber-security services are provided by Alibaba Cloud (also known as AliCloud, Aliyun, and Alibaba Cloud Intelligence). This includes the network and servers that power the BVC Chain. Alicloud is an Alibaba Group business.

Intellectual Property

The Issuer's success depends in part upon its ability to protect its core technology and intellectual property. To establish and protect proprietary rights, the Issuer relies on a combination of trade secrets, including know-how, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

The trade secrets associated with BVC Chain and BvcPay are not protected by any patent or registered copyright. Presently, BVC Chain relies entirely on its source code being maintained as a trade secret and other Canadian and international copyright laws. The Issuer's source code is maintained in the Issuer's Canadian head office location. If sufficient working capital is available to the Issuer, it intends to apply for any patents or other intellectual property registrations associated with its technology within the next 12 months in Canada as well as other jurisdictions, but there is no certainty such patents will be granted.

The Issuer's core BVC Chain technology was initially developed under the Development Agreement. While such agreement included some assurances and protections in respect of ownership of intellectual property rights in that technology, there is no certainty such technology does not infringe the rights of any other third party, or that Hengwell does not breach any related representation provided in that agreement or otherwise challenge the Issuer's ownership rights in such technology. Similarly, to the extent any such assurances and protections are included in the Development Agreement, there is no certainty they can be relied upon as a result of the lapse of time or any applicable limitations period that may apply under applicable laws. BVCI did not perform any due diligence on Hengwell, or in respect of the BVC Chain technology to ensure it does not infringe the rights of any third party, nor did the Issuer perform any such due diligence. See Item 17 - Risk Factors.

The Issuer generally controls access to and use of its proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and business partners. Despite efforts to protect trade secrets and proprietary rights through intellectual property rights, licenses, and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use the Issuer's software and technology. In addition, if the Issuer expands its international operations, effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Companies in the Internet and technology industries own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. From time to time, the Issuer may expect allegations that it has infringed the trademarks, copyrights, patents, trade secrets and other intellectual property rights of third parties, including competitors and non-practising entities. As the business grows and competition increases, the risk of claims of infringement will increase. See Item 19 – Risk Factors.

Security and Transparency

The Issuer invests in technology, processes, and people as part of its commitment to security, accountability and transparency. The following is a summary of the measures taken by the Issuer for transparency, accountability and security in its operations:

- **Cryptography**. The BVC Chain platform is based on cryptography. With the use of cryptography, a centralized system is secured by super administration while a decentralized system can be compatible for every account equipped with its own security code. The Issuer applies an asymmetric encryption algorithm and smart contracts to protect data on the BVC-Chain. BVC-Chain has the following features:

Items	BVC-Chain , CADT
Bottom Tech	BVC-Chain (advantage of Ripple and Ethereum)
Concensus Mechanism	PBFT
TPS/Second	>=5000
Concensus Time	3-10Seconds
Nod Number	More
Smart Contract	Support
Token	Multi-Token
Application	ToC/ToB/ToG
KYC	Yes
One-stop Payment and Settlement Solution	BvcPay (Web and App)
DeFi	Decentraliazed / Centralized

- **AliCloud**. Data entrusted with the Issuer is stored with Alicloud. Alicloud security features include the following:

    - multi-backup storage on servers in multiple locations for cross region replication, disaster recovery and mitigation of multiple hardware failures;

    - a redundant infrastructure to reduce the possibility of single point failures;

    - container security, security score, the anti-virus feature, classified protection compliance checks, vulnerability fixing, baseline checks, cloud service configuration assessment, security alerts, attack analysis, accesskey pair leak detection, log analysis, asset fingerprints, security reports and threat detection;

- **Third Party Security Audits**. The Issuer engages a third-party cyber security company to perform external security audits. Audits are conducted on an annual basis;

- **Chief Risk Officer**. The Issuer's Chief Risk Officer ensures employees are abiding by the policies and procedures implemented by the Issuer, implements independent verifications, such as reconciliations by personnel of different levels on a timely basis, and performs walkthroughs of transaction recording processes to verify all required steps are being taken.

- **Legal Segregation of User Funds**. Subject to compliance with applicable securities laws, if CADT is issued, then pursuant to the terms of user agreements with the Issuer, the Canadian funds represented by CADT will be beneficially owned by Users and held by the Issuer in trust for the benefit of Users. User agreements will further provide that those Canadian Funds are to be deposited to a Custodial Account with the Issuer's Custodian segregated from the Issuer's assets, and that the funds be administered by the Custodian. The specifics of the administration of the funds are set out in the Custodian Agreement and are consistent with the Issuer's obligations under user agreements and the related CADT transaction services it provides in accordance with user agreements.

- **Audit of Custodial Account**. If CADT is issued, the Custodian will provide the Issuer a report on the Custodial Account on a monthly basis, which report will be made publicly available such that the funds in the account can be reconciled with a CADT ledger that records CADT transactions on the BVC Chain, and which will also be made publicly available.

- **Corporate Governance**. The Issuer maintains policies and practices to facilitate corporate and regulatory compliance, including the following corporate policies: (i) Anti-Money Laundering Policy; (ii) Corrupt Foreign Practices Policy and (iii) Privacy Policy.

- **Financial Reporting**. The Issuer is a reporting issuer in Canada. As a result, it is required to provide continuous disclosure and report financial results on a quarterly and annual basis.

- **Audited Annual Financial Statements**. The Issuer's audited annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and audited by an independent accounting firm in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Specialized Skill and Knowledge

Most aspects of the Issuer's business require specialized skill and knowledge. Such skills and knowledge include software engineering, marketing, finance, accounting, and regulatory compliance. The Issuer meets its needs for such specialized skills and knowledge through the expertise of its directors, officers, and employees, and its consultant Hengwell. See Item 3 - "General Development of the Business - Maintenance Agreement". To the extent that additional specialized skills and knowledge are required, the Issuer retains other outside consultants.

The Issuer's software engineer consultants have the following skills and/or experience:

- familiarity with underlying technology implementation principles and codes of mainstream blockchain projects, such as fabric, Ethereum ad bitcoin, etc.;

- technical foundation and experience in the research and development of underlying technologies in one or more fields, such as distributed computing, distributed storage, smart contract, point-to-point communication, security encryption and decryption;

- Research experience on blockchain, Ethereum and other technologies; familiarity with geth and solidity;

- Understanding of the principles of blockchain technology, and a familiarity with the preparation of smart contracts for large blockchain platforms; and

- Experience in blockchain development such as Ethereum and hyperledger fabric (including DAPP development experience).

Competition

The banking and financial services industry is highly competitive, and the Issuer competes with a wide range of financial institutions within its markets, including local, regional and national commercial banks and credit unions. It also competes with fintech companies and other financial intermediaries involved in providing payment solutions, including Digital Currencies. Some of these competitors are not currently subject to the regulatory restrictions and the level of regulatory supervision applicable to the Issuer. The Issuer may become subject to additional competition as other companies introduce products and services similar to those provided by the Issuer, and as the Issuer's existing services evolve and any new products introduced.

The Issuer faces direct competition from banks that are actively seeking relationships with prospective digital currency customers, and from central banks desirous of implementing blockchain-based Digital Currencies. In addition, the Issuer competes with other infrastructure service providers primarily related to the digital currency industry. As adoption of digital currency grows, the Issuer expects additional banks, central banks and other financial institutions and other infrastructure service providers and technology companies to enter into the digital currency industry and compete with it for prospective digital currency customers. The pace of innovation within the digital currency industry is rapid and may result in competitors or new competing business models that the Issuer is not aware of today.

Prices on fee-based services is typically a significant competitive factor within the banking and financial services industry. Many of the Issuer's competitors are much larger financial institutions and technology companies that have greater financial resources than the Issuer does and compete aggressively for market share. These competitors attempt to gain market share through their financial product mix, pricing strategies and banking center locations.

Other areas in which the Issuer competes include:

- **Users**. Competition to attract, engage and retain Users. The Issuer competes based on the utility, ease of use, performance and quality of BvcPay and the BVC Chain.

- **Talent**. Competition to attract and retain highly talented individuals, including software engineers and designers, sales and marketing personnel and senior management.

The Issuer believes that its proprietary CADT and BVC Chain and related technology give it a competitive advantage over many competitors. The following comparison chart lists various features of the BVC Chain and compares those features with other Digital Currencies offered by certain other competitors:

	Ethereum	Ripple	Stellar	R3	Quorum	Libra	BVCI
Users	Startups	Individuals Fin-Institution	Individuals DAPP	Individuals Fin-Institution	JPMorgan	Individuals Fin-Institution	Individuals Fin-Institution
TPS	25	1,500	1,000	—	—	1,000	5,000
Gas	ETH	XRP	XLM	—	—	?	BVC
Target	B2C	B2B	B2C	B2B	B2B	B2B2C	B2B2C
Original Stablecoin	✗	✗	✗	✗	✓	?	✓
Original DEX	✗	✓	✓	✗	✗	?	✓
Built-in FinGate	✗	✓	✓	✗	✗	?	✓
Smart contract (Turing-Complete)	✓	✗	✗	✓	✓	?	✓
Financial Innovation	✓	✗	✓	✗	✗	?	✓

The Issuer also believes it has a significant competitive advantage through its relationship with Wyth Trust, the Custodian of the Custodial Account, and a subsidiary of a Schedule I Canadian Financial Institution. Management is not aware of any other Digital Currency business similar or competitive to the Issuer's business whereby a Schedule I Canadian Financial Institution or an affiliate thereof has strategically aligned itself with a Digital Currency business by integrating their internal banking network with a blockchain via an API for purposes of facilitating transactions with a Digital Currency.

Operations

Employees

As of the date hereof, the Issuer had five (5) employees, all of whom are full time, and staffing levels are expected to increase as business activities increase. Employees are engaged in sales, management, operations, computer programming, customer support and administration (primarily at the head office). Geographically, all of the employees are located in Toronto, Ontario. None of the employees are represented by a union or are subject to a collective bargaining agreement. The Issuer expects to have six (6) employees by the end of 2022.

Facilities

The Issuer uses an office facility in Toronto, Ontario pursuant to an office agreement between it and RGN Management Limited Partnership (the "RGN"). Pursuant to such agreement, the Issuer pays a monthly price of $1,988 for a 4-person occupancy of an office. The effective date of the agreement is December 1, 2019 with a six (6) month term, subject however to automatic renewals for successive 6 month periods until brought to an end by the Issuer or the RGN by providing 3 months advance notice. In the fourth quarter of 2021, BVCI engaged a real estate broker to source a small office to lease commencing in the second quarter of 2022 to accommodate anticipated increase in business activities.

Further, RGN is entitled to terminate the agreement immediately upon the occurrence of any of the following: (i) the Issuer becomes bankrupt or insolvent, (ii) the Issuer breaches any of its obligations under the agreement, which breach cannot be resolved within 14 days written notice from the Landlord, (iii) the Issuer's conduct, or someone in the officer with the Issuer's invitation or permission, is incompatible with ordinary office use, and that conduct continues despite notice having been given by RGN and the conduct is material enough to warrant immediate termination, or (iv) the Issuer is in breach of relevant laws and regulations in the conduct if its business, causes nuisance or annoyance, causes damage or loss to RGN, or to the owner of any other interest in the building.

The Issuer believes that its facilities are adequate for its current needs.

Government Regulation and Compliance

The Issuer's services are subject to a wide variety of laws and regulations enacted by the Canadian federal government, each of the provincial governments in which the Issuer operates, and other localities and jurisdictions. These include international, federal and provincial anti-money laundering and sanctions laws and regulations; financial services regulations; currency control regulations; anti-bribery laws; regulations of the Canadian Department of Foreign Affairs, Development, and Trade; escheatment laws; tax laws; intellectual property laws; consumer disclosure and consumer protection laws; and rules, laws and regulations including those governing electronic payments and competition. Additionally, the Issuer is subject to laws and regulations affecting companies that conduct business through the Internet, many of which are still evolving and being tested in the courts, and could be interpreted in ways that could harm the Issuer's business. These include laws regarding user privacy, data protection, content, distribution, electronic contracts, and other online communications. In particular, the Issuer is subject to federal, provincial, and foreign laws regarding privacy, data protection and information security laws. Foreign laws and regulations may be more restrictive than those in Canada. Canadian federal and provincial and foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which the Issuer operates. Failure to comply with any of these requirements could result in the limitation, suspension or termination of the Issuer's services, the seizure of assets and the imposition of civil and criminal penalties, including fines and restrictions on the Issuer's ability to offer services. See Item 19 - "Risk Factors" for additional discussion regarding potential impacts of failure to comply.

BVCI assumes and conducts itself on the basis that CADT, either alone or in connection with a User Agreement, is a security and derivative for the purpose of compliance with the securities laws that would otherwise apply if CADT and or the User Agreement was in fact a security and a deriviative. As a result, the Issuer must register as a dealer under applicable securities laws in order to issue CADT and otherwise deploy its CADT related business, or it must rely on an exemption from such requirement by issuing all CADT through a dealer registered under applicable securities law in a category that permits the dealer to trade in CADT. Similarly, the Issuer must file and obtain a receipt for a prospectus from applicable securities regulators in order to issue CADT or it will need to rely on any applicable exemptions from that prospectus requirement. The Issuer has filed an application under applicable securities laws to become an exempt market dealer. However, there is no certainty this application will be successful. Consequently there is no certainty the Issuer will be able to successfully deploy its CADT related business. See Item 17 - "Risk Factors".

The Issuer intends to continually enhance its compliance programs, including its anti-money laundering program, which comprises policies, procedures, systems and internal controls to monitor and to address various legal and regulatory requirements. In addition, the Issuer intends to adapt its business practices and strategies to help it comply with current and evolving legal standards and industry practices. These programs include dedicated compliance personnel, training and monitoring programs, suspicious activity reporting, regulatory outreach and education, and support and guidance to the Issuer's partners and customers concerning regulatory compliance. The Issuer's payment services network operates through the Custodian, third-party payment settlement partners, and, therefore, there are limitations on the Issuer's legal and practical ability to manage the Custodians payment settlement partners' compliance programs.

The Issuer does not maintain and is not eligible for insurance through government-sponsored programs or deposit insurance and does not currently carry any private insurance policy. **As a result, the Issuer does not have any insurance coverage in the event of loss**. In the event any funds are held by the Issuer, through the Custodian, on behalf of BvcPay Users, there can be no assurance that third parties will not claim interests in such property in a legal proceeding or claim against the Issuer. See Item 19 - "Risk Factors".

BvcPay is available outside of Canada. Residents in jurisdictions outside of Canada may be restricted from using BvcPay. There can be no assurance that BvcPay or the internet platform version of BvcPay will be acceptable to foreign regulatory bodies. Foreign governments may seek to restrict access to BvcPay, block the Issuer's website, or impose other restrictions that may affect the Issuer's ability to offer BvcPay to new or existing Users in those other jurisdictions for an extended period of time or indefinitely. See Item 19 - "Risk Factors".

<u>Total Funds Available and Principal Purposes for Which Funds Will Be Used</u>

The following table sets out information respecting the Issuer's sources of funds and intended uses of such funds upon completion of the Transaction:

Item	**$**
Source of Funds	
Working capital (deficiency) of BVCI as at July 14, 2022(1)	$200,000
Working capital (deficiency) of Flexwork as at July 14, 2022(1)	$Nil
Net Proceeds of BVCI Private Placement	$1,500,000
Total Available	**$1,700,000**
Principal purposes for the use of available funds	
Blockchain costs	$200,000
Development of KVB Wallet costs	$10,000
Blockchain service fees	$24,000
Listing Statement related cost and fees	$50,000
Legal/Accounting and other professional fees	$400,000
Marketing	$400,000
General & Administrative(1)	$136,000
Employee salaries and wages	$430,000

Item	$
Unallocated working capital	$50,000
Total	**$1,700,000**

Notes:

(1) Amount is an estimate. General and administrative is comprised of the following estimates: (i) office supplies ($20,000); (ii) regulatory fees ($30,000); (iii) rent and overhead ($36,000); and (iv) costs to secure insurance and insurance premium costs, if secured ($50,000).

The Issuer estimates that its current cash and cash equivalents will be sufficient to meet its cash requirements set out above for the next 12 months. The above table assumes the Issuer generates revenue in the next 12 months from operations. In the event the Issuer is not able to generate adequate revenue in the next 12 months, the Issuer will require additional financing to fund its administrative expenses and operations. The Issuer has historically satisfied its capital needs by issuing equity securities. the Issuer had negative cash flow from operating activities in its most recently completed financial year as disclosed in the financial statements attached to this Listing Statement. Estimated projections over the next 12 months constitute future oriented financial information. See "Introduction - Forward Looking Statements" and Item 17 - "Risk Factors".

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Issuer. For these reasons, management of the Issuer considers it to be in the best interests of the Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are deployed among the uses identified above, or for other purposes, as the need arises. If, as a result of changes in the Issuer's business, assets, operations or circumstances, the Board and management of the Issuer should determine that the available funds should be deployed other than as set forth above, the funds shall be allocated to such other business activities and assets as the Board and management reasonably determine. Further, the above uses of available funds should be considered estimates. See "Introduction - Forward Looking Statements" and Item 17 - "Risk Factors".

5. Selected Consolidated Financial Information

5.1 Annual Information

BVCI's Annual Information

The following is a summary of selected financial information for BVCI for the periods indicated and should be read in conjunction with the audited financial statements of BVCI fiscal year ended December 31, 2021 and December 31, 2020, and BVCI's interim financial statements for the three-month period ended March 31, 2022 (collectively the "**Financial Statements**") appearing elsewhere in this Listing Statement as Schedules, each prepared in accordance with IFRS (see Item 25 – "*Financial Statements*").

	As at and for the three month period ended March 31, 2022 (unaudited)	As at and for the Year ended December 31, 2021 (audited)	As at and for the Year ended December 30, 2020 (audited)
Statement of Operations			
Total revenue	$0	$191	$0

Net and comprehensive loss from operations	$697,532	$2,264,041	$1,116,129
Net loss per share (basic and diluted)	$0.03	$0.10	$0.05
Statement of Financial Position			
Total assets	$151,646	$278,404	$108,522
Total liabilities	$916,025	$737,907	$1,052,936
Cash dividends declared	Nil	Nil	Nil

Flexwork's Annual Information

The following is a summary of selected financial information for Flexwork for the periods indicated and should be read in conjunction with the audited financial statements of Flexwork for the fiscal year ended December 31, 2020 and December 31, 2021, and Flexwork's interim financial statements for the three-month period ended March 31, 2022 (collectively the "**Flexwork Financial Statements**") appearing elsewhere in this Listing Statement as Appendices, each prepared in accordance with IFRS (See Item 25 – "*Financial Statements"*).

	As at and for the three month period ended March 31, 2022 (unaudited)	**As at and for the Year ended December 31, 2021**	**As at and for the Year ended December 31, 2020**
Statement of Operations			
Total revenue	$0	$0	$0
Net and comprehensive loss from operations	$10,450	$17,115	$31,513
Net loss per share (basic and diluted)	$0.00	$0.00	$0.00
Statement of Financial Position			
Total assets	$23,164	$28,371	$1,386
Total liabilities	$3,986	$101,295	$91,425
Cash dividends declared	Nil	Nil	Nil

Issuer's Pro Forma Financial Information

The following table provides a brief summary of the Issuer's consolidated financial position as at March 31, 2022 on a pro forma basis following the completion of the Transaction. The selected financial information has been derived from, and should be read in conjunction, with the Issuer's pro forma consolidated financial statements attached to this Listing Statement as a Schedule.

	BVCI as of March 31, 2022 (unaudited) ($)	**Flexwork as of March 31, 2022 (unaudited) ($)**	**Issuer as of March 31, 2022 (unaudited) ($)**

Statement of Financial Position			
Total assets	$151,646	$23,164	$1,674,911[(1)]
Total liabilities	$916,025	$3,986	$1,190,011[(2)]
Cash dividends declared	$0	$0	$0

Notes:

(1) Amount assumes the BVCI Private Placement is fully subscribed for resulting in gross proceeds of $1,500,101.

(2) Amount includes $270,000 as estimated costs related to the BVCI Private Placement.

5.2 Quarterly Information

BVCI's Quarterly Information

The following is selected quarterly financial information for BVCI for each of the last eight financial quarters ending at the end of the most recently completed financial year:

	Q4 Dec 31 2021 ($)	**Q3 Sep 31 2021 ($)**	**Q2 Jun 30 2021 ($)**	**Q1 Mar 31 2021 ($)**	**Q4 Oct 31 2020 ($)**	**Q3 Jul 31 2020 ($)**	**Q2 Apr 30 2020 ($)**	**Q1 Jan 31 2020 ($)**
Total revenues	925	Nil	Nil	Nil	925	Nil	Nil	Nil
Net and comprehensive loss from operations	(1,026,614)	(497,159)	(350,327)	(389,941)	(245,066)	(271,754)	(495,300)	(104,009)
Net loss per share (basic and diluted)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)

Flexwork's Quarterly Information

The following is selected quarterly financial information for Flexwork for each of the last eight financial quarters ending at the end of the most recently completed financial year:

	Q4 Dec 31 2021 ($)	**Q3 Sept 30 2021 ($)**	**Q2 Jun 30 2021 ($)**	**Q1 Mar 31 2021 ($)**	**Q4 Dec 31 2020 ($)**	**Q3 Sept 30 2020 ($)**	**Q2 Jun 30 2020 ($)**	**Q1 Mar 31 2020 ($)**
Total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) from operations	45,301	(4,721)	(6,289)	(17,176)	(7,071)	(5,165)	(9,980)	(9,297)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

5.3 Dividends

Subject to the provisions of the Act, the Board may from time to time declare and Issuer may pay dividends to the Shareholders according to their respective rights and interests in Issuer. Dividends may be paid in money or property or by issuing fully paid shares of Issuer or options or rights to acquire fully paid shares of Issuer.

Further, the Issuer has neither declared nor paid any dividends on the Issuer Common Shares since its formation by way of Amalgamation pursuant to the Transactions. The payment of dividends in the future will depend on the earnings and financial condition of Issuer and such other factors as the Board may consider appropriate. Issuer does not foresee paying dividends in the near future. The Issuer currently intends to reinvest all future earnings to finance the development and growth of its business.

5.4 IFRS

The BVCI Financial Statements and the Flexwork Financial Statements included in this Listing Statement have been, and the future financial statements of BVCI shall be, prepared in accordance with IFRS.

6. Management's Discussion and Analysis

A copy of BVCI's Management Discussion and Analysis for the fiscal years ended December 31, 2021 and 2020, and the three-month interim period ended March 31, 2022, are attached herein as Appendix "L", "M"and "N", respectively, and should be read in conjunction with BVCI's consolidated financial statements and notes as attached hereto as appendices.

A copy of Flexwork's Management Discussion and Analysis for the fiscal years ended December 31, 2021, and 2020 and the three-month interim period ended March 31, 2022, are attached hereto as Appendix "E", "F" and "G", respectively, and should be read in conjunction with Flexwork's consolidated financial statements and notes as attached hereto as appendices, and available under Flexwork's SEDAR profile at www.sedar.com.

7. Market for Securities

The Issuer Common Shares have been conditionally approved for listing on the CSE under the symbol "BVCI".

BVCI Common Shares have never been listed or posted for trading on any stock exchange or quotation system.

Flexwork Common Shares were initially listed on Tier 2 of the TSX Venture Exchange ("TSXV") on December 4, 2009. Flexwork Common Shares continuously traded on the TSXV from December 4, 2009 to February 27, 2018, when Flexwork voluntarily delisted the Flexwork Common Shares from trading on the TSXV. Flexwork thereafter commenced trading on the CSE on February 28, 2018 under the stock symbol "RNG".

Voluntary Trading Halt

Flexwork has been subject to a voluntary trading halt, as of May 28, 2018, (the "Voluntary Trading Halt"), so that it could explore opportunities for and complete a potential Fundamental Change, such as a reverse takeover transaction. The Voluntary Trading Halt was issued at the request of Flexwork by the Investment Industry Regulatory Organization of Canada ("IIROC"). At the close of the market on May 28, 2018, Flexwork Common Shares last traded at $0.02 per share.

Prior to the Voluntary Trading Halt, Flexwork carried on business as a junior mineral exploration and development company within Canada, but has been inactive since then.

8. Consolidated Capitalization

The Issuer's authorized share capital consists of an unlimited number of Issuer Common Shares without par value.The following table summarizes the consolidated capitalization of the share capital of the Issuer as of the date hereof, both before and after giving effect to the Transaction as though it had occurred on the date hereof. The table should be read in conjunction with the BVCI Financial Statements and Flexwork Financial Statements, including the notes thereto, attached as schedules to this Listing Statement:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the date of Listing
Common Shares	Unlimited	24,414,669
Options	10% of issued and outstanding shares	620,000
Warrants	Unlimited	242,858

Designation of Security	Amount Authorized or to be Authorized	BVCI securities prior to the Transaction	Flexwork securities prior to the Transaction	Issuer After Giving Effect to the Transaction (A) + (B)
Common Shares	Unlimited	24,414,669	1,284,960	25,699,179
Options	10% of issued and outstanding shares	620,000	51,760	671,760
Warrants	Unlimited	242,858	0	242,858

9. Options to Purchase Securities

The Issuer has adopted a share option plan (the "Issuer's Option Plan") pursuant to which the Board may, from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants of the Issuer non-transferable options to purchase Issuer Common Shares, provided that the number of Issuer Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Issuer Common Shares at the time of grant. No more than 5% of the issued and outstanding Issuer Common Shares may be granted to any one Optionee in any 12-month period (unless the Issuer has obtained disinterested shareholder approval). No more than 2% of the issued and outstanding Issuer Common Shares may be granted to any one consultant in any 12-month period. No more than an aggregate of 2% of the issued and outstanding Issuer Common Shares may be granted to employees conducting investor relations activities in any 12-month period. The Issuer must obtain disinterested Shareholder approval where, together with all of BVCI's previously established and outstanding stock option plans or grants, (i) the number of Issuer Common Shares reserved for issuance under stock options granted to Insiders exceeds 10% of the issued and outstanding Shares; (ii) the grant to Insiders, within a 12 month period, of a number of Options exceeds 10% of the issued and outstanding Issuer Common Shares; or (iii) the issuance to any one Optionee, within a 12 month period, of a number of Shares exceeds 5% of the issued and outstanding Issuer Common Shares.

The period during which an Option may be exercised (the "Option Period") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the

Board in its sole unfettered discretion at the time such Option is granted. Any Options granted to any Optionee must expire within 60 days after the Optionee ceases to be an Optionee, and within 30 days for any Optionee engaged in investor relation activities after such Optionee ceases to be employed to provide investor relation activities.

the Option Plan contains provisions for adjustment in the number of Issuer Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the Issuer Common Shares, or an amalgamation, merger or other relevant change in the Issuer's corporate structure, or any other relevant change in the Issuer's capitalization.

As at the date of this Listing Statement, the following options and warrants to purchase Issuer Common Shares of the Issuer are held by the class of person(s) described therein, and, except for persons included in such class, no other person holds any options or warrants or other securities convertible into Issuer Common Shares of the Issuer as at the date of this Listing Statement:

Category	Type (Option / Warrants)	Type of Securities Reserved under Option	Number of Securities Reserved under Option	Exercise Price Per Security	Expiry Date(s)
All present and past executive officers and directors of the Issuer	Options	Common Shares	620,000(1)(2) 25,880(3) 25,880 (3)	$0.53 $1.06 $1.06	Oct 1, 2025 Sept 1, 2022 July 18, 2023
	Warrants	Common Shares	100,000(4)	$1.50	Nov 16, 2026
	Warrants	Common Shares	57,143(5) 85,715(6)	$2.00 $2.00	July 15, 2024 July 27, 2024

Notes:

(1) Options were issued under BVCI's stock option plan, and subsequently converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction.

(2) One-third of the Options vest(ed) on October 1 of each of the following years: 2020, 2021 and 2022.

(3) 1,100,000 Options were issued under Flexwork's stock option plan, and subsequently consolidated based on the same ratio used for the Consolidation, and then converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction.

(4) Warrants were issued to KVB pursuant to the Dealer Services Agreement.

(5) Warrants were issued to subscribers under the private placement which closed on July 15, 2022.

(6) Warrants were issued to the subscribers under the BVCI Private Placement.

10. Description of the Securities

10.1 General

The Issuer is authorized to issue an unlimited number of Issuer Common Shares without par value. The holders of Issuer Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Issuer, entitled to one vote per share at meetings of the shareholders of the Issuer and, upon dissolution, entitled to share equally in such assets of Issuer as are distributable to the shareholders and subject to any special rights or restrictions attached to any shares of Issuer. The Issuer Common Shares do not include any conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities or any other material restrictions; nor any provisions requiring a shareholder to contribute additional capital.

The Issuer is also authorized to issue an unlimited number of preferred shares, issuable in series.

As of the date of this Listing Statement, Issuer has 25,699,179 Issuer Common Shares issued and outstanding and no preferred shares outstanding. Subject to the provisions of the OBCA, the Board may by resolution fix the designation, rights, privileges, restrictions and conditions attaching to each such series.

10.2 - 10.6 Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE - Form 2A are applicable.

10.7 Prior Sales

Prior Sales by BVCI

During the 12 months preceding the date of this Listing Statement, BVCI issued the following securities:

Date of Issuance (mm/dd/yyyy)	Type of Security	Price Per Security	Number of Security	Type of Transaction
08/14/2021	Common Shares	$1.50	274,407	Private Placement
09/27/2021	Common Shares	$1.50	316,565	Private Placement
09/30/2021	Common Shares	$1.50	177,958	Private Placement
11/01/2021	Common Shares	$1.50	306,667	Private Placement
11/16/2021	Warrants(1)	$1.50	100,000	Dealer Services(1)
11/30/2021	Common Shares	$1.50	72,000	Private Placement
01/10/2022	Common Shares	$1.50	142,535	Private Placement
01/10/2022	Common Shares	$2.00	31,250	Private Placement
02/15/2022	Common Shares	$1.50	91,333	Private Placement
02/15/2022	Common Shares	$2.00	9,500	Private Placement
04/21/2022	Common Shares	$1.50	24,000	Private Placement
04/21/2022	Common Shares	$2.00	16,000	Private Placement
07/15/2022	Common Shares	$1.50	137,833	Private Placement
07/15/2022	Common Shares	$2.00	198,600	Private Placement

07/15/2022	Common Shares	$1.75	57,143	Private Placement
07/15/2022	Warrants(2)	$2.00	57,143	Private Placement
07/21/2022	Common Shares	$2.00	65,550	Private Placement
07/27/2022	Common Shares	$2.00	609,500	Private Placement
07/27/2022	Common Shares	$1.75	85,715	Private Placement
07/27/2022	Warrants(3)	$2.00	85,715	Private Placement

Notes:

(1) Warrants issued to KVB as further consideration pursuant to the terms of the Dealer Services Agreement.

(2) Warrants issued to subscribers under the private placement which closed on July 15, 2022.

(3) Warrants issued pursuant to the BVCI Private Placement.

Prior Sales by Flexwork

During the 12 months preceding the date of this Listing Statement, Flexwork issued the following securities:

Date of Issuance (mm/dd/yyyy)	Type of Security	Price Per Share	Number of Shares	Type of Transaction
02/18/2022	Common Shares	$0.05	2,051,046	Private Placement -settlement of debt of $102,552.30 owed to two officers of Flexwork for Flexwork Common Shares, completed pursuant to Section 2.1 of Policy No. 6 of the CSE
07/18/2022	Options	$0.05	550,000	Option Grant

Prior Sales by Issuer

During the 12 months preceding the date of this Listing Statement, the only securities issued by the Issuer were pursuant to the Transaction whereby: (i) 25,699,179 Issuer Common Shares were issued to the prior shareholders of BVCI and of Flexwork, (ii) 620,000 options previously issued under BVCI's stock option plan were converted on a one-to-one basis to options issued under the Issuer's Option Plan; and (iii) 51,760, options previously issued under Flexwork's stock option plan were converted on a one-to-one basis to options issued under the Issuer's Option Plan; (iv) 100,000 warrants issued to KVB pursuant to the Dealer Services Agreement were converted to warrants of the Issuer on a one-to-one basis; and (v) 142,858 Warrants issued pursuant to the private placement which closed on July 15, 2022 and the BVCI Private Placement were converted to Warrants of the Issuer on a one-to-one basis.

10.8 Stock Exchange Price

Not applicable.

11. Escrowed Securities

11.1 Escrowed Securities

Except as set out below, as of the date of this Listing Statement none of the Issuer's securities are held, to the knowledge of the Issuer, in escrow.

In connection with the direct listing on the CSE, the following Common Shares are subject to escrow in accordance with CSE Policy 8 – *Fundamental Changes & Changes of Business* and an agreement to be dated on or before the date of listing (the "**Escrow Agreement**"):

Holder	Designation of class held in escrow	Number of Securities held in escrow	Percentage of Class
Richard Zhou	Common Shares	14,977,438	61.36%
Justin Poy	Common Shares	115,746	0.47%

Pursuant to the Escrow Agreement, the aforementioned securities are subject to release from escrow over 36 months, with 10% of such shares released on the date the Shares commence trading on the Exchange and an additional 15% to be released every six months thereafter.

12. Principal Shareholders

Except as set out below, as at the date of this Listing Statement there are no persons that own or beneficially own, or control or direct, directly or indirectly, 10% or more of the issued and outstanding Common Shares (each, a "**Principal Shareholder**").

Name	Class of Securities Held	Number of Securities Held	Type of Ownership	Percentage of Class
Richard Zhou	Common Shares	14,977,438 (1)	Of Record	61.36%(1)

Notes:

(1) On a fully diluted basis, Mr. Zhou would hold Common Shares, which would represent 56.28% of all Issuer Common Shares.

As of the date of this Listing Statement, none of the Issuer's securities are, to the knowledge of the Issuer, subject to a voting trust, pooling agreement or other similar arrangement.

13. Directors and Officers

13.1 The following table sets out information concerning directors and executive officers of the Issuer:

Name and Municipality of Residence[(2)]	Position Presently Held	Director Since	Number and Percentage of Common Shares[(3)(4)]	Principal Occupation for past 5 years[(5)]
Richard Zhou Richmond Hill, Canada	Chief Executive Officer, President and Director	January 12, 2018	14,977,438	For the past 20 years Mr. Zhou has worked in the information technology, Internet, IoT and Energy industries, having held positions at EMC, Siemens, and Apotex.
Steven Olsthoorn Richmond Hill, Ontario, Canada	Chief Financial Officer, Corporate Secretary and Director	January 1, 2020	Nil	Mr. Olsthoorn is currently a Partner at DNTW Toronto LLP specializing in audit, accounting, and tax and has held this position for the past 5 years.
Monika Cywinska [(1)] Etobicoke, Ontario, Canada	Director	September 10, 2020	Nil	For the past 5 years, Ms. Cywinska has served as the Chief Operating Officer for The AML Shop, an anti-money laundering, counter-terrorist financing and sanctions compliance consulting firm.
Yongbiao (Winfield) Ding[(1)] Toronto, Ontario, Canada	Director	January 1, 2020	Nil	Mr. Ding has been an Independent Director and Audit Committee Chairman of CF Energy Corp. (TSXV:CFY) since March 10, 2015, has been the Chief Financial Officer of Sparton Resources Inc. (TSX-V: SRI) since June of 2011, has been a director and CFO of Gravitas Financial Inc. (CSE: GFI) since April 15, 2019 and has been a director of Green Panda Capital Corp. (TSX-V: GPCC.P) since February 2019.
Justin Poy[(1)] Richmond Hill, Ontario, Canada	Director	January 1, 2020	56,603	Mr. Poy is the Founder and Creative Director of The Justin Poy Agency (est. July 1993). He is also the President and CEO of Dealer AIBot Ltd., the developers of NEIL *(Natural Enhanced Integrated Learning)*, an AI-based digital concierge for automotive dealerships over the last 5 years.

Notes:

(1) Member of the Audit Committee. Each member is financially literate as is defined under National

Instrument 52-110. Winfield Ding is the chairman of the Audit Committee.

(2) The information as to municipality of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.

(3) Amount is on an issued and undiluted basis, and relates to all Issuer Common Shares beneficially owned, directly or indirectly as at the date hereof. No control or direction over any Issuer Common Shares is exercised by all directors and executive officers of the Issuer as a group.

(4) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.

(5) If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company

No director or officer of the Issuer, proposed director or officer of the Issuer, or shareholder of the Issuer holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of the Issuer, proposed director or officer of the Issuer, or shareholder of the Issuer holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

No director or officer of the Issuer, proposed director or officer of the Issuer, or shareholder of the Issuer holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Certain of the directors and officers of the Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including companies in the financial technology and blockchain sectors) and, as a result of these and other activities, such directors and officers of the Issuer may become subject to conflicts of interest. The Act provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the Act. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the Act.

Management

The following is a brief description of the business, work and educational background of BVCI's management whose expertise will be critical in providing the Issuer with a reasonable opportunity to achieve its stated business objectives.

Richard Zhou, age 47 – President, Chief Executive Officer, Director

Mr. Zhou is the Chief Executive Officer, President and a Director of BVCI since its inception. Mr. Zhou is also the legal and beneficial owner of 14,977,438 Issuer Common Shares of the Issuer, amounting to 61.36% of the Issuer's total issued and outstanding share capital as at the date of this Listing Statement (on an undiluted basis). Mr. Zhou has been the President of Green Panda Capital Corp. (TSX-V:GPCC.P) in Toronto, Canada since July 2019, and acts as an advisor to multiple Fortune 500 and Nasdaq-listed companies. Formerly, Mr. Zhou served as an Independent Director on the board of Internet of Things Inc. (TSX-V: ITT) from July 2012 to December 2016, and he served part time assisting with community outreach at the Legislative Assembly of Ontario from Feb 2007 to Sep 2014. Mr. Zhou was also the President of the Canada Evergreen Association from August 2008 to April 2014, and was the Founding Director of the Chinese Cabinet of the Toronto Sick Kids Foundation from 2013 to 2016. Mr. Zhou has 20 years of industry experience in information technology, Internet, IoT and Energy, having held positions at EMC Corporation (Canada) from 2006 to 2009, Siemens (Canada) from 2005 to 2006, and Apotex from February to June 2006.

Mr. Zhou is a party to a non-competition and non-disclosure agreement with BVCI. It is expected that Mr. Zhou will devote approximately 100% of his time to the business of BVCI to effectively fulfill his duties as an officer and director.

Steven Olsthoorn, Age 35 – Chief Financial Officer, Corporate Secretary and Director

Mr. Olsthoorn is the Chief Financial Officer, Corporate Secretary and a Director of BVCI since January 2020. Mr. Olsthoorn is a Partner at DNTW Toronto LLP specializing in audit, accounting, and tax. He leads the assurance department at DNTW as an auditor of public companies and registered securities dealers. Mr. Olsthoorn also provides income tax advice to individuals and corporations, particularly owner-managed and small to medium sized businesses. Mr. Olsthoorn joined DNTW Toronto LLP in 2010. He graduated from Wilfrid Laurier University in 2008 and became a Chartered Accountant in 2011.

Mr. Olsthoorn is a party to a non-competition and non-disclosure agreement with the Issuer. It is expected that Mr. Olsthoorn will devote approximately 10% of his time to the business of the Issuer to effectively fulfill his duties as an officer and director.

Monika Cywinska – Independent Director

Ms. Cywinska is a Chartered Professional Accountant and Chartered Accountant. She has been a director of BVCI since September 2020. Following a distinguished tenure in assurance with one of the largest public accounting firms in Canada, MNP LLP, from Sept 2009 to Sept 2016, Ms. Cywinska co-founded a financial services regulatory compliance consultancy called The AML Shop, for which she now serves as the Chief Operating Officer. Her client base includes federally regulated financial institutions, multi-national money services businesses, payment services providers, and cryptocurrency companies across North America.

Ms. Cywinska graduated from the University of Toronto, Rotman School of Management, with a Bachelor of Commerce degree in 2005. She obtained her Chartered Accountant designation in June 2012.

Yongbiao (Winfield) Ding – Independent Director

Mr. Ding has been a director of BVCI since January 2020. Mr. Ding has been the CFO and director for a number of public companies in Canada and in the U.S. He is a seasoned senior finance executive with over 20 years of finance and operations experience. A former audit manager and currently a self-practitioner, he has worked in audit, taxation and advisory across a wide range of industries with a focus on public issuers financial reporting and advising Asian investors doing business in Canada. He was the CFO of TWX Group Holding Limited (CSE: TWX) between April 2016 to January 2020, he has been an Independent Director and Audit Committee Chairman of CF Energy Corp. (TSXV:CFY) since March 10, 2015, has been the Chief Financial Officer of Sparton Resources Inc. (TSX-V: SRI) since June of 2011, has been a director and CFO of Gravitas Financial Inc. (CSE: GFI) since April 15, 2019 and has been a director of Green Panda Capital Corp. (TSX-V: GPCC.P) since February 2019.

Justin Poy - Independent Director

Mr. Poy was a director of BVCI since January 2020. Mr. Poy is the Founder and Creative Director of The Justin Poy Agency (est. July 1993), a full service award-winning creative and strategic ad agency based in Toronto Canada. He has also been the President and CEO of Dealer AIBot Ltd. since 2018, the developers of NEIL *(Natural Enhanced Integrated Learning)*, an AI-based digital concierge for automotive dealerships. Mr. Poy has received the Queen's Gold and Diamond Jubilee Medals and has been recognized by Ryerson University and The Toronto French School as *Alumni of Distinction*. He is also the recipient of the Chinese Canadian Legend Award and Campbell's Entrepreneurship Leadership Award, sponsored by the Association of Chinese Canadian Entrepreneurs. Justin currently sits on the Board of the SickKids Foundation, among many others and is a recipient of University of Toronto's Arbor Award.

<u>Audit Committee</u>

The Issuer will have an Audit Committee consisting of the following members:

- Monika Cywinska
- Yongbiao (Winfield) Ding
- Justin Poy

The Issuer's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Issuer's Audit Committee will be to assist the Issuer's Board in discharging the oversight of:

- the integrity of the Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Issuer's compliance with legal and regulatory requirements;
- the Issuer's external auditors' qualifications and independence;
- the work and performance of the Issuer's financial management and its external auditors; and
- the Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer's Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Issuer's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Issuer is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

14. Capitalization

14.1 <u>Issued Capital (Post Transaction)</u>

As at the date of this Listing Statement, the Issuer has the issued and outstanding securities set out in the below table, all of which are Issuer Common Shares:

	Number of Securities (non-diluted)	Number of Securities, (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	25,699,179	26,613,797	100%	100%
Held by Related Persons or employees of BVCI or Related Person of BVCI, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in BVCI (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in BVCI upon exercise or conversion of other securities held) (B)	15,093,184	15,410,327	58.73%	57.77%

	Number of Securities (non-diluted)	Number of Securities, (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Total Public Float (A-B)	10,605,995	11,203,470	41.27%	42.23%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0%	0%
Total Tradeable Float (A-C)	25,699,179	26,613,797	100%	100%

Public Securityholders (Registered) (Post-Transaction)

Class of Security -Common Shares

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	23	713
100 – 499 securities	36	7,368
500 – 999 securities	198	112,360
1,000 – 1,999 securities	39	63,089
2,000 – 2,999 securities	22	60,828
3,000 – 3,999 securities	11	40,947
4,000 – 4,999 securities	2	8,000
5,000 or more securities	94	3,980,338
TOTAL	425	5,650,579

Non-Public Securityholders (Registered) (Post Transaction)

Size of Holding	Number of Holders	Total Number of Common Shares
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	2	15,410,327
TOTAL	**2**	**15,410,327**

14.2 **Convertible Securities (Post-Transaction)**

Description of Security	Date of Expiry	Exercise Price ($)	Number of convertible/ exchangeable	Number of listed securities issuable upon conversion/

			securities outstanding	exercise
Options(1)	October 1, 2025	$0.53	620,000	620,000
Options(2)	Sept 1, 2022	$1.06	25,880	25,880
Options(2)	July 18, 2023	$1.06	25,880	25,880
Warrants(3)	November 16, 2026	$1.50	100,000	100,000
Warrants(4)	July 15, 2024	$2.00	57,143	57,143
Warrants(5)	July 27, 2024	$2.00	85,715	85,715

Notes:

(1) Options were issued under BVCI's stock option plan, and subsequently converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction. See Item 9 – "Options to Purchase Securities".

(2) Options were issued under Flexwork's stock option plan, and subsequently converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction. . See Item 9 – "Options to Purchase Securities".

(3) Warrants were issued by BVCI to KVB pursuant to the Dealer Services Agreement. Obligations thereunder were assumed by the Issuer in connection with the Transaction.

(4) Warrants were issued to subscribers under the private placement which closed on July 15, 2022. Obligations thereunder were assumed by the Issuer in connection with the Transaction.

(5) Warrants were issued pursuant to the BVCI Private Placement. Obligations thereunder were assumed by the Issuer in connection with the Transaction.

15. Executive Compensation

In this section "named executive officer" or "NEO" means the CEO, the CFO as at January 1, 2021, and the most highly-compensated executive officer other than the CEO and CFO who was serving as an executive officer and whose total compensation exceeded $150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as a NEO of BVCI as at January 1, 2021.

As at January 1, 2021, there are no executive officer's earning more than $150,000 in total annual compensation.

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, and the proposed compensation for the 2022 fiscal year, to the Named Executive Officers and the directors of the Issuer:

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Prerequisites ($)**	**Value of All Other Compensation ($)**	**Total Compensation ($)**
Richard Zhou, CEO and Director	2020 2021	31,900 65,000	Nil	Nil	Nil	Nil	31,900 65,000
Steven Olsthoorn, CFO and Director	2020 2021	26,555(1) 75,145(1)	Nil	Nil	Nil	Nil	26,555(1) 75,145(1)
Monika Cywinska,	2020 2021	Nil 17,799(2)	Nil	Nil	Nil	Nil	Nil 17,799(2)

Director							
Justin Poy, Director	2020 2021	Nil 14,955(3)	Nil	Nil	Nil	Nil	Nil 14,955(3)
Yongbiao (Winfield) Ding Director	2020 2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Amounts paid to DNTW Toronto LLP on account of accounting fees owing by BVCI. Mr. Olsthoorn is a partner with DNTW Toronto LLP.

(2) Amounts paid to The AML Shop on account of fees owing by BVCI for AML/KYC consulting services. Ms. Cywinska is the Chief Operating Officer of The AML Shop.

(3) Amounts paid to Justin Poy Agency on account of fees owing by BVCI for marketing services . Mr. Poy is a director and officer of Justin Poy Agency.

Stock options and Other Compensation Securities

The below table discloses all compensation securities granted or issued to each director and named executive officer by the Issuer. All such Options were issued under BVCI's stock option plan, and subsequently converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction. See Item 9 – "Options to Purchase Securities".

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, number of Underlying Securities, and Percentage of Class**	**Date of Issue or Grant**	**Issue, Conversion or Exercise Price ($)**	**Closing Price of Security or Underlying Security on Date of Grant ($)**	**Closing Price of Security or Underlying Security at Year End ($)**	**Expiry Date**
Richard Zhou CEO and Director	Options(1)	160,000 Common Shares	Aug 31, 2020	$0.53	n/a	n/a	October 1, 2025
Steven Olsthoorn CFO and Director	Options(1)	160,000 Common Shares	Aug 31, 2020	$0.53	n/a	n/a	October 1, 2025
Monika Cywinska Director	Options(1)	100,000 Common Shares	Aug 31, 2020	$0.53	n/a	n/a	October 1, 2025
Yongbiao (Winfield) Ding Director	Options(1)	100,000 Common Shares	Aug 31, 2020	$0.53	n/a	n/a	October 1, 2025
Justin Poy Director	Options(1)	100,000 Common Shares	Aug 31, 2020	$0.53	n/a	n/a	October 1, 2025

Notes:

(1) Options were issued under BVCI's stock option plan, and subsequently converted on a one-to-one basis to options issued under the Issuer's Option Plan in connection with the Transaction. See Item 9 – "Options to Purchase Securities". As at the date of this Listing Statement, no options issued under the Issuer's Option Plan have ever been exercised.

External Management Companies

No NEO is employed or retained by an external management company.

Exercise of Compensation Securities by Directors and NEOs

No stock options were exercised by any NEOs or directors of the Issuer during the most recently completed financial year.

Plans and Other Incentive Plans

The Issuer had a stock option plan dated effective August 31, 2020. See "*9. Options to Purchase Securities"*. Such plan was adopted by the Issuer in connection with the Transaction.

Employment, Consulting and Management Agreements

Except as set out herein, BVCI has not entered into any employment or consulting contracts with its NEOs or directors as of the end of most recently completed financial year.

Oversight and Description of Director and Named Executive Officer Compensation

During the financial year ended December 31, 2021 and 2020, no fees were paid to directors of BVCI for their services as directors.

Following the date of this Listing Statement, the Board will establish the compensation arrangements for each director that is not an employee of the Issuer. The directors' compensation program will be designed to attract and retain the most qualified individuals to serve on the Board. Directors will be reimbursed for their reasonable out-of-pocket expenses incurred in serving as directors. Directors who are employees of, and who receive a salary from the Issuer will not be entitled to receive any remuneration for serving as directors but will be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in serving as directors.

The Board of the Issuer will be responsible for reviewing compensation paid to the NEOs of the Issuer in determining compensation for the Issuer's executive officers relative to the performance of the Issuer in executing on its objectives once its operations have been established following completion of the Transaction. It is expected that compensation that will be paid by the Issuer to the executive officers in the twelve months period after the date of this Listing Statement will be based on, and consistent with, recommendations of the Board.

Pension Plan Benefits

The Issuer has no pension, defined benefit or defined contribution plans in place.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No existing or proposed director, executive officer or senior officer of BVCI or the Issuer, or any associate of any of them, was indebted to BVCI or the Issuer during the fiscal year ended December 31, 2021.

17. Risk Factors

An investment in Issuer Common Shares involves a high degree of risk and should only be considered by persons who can afford to lose their entire investment. The following are certain risk factors relating to an investment in Issuer Common Shares which prospective investors should carefully consider before deciding whether to purchase any Issuer Common Shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this Listing Statement. Such risk factors may have a material adverse effect on the financial position or results of operations of the Issuer or the value of the Issuer Common Shares.

Due to the nature of the Issuer's business and its present stage of development, prospective investors should carefully consider certain risks involved in an investment in the securities of the Issuer including: (i) the Issuer's absence of any operating history; (ii) future capital needs and uncertainty of additional financing; (iii) the competitive nature of the industry; (iv) unproven market for the Issuer's services; (v) the Issuer's ability to evaluate and respond to market conditions; (vi) volatility of the Canadian Dollar exchange and public interest in Canadian Dollars; (vii) the need for the Issuer to manage its planned growth and expansion; (viii) action taken by regulatory authorities may limit the Issuer's business and operations; (ix) lack of regulation and consumer protection; (x) the effects of product development and need for continued technology change; (xi) dependence on technical infrastructure; (xii) foreign growth restrictions; (xiii) currency trading risks; (xiv) protection of intellectual property rights; (xv) the effect of government regulation and compliance on the Issuer and the industry; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xviii) the ability of the Issuer to maintain properly working systems; (xix) market expansion risks; (xx) use of the Issuer's services for improper or illegal purposes; (xxi) theft and risk of physical harm to personnel; (xxii) reliance on key personnel; (xxiii) customer complaints and negative publicity; (xxiv) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (xxv) volatile securities markets impacting security pricing unrelated to operating performance; (xxvi) dividend policy; (xxvii) concentration of control of the Issuer; and (xxviii) uninsurable risks. Prospective investors of securities of the Issuer should carefully consider the risks described below.

The Issuer's operations are high-risk due to the nature of the Issuer's business and its present stage of development. The following describes some of the risks that could affect the Issuer and could materially affect the Issuer's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Issuer. The Issuer may face additional risks and uncertainties other than those listed below (or elsewhere in this Application), including risks and uncertainties that are unknown to the Issuer and risks and uncertainties that the Issuer now believes to be immaterial, which could turn out to be material, that could have a material adverse effect on the business of the Issuer. If any of the risks described below (or elsewhere in this Listing Statement) actually occur, the business, financial condition and/or results of operations of the Issuer could be materially adversely affected.

Risks Related to the Issuer's Business and Industry

The Issuer's CADT and BvcPay businesses are not currently operational and there is no assurance they will ever be operational

To allow BVCI to carry out its CADT related business, BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. Unless and until BVCI is registered under applicable securities laws for purposes of carrying out its CADT related business, or BVCI is otherwise satisfied that it can conduct such business in compliance with all applicable securities laws, it intends to have all its CADT trading occur through a dealer (via the BVC Chain) that is resgistered in a category of registration under applicable securities laws which permits CADT to be traded through it. BVCI has entered into a Dealer Services Agreement with KVB pursuant to which CADT trading may occur through KVB; however, there is no assurance that the conditions to the benefit of KVB in the Dealer Services Agreement will be satisfied. Accordingly, there is no assurance BVCI will be able to pursue its proposed CADT business or any related BvcPay business that relies on CADT. The business the BVCI is currently capable of carrying out is limited to its BVC Chain business division, which is intended to provide fee based innovative technology infrastructure solutions and services to organizations and other business participants in the emerging blockchain and ledger technology industry. See "*Government Regulation and Compliance*" and "*Reliance on Third-Party Service Providers"* below for additional information.

If BVCI does not obtain registration as an exempt market dealer or the conditions in the Dealer Services Agreement are not met, it would have a material adverse effet on BVCI's business prospects, future cash flows and financial position.

Absence of Operating History

The Issuer has a limited operating history on which an investor might evaluate its performance. It is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel and financing sources and lack of revenues, any of which could have a material adverse effect on the Issuer and may force it to reduce or curtail its operations. The Issuer is not currently profitable and has incurred operating losses since its inception. There is no assurance that the Issuer will generate profits in the future, or that profitability will be sustained, and the likelihood of success must be considered in light of the early stage of its operations. Even if the Issuer accomplishes its objectives, it may not generate positive cash flows or profits.

Although the Issuer anticipates earning revenue in the near future, it is also incurring substantial expenses in the establishment of its business. To the extent that such expenses do not result in revenue gains that are adequate to sustain and expand its business, the Issuer's long-term viability may be materially and adversely affected. A significant portion of the Issuer's financial resources have been and will continue to be directed to the development of its business and marketing activities. The success of the Issuer will ultimately depend on its ability to generate revenues and profits from its business. There is no assurance that the future expansion of the Issuer's business will be sufficient to raise the required funds to continue the development of its business and marketing activities.

There can be no assurance that the Issuer will be successful in developing and marketing BvcPay and CADT in a timely manner or at all, or that the solutions and services will adequately address market demands. Market acceptance and adoption of these products will depend on, among other things, these products and the related solutions they provide demonstrating a real advantage over existing products and services, the success of our sales and marketing teams in creating awareness of these products, competitive pricing of such solutions and services, customer recognition of the value of our technology and the general willingness of potential customers to try new technologies. In particular, if we are unable to achieve sufficient market adoption of the BVC Chain, our growth strategy may be adversely affected.

It is possible that BvcPay will not be adopted by a large number of Users. Such a lack of use or interest may result in insufficient demand for the BvcPay business to be commercially viable, which could have an adverse effect on the Issuer's business, financial condition and results of operation.

The digital currency is a new and rapidly evolving industry, and the viability and future growth of the industry and adoption of digital currencies and the underlying technology is subject to a high degree of uncertainty, including based upon the adoption of the technology and regulation of the industry, among other factors. Because the sector is relatively new, additional risks which are not yet known or quantifiable may exist or materialize in the future.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or external events. The Issuer's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. Because the Issuer's business is reliant on both technology and human expertise and execution, the Issuer is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of third-party service providers, counterparties or other third parties, failed or inadequate processes, design flaws and technology or system failures and malfunctions.

Operational errors or significant operational delays could materially negatively impact the Issuer's ability to conduct its business or service its clients, which could adversely affect results of operations due to potentially higher expenses and lower revenues, create liability for the Issuer or its clients or negatively impact its reputation. Recurring operational issues may also raise concerns among regulators regarding the Issuer's governance and control environment.

The Issuer is establishing risk management and oversight policies and procedures to provide a sound operational environment for the types of risk to which it is subject, including operational risk and market risk. However, as with any risk management framework, there are inherent limitations to the Issuer's current and future risk management strategies, including risks that it has not appropriately anticipated or identified and that certain policies may be insufficient when used in connection with the BVC Chain. Accurate and timely enterprise-wide risk information is necessary to enhance management's decision-making in times of crisis. If the Issuer's risk management framework proves ineffective or if the Issuer's enterprise-wide management information is incomplete or inaccurate, it could suffer unexpected losses or fail to generate the expected revenue, which could materially adversely affect its business, financial condition and results of operations.

Future Capital Needs and Uncertainty of Additional Financing

The Issuer currently anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the Issuer may need to raise additional funds in order to support expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Issuer may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Issuer, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Issuer will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of other shares in the capital of the Issuer. If adequate funds are not available on acceptable terms the Issuer may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Issuer's business, financial condition and operating results.

Digital Assets and Blockchain Technology May Not be Widely Adopted

Digital Currency is a new asset class that, as of yet, has not been widely adopted. The majority of the Issuer's business will rely on the acceptance and use of CADT at a scale to create demand sufficient to make the Issuer's business commercially viable. Though the Issuer believes that the anticipated benefits of Digital Currencies will create such demand, there can be no assurance that this will occur, or if it does occur that it will be in the near term.

Furthermore, the growth of the blockchain industry in general, as well as the blockchain technology on which the Issuer relies, is subject to a high degree of uncertainty. The factors affecting the further development of blockchain technology and Digital Assets, include, without limitation:

- worldwide growth in the adoption and use of Digital Assets and blockchain technology;
- government and quasi-government regulation of Digital Assets and blockchain technology and their use, or restrictions on or regulation of access to and operation of blockchain technology or similar systems;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using government-backed currencies or existing networks;
- general economic conditions and the regulatory environment relating to Digital Assets; and
- a decline in the popularity or acceptance of Digital Assets.

The blockchain industry as a whole has been characterized by rapid changes and innovations and is constantly evolving. Although it has experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption and usage of blockchain technology and Digital Assets may materially adversely affect the Issuer's business plans.

Unproven Market

CADT will be a novel application of technology to the use of Canadian currency as a storage of value and a medium of exchange which aims to facilitate everyday transactions. There is currently no proven market for a service of this kind, and there can be no assurance that a market will develop in the near future, or at all. The Issuer is relying on its ability to convince customers that its services are an attractive alternative to other forms of transaction-accessible accounts (such as bank accounts, and competitor virtual payment solutions), and other stores of monetary value (such as currencies, commodities, equities, debt instruments, and ETFs). The Issuer believes that its assumptions and projections are reasonable, based on the proven markets for Canadian currency, and for internet-based payment settlement services, but there can be no assurance that this will be the case. Any failure to develop and sustain a market for the Issuer's services could adversely affect the Issuer's business, operations, and financial condition.

Ability to Evaluate and Respond to Market Conditions

The Issuer has no operating history, and operates in an evolving market that may not grow as expected. This limited operating history makes it difficult to effectively assess the Issuer's future prospects. The Issuer's business and prospects should be considered in light of the risks and difficulties that the Issuer may encounter in acquiring customers; offering a superior user experience; earning and preserving customers' trust with respect to the security of their storage of Canadian funds, payment processing, and personal financial information; processing, storing, and using customers' personal information in compliance with applicable privacy laws; complying with existing and new laws and regulations, which may be onerous; building and maintaining a scalable, high-performance technology infrastructure that can efficiently and reliably handle CADT transactions and payment processing; and international expansion. If the market for the services that the Issuer provides does not develop as expected, or if the Issuer fails to address the needs of this market, the Issuer's business will be harmed. The Issuer may not be able to successfully address these risks and challenges, including those described elsewhere in these risk factors. Failure to adequately address these risks and challenges could harm the Issuer's business and results of operations.

As digital assets and blockchain technologies become more widely available, the services and products associated with them may evolve. In order to stay current with the industry, the Issuer's business model may need to evolve as well. From time to time, the Issuer may modify aspects of its business model relating to its product mix and service offerings. Any such modifications we may make may not be successful and may result in harm to our business. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and negatively affect our operating results.

Interest in Canadian Dollars

The development of the Issuer's business depends on the interest of the public wishing to hold and transact in Canadian dollars. Accordingly, the Issuer's ability to establish its business and become profitable depends on the public's perception of Canadian dollars and on its future foreign exchange rate with other currencies, and will be significantly affected by changes in such foreign exchange rates. Foreign exchange rates can be subject to volatile price movements which can be material and occur over short periods of time, and which are affected by numerous factors, all of which are beyond the Issuer's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, speculative trading, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the Canadian dollar, and political developments. The effect of these factors on the value of the Canadian dollar (and hence the CADT), and therefore the economic viability of any of the Issuer's business, cannot be accurately determined.

Ability to Manage Growth

The Issuer may experience rapid growth in the scope of its operations. Growth may result in increased responsibilities for the Issuer's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Issuer will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that the Issuer will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Issuer's expansion. Any failure to implement cohesive and efficient operating, financial, and management information systems, to add resources on a cost-effective basis or to otherwise properly manage the Issuer's expansion could have a material adverse effect on its business and results of operations.

Lack of Regulation and Customer Protection

The Issuer's business is designed to be in full compliance with all legal and regulatory requirements of its Users, including anti-money laundering legislation and banking department recordkeeping requirements, as well as being fully integrated with the ability to check various worldwide watch lists for wanted criminals, terrorists and other sanctioned persons. Nevertheless, the fact that the Issuer is not a bank, investment dealer or trust company, may result in the business of the Issuer not being subject to a regulatory environment which is as extensive and robust as the regulatory environment for financial institutions. Furthermore, the Issuer does not have insurance through government sponsored programs or deposit insurance. **As of the date of this Listing Statement, the Issuer does not have insurance which protects User funds in the Custodial Account.** Although Canadian money is held by the Custodian there can be no assurance that a third party will not claim an interest in such property in a legal proceeding or claim against the Issuer, the Custodian, or any of their respective affiliates.

If the Issuer and/or any governmental agency believe that it has accepted capital contributions by, or is otherwise holdings assets of, any person or entity that is acting directly or indirectly in violation of any money laundering or corruption laws, rules, regulations, treaties, sanctions or other restrictions, or on behalf of any suspected terrorist or terrorist organization, suspected drug trafficker or senior foreign political figure(s) suspected in engaging in foreign corruption, the Issuer and/or such governmental agency may "freeze the assets" of such person or entity. The Issuer may also be required to report and remit or transfer those assets to a governmental agency. Any such action may harm the Issuer's reputation and materially and adversely affect its business, financial condition and results of operations.

Product Development and Rapid Technological Change

The advent of internet-based digital money and payment solutions may erode established money markets resulting in a significant adverse effect upon the Issuer's continued growth and profitability. The development of a cashless society has been impeded by factors such as issues respecting infrastructure, cultural resistance, distribution problems and patchwork regulations. The Issuer's success could be seriously affected by a competitor's ability to develop and market technologies that compete with the Issuer or with established money markets in general. To remain competitive, the Issuer must continue to enhance and improve the responsiveness, functionality and features of its technology and payment platform.

The Internet and the e-commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render the Issuer's existing operations and proprietary technology and systems obsolete. The Issuer's success will depend, in part, on its ability to develop leading technologies useful in its business, enhance its existing services, develop new services and technology that address the increasingly sophisticated and varied needs of its existing and prospective Users and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development of Internet and other proprietary technology entails significant technical, financial and business risks. There can be no assurance that the Issuer will successfully implement new technologies or adapt its proprietary technology and transaction-processing systems to customer requirements or emerging industry standards. If the Issuer is unable to adapt in a timely manner, or at all, in response to changing market conditions or customer requirements for technical, legal, financial or other reasons, the Issuer's business could be materially adversely affected.

Many participants in the financial industry (including certain regulators) and other industries may oppose the development of products and services that utilize blockchain technology. The market participants who may oppose such products and services may include entities with significantly greater resources, including financial resources and political influence, than the Issuer has. The ability of the Issuer to operate and achieve its commercial goals could be adversely affected by any actions of any such market participants that result in additional regulatory requirements or other activities that make it more difficult for the Issuer to operate.

As an alternative to currencies that are backed by central governments, Digital Currencies, which are relatively new, are subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is largely uncertain but could be harmful to the Issuer. Political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Such events could have a material adverse on our business, prospects or operations.

Dependence on Technical Infrastructure

The Issuer's ability to attract, retain, and serve Users will be dependent upon the reliable performance of the CADT platform and the underlying technical infrastructure. The Issuer's systems or those systems of third parties on which the Issuer relies or will rely, may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to the business. If the CADT platform is unavailable when Users attempt to access it, or if it does not load as quickly as they expect, Users may close their accounts. As the user base continues to grow, the Issuer will need an increasing amount of technical infrastructure, including network capacity, and computing power, to continue to satisfy the needs of Users. It is possible that the Issuer may fail to effectively scale and grow its technical infrastructure to accommodate these increased demands. In addition, the business is subject to interruptions, delays, or failures resulting from earthquakes, other natural disasters, terrorism, or other catastrophic events. Any disruption or failure in the services the Issuer receives from third party Internet or technology providers used to facilitate its business could harm the Issuer's ability to handle existing or increased traffic and could significantly harm its business. Any financial or other difficulties these providers face may adversely affect the Issuer's business, and the Issuer exercises little control over these providers, which increases vulnerability to problems with the services they provide.

The success of blockchain technology-based products and services will depend on the continued development of a stable infrastructure, with the necessary speed, data capacity and security, and complementary products such as high-speed networking equipment for providing reliable internet access and services. Digital Assets have experienced, and are expected to continue to experience, significant growth in the number of Users and amount of content. There is no assurance that the relevant public infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of blockchain technology will not be adversely affected by this continued growth. There is also no assurance that the infrastructure or complementary products or services necessary to make Digital Assets a viable product for their intended use will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs to adapt to changing technologies. The failure of these technologies or platforms or their development could materially and adversely affect the Issuer's business, financial condition and results of operation.

CADTwill be created, issued, transmitted, and stored according to protocols run within the BVC Chain. It is possible these protocols will have undiscovered flaws or could be subject to network scale attacks which could result in losses to the Issuer. Advancements in quantum computing could break the cryptographic rules of protocols which support CADT.

Foreign Restrictions on Operations

Foreign governments may restrict or block access to the CADT platform within their jurisdictions, or impose restrictions that may affect the accessibility of CADT in their country for an extended period of time or indefinitely. For example, some countries like South Africa limit the amount physical currency a resident is permitted to leave the country with, and others may impose restrictions on exchanging local currency into foreign currency (or other assets backed by foreign currency). In addition, foreign governments may seek to restrict access to CADT if they consider the Issuer's business to be in violation of their laws. If access to CADT is restricted in whole or in part in one or more countries, or competitors are able to successfully penetrate geographic markets that the Issuer cannot access, the Issuer's ability to retain or increase its user base and user engagement may be adversely affected, the Issuer may not be able to maintain or grow revenue as anticipated, and financial results could be adversely affected.

Intellectual Property

Proprietary rights are important to the Issuer's success and its competitive position. Although the Issuer seeks to protect its proprietary rights, its actions may be inadequate to protect any trademarks and other proprietary rights or to prevent others from claiming violations of their trademarks and other proprietary rights. In addition, effective copyright and trademark protection may be unenforceable or limited in certain countries, and the global nature of the Internet makes it impossible to control the ultimate designation of the Issuer's work. Any of these claims, with or without merit, could subject the Issuer to costly litigation and the diversion of the time and attention of its technical management personnel. If the protection of proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of the Issuer's brand and other intangible assets may be diminished and competitors may be able to more effectively mimic the Issuer's service and methods of operations. Any of these events could have an adverse effect on the Issuer's business and financial results.

There is no certainty that the intellectual property used in the operation of the Issuer's business does not infringe the rights of any other third party. The Issuer acquired the BVC Chain technology, its core blockchain technology, pursuant to the Hengwell Agreement (as subsequently replaced by the Development Agreement and the Maintenance Agreement), and such technology is from time to time improved upon and upgraded pursuant to the Maintenance Agreement. While the Development Agreement and the Maintenance Agreement include some assurances and protections in respect of ownership of intellectual property rights in the BVC Chain technology, and related technology, there is no certainty such technology does not infringe the rights of any other third party, or that Hengwell does not otherwise breach any provision contained in those agreements or otherwise challenge the Issuer's ownership rights in the BVC Chain technology or any related technology. The Issuer did not perform any due diligence on Hengwell, or in respect of the BVC Chain technology to ensure it does not infringe the rights of any third party. See Item 3 - “General Development of the Business”.

The intellectual property used in the operation of the Issuer’s business has not been patented and may not be patentable, and therefore it will rely significantly on trade secrets, trade and service marks and copyright. The Issuer also relies on trade secret protection and confidentiality agreements with its employees, consultants, suppliers, third-party service providers, and others to protect its intellectual property and proprietary rights. Nevertheless, the steps the Issuer takes to protect its intellectual property and proprietary rights against infringement or other violation may be inadequate and it may experience difficulty in effectively limiting the unauthorized use of its patents, trade secrets, trade and service marks, copyright and other intellectual property and proprietary rights worldwide. The Issuer cannot guarantee that others will not independently develop technology with the same or similar function to any proprietary technology it relies on to conduct its business and differentiate itself from competitors.

Pursuant to the Development Agreement, Hengwell developed the Issuer’s technology on behalf of the Issuer, and Hengwell continues to have access to the Issuer’s technology in connection with its role a service provider to the Issuer pursuant to the Maintenance Agreement. As a result, there is a risk that Hengwell wrongfully discloses or uses, or otherwise purports to transfer, sell or license the Issuer’s technical source code, technical files and other documents and proprietary information, thereby severely prejudicing the Issuer’s competitive position in the marketplace and negatively impacting the Issuer’s financial performance. There is a risk that Hengwell could disclose the Issuer’s business secrets which Hengwell acquired in the course of their business relationship to a third party, which could negatively impact the Issuer’s financial performance. There is a risk that Hengwell could compete with the Issuer in Canada or in international jurisdictions, which would have a materially adverse impact to the Issuer and its business.

The Issuer could incur significant costs and management distraction in pursuing claims to enforce its intellectual property and proprietary rights through litigation, and defending any alleged counterclaims. If the Issuer is unable to protect or preserve the value of its patents, trade secrets, trade and service marks, copyright, or other intellectual property and proprietary rights for any reason, its brand and reputation could be damaged and its business, financial condition and results of operations could be materially adversely affected.

Due to the fundamentally open-source nature of blockchain technology, the Issuer may not always be able to determine that it is using or accessing protected information or software. For example, there could be issued patents of which the Issuer is not aware that its products infringe. Moreover, patent applications are in some cases maintained in secrecy until patents are issued. The publication of discoveries in scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications were filed. Because patents can take many years to issue, there may be currently pending applications of which the Issuer is unaware that may later result in issued patents that its products infringe.

If one or more other persons, companies or organizations obtains a valid patent covering technology critical to the operation of the Issuer’s business, there can be no guarantee that such an entity would be willing to license such technology at acceptable prices or at all, which could have a material adverse effect on the Issuer’s business, financial condition and results of operations. Moreover, if for any reason the Issuer were to fail to comply with its obligations under an applicable license agreement, it may be unable to operate, which would also have a material adverse effect on the Issuer’s business, financial condition and results of operations.

The Issuer could expend significant resources defending against patent infringement and other intellectual property right claims, which could require it to divert resources away from operations. Any damages the Issuer is required to pay or injunctions against its continued use of such intellectual property in resolution of such claims may cause a material adverse effect to its business, financial condition and results of operations.

Government Regulation and Compliance

The law and regulation surrounding the operation of the Issuer's businesses with respect to CADT is unclear, uncertain, rapidly evolving and not assured to develop in a way that is favorable to the Issuer. As blockchain technology and Digital Currency have grown in popularity and in market size, governments, regulators and self-regulators (including law enforcement and national security agencies) around the world are examining the operations of blockchain technology and Digital Currency issuers, users, investors and platforms. To the extent that any government or quasi-governmental agency exerts regulatory authority over the Digital Currency industry in general, the issuance of CADT, and trading and ownership of and transactions involving the purchase and sale or pledge of CADT, may be adversely affected, which could materially adversely affect the Issuer's business, financial condition and results of operations. Staff of the Ontario Securities Commission have expressed the view that CADT alone, and or in connection with a User Agreement, may be considered to be a security and or a derivative under applicable securities laws. While no formal decision was made on the matter, to alleviate concerns, BVCI now assumes and conducts itself on the basis that CADT, either alone or in connection with a User Agreement, is a security and derivative for the purpose of compliance with the securities laws that would otherwise apply if CADT and or the User Agreement was in fact a security and a deriviative. As a result, to allow BVCI to carry out its CADT related business, BVCI filed an application on June 17, 2021 to obtain registration as an exempt market dealer in accordance with applicable securities laws in Ontario, Alberta, and British Columbia. Such application is pending, and there is no assurance that BVCI will obtain such registration. Unless and until BVCI is registered under applicable securities laws for purposes of carrying out its CADT related business, or BVCI is otherwise satisfied that it can conduct such business in compliance with all applicable securities laws, it intends to have all its CADT trading occur through a dealer (via the BVC Chain) that is resgistered in a category of registration under applicable securities laws which permits CADT to be traded through it. There is no assurance that any third party dealer will agree, or continue to agree on an ongoing basis, to act as a dealer in respect of its issuance on behalf of BVCI.

The anticipated business activities of the Issuer may cause regulatory bodies to delay, or refuse to issue, licenses and qualifications to the Issuer that it would otherwise receive. There is a risk that the Issuer's business, in whole or in part, could be outlawed in jurisdictions in which it seeks to do business, or subjected to laws which impose costly and onerous obligations which could materially affect the Issuer's ability to expand its business and become profitable. For example, governments and other regulatory bodies may restrict or ban the use of Digital Currency in their country or by their residents as certain Digital Currencies, such as stablecoins, may, or may be perceived to, adversely impact a governments ability to implement monetary policies intended to preserve the value of its money.

The Issuer's services are subject to a wide range of laws and regulations intended to help detect and prevent money laundering, terrorist financing, fraud and other illicit activity. The interpretation of those requirements by judges, regulatory bodies and enforcement agencies is changing, often quickly and with little notice. Economic and trade sanctions programs that are administered by the Department of Foreign Affairs, Trade, and Development prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, with individuals and entities that are specially-designated nationals of those countries, narcotics traffickers and terrorists or terrorist organizations. As regulatory scrutiny and enforcement action in these areas increase, the Issuer expects its costs to comply with these requirements will increase, perhaps substantially. Failure to comply with any of these requirements could result in the limitation, suspension or termination of the Issuer's services, the seizure and/or forfeiture of the Issuer's assets and/or the imposition of civil and criminal penalties, including fines. the Issuer's senior management have limited experience dealing with regulatory requirements in relation to Digital Assets.

The Issuer is subject to Canadian and foreign laws and regulations that affect companies conducting business on the Internet, which regulate user privacy, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, consumer protection and taxation. In particular, the Issuer is subject to federal, provincial, and foreign laws regarding privacy and protection of user data. Foreign data protection, privacy, and other laws and regulations are often more restrictive than those in Canada. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, increase operating costs, require significant management time and attention, and subject the Issuer to claims or other remedies, including fines or demands that the Issuer modify or cease existing business practices.

The Issuer is registered with FINTRAC and is subject to regulatory oversight and enforcement by FINTRAC. In the event that registration and reporting requirements under PCMLTFA change, the Issuer may become subject to more onerous reporting, recordkeeping and anti-money laundering provisions of the PCMLTFA. Any non-compliance with anti-laundering or reporting procedures could result in significant financial penalties and the possibility of criminal prosecution. The foregoing laws and regulations are constantly evolving, unclear and inconsistent across various jurisdictions, making compliance challenging. Many of these laws are still evolving and being tested in the courts, and could be interpreted in ways that could harm the Issuer's business. If the Issuer fails to update its compliance systems to reflect legislative or regulatory developments, the Issuer could incur penalties. New legislation, changes in laws or regulations, implementing rules and regulations, litigation, court rulings, changes in industry practices or standards, changes in systems rules or requirements or other similar events could expose the Issuer to increased compliance costs, liability, reputational damage, and could reduce the market value of the Issuer's services or render them less profitable or obsolete. Responding to inquiries, investigations, audits, lawsuits and proceedings, regardless of the ultimate outcome of the matter, is time-consuming and expensive and can divert the attention of senior management. The outcome of such proceedings may be difficult to predict or estimate until late in the proceedings, which may last a number of years.

Money transfers are regulated by provincial, federal and foreign governments. The Issuer and the Custodian are subject to an extensive set of legal and regulatory requirements. The Issuer's international operations may become subject to licensing requirements. If federal, state, provincial or foreign regulators were to take actions that interfere with the Issuer's ability to reliably effect payment transfers, hold (indirectly through the Custodian) Canadian currency on behalf of customers, or limit or prohibit the Issuer or payment services partners from transferring or transacting in Canadian currency, this could harm the Issuer's business. If the Issuer is prevented from transferring or transacting in Canadian currency from particular jurisdictions that are significant to its business, it could harm the Issuer's business and results of operations.

The regulatory risks described above may be greater for companies in the blockchain industry as it is relatively new and clients, counterparties and regulators are expected to need significant education to understand the mechanics of products and services that rely on blockchain technology.

Personal Information and Privacy Laws

The Issuer receives, transmits, and stores confidential personal information and other customer data in connection with its services, including, bank account numbers, credit and debit card information, identification numbers, addresses, telephone numbers, and images of government identification, and information relating to financial transactions. These activities are subject to the laws and regulations of Canada and other jurisdictions. The requirements imposed by these laws and regulations, which often differ materially among the many jurisdictions where the Issuer intends to offer service, are designed to protect the privacy of personal information and to prevent that information from being inappropriately disclosed.

The Issuer is required to comply with the privacy provisions the *Freedom of Information and Protection of Privacy Act* (Ontario). There are also numerous other federal, provincial and local laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other customer data, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other applicable rules. It is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the Issuer's business practices. Additionally, with advances in computer capabilities and data protection requirements to address ongoing threats, the Issuer may be required to expend significant capital and other resources to protect against potential security breaches or to alleviate problems caused by security breaches. Any failure or perceived failure by the Issuer to comply with its privacy policies, privacy-related obligations to customers or other third parties, or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, fines or litigation.

If any third parties with whom the Issuer works, such as marketing partners, vendors or developers, violate applicable laws or the Issuer's policies, such violations may put the Issuer's customers' information at risk and could harm the Issuer's business. Any negative publicity arising out of a data breach or failure to comply with applicable privacy requirements could cause reputational damage and cause customers to lose trust in the Issuer, which could adversely affect the Issuer's business, results of operations, financial position and potential for growth.

Cybersecurity Risks

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments, including improper acts by third parties, may result in a compromise or breach of the security measures that the Issuer uses to protect its systems. Failures of the Issuer's cybersecurity system could harm its reputation, subject it to legal claims and otherwise materially and adversely affect its business, financial condition and results of operations.

The blockchain industry is a particular target for cybersecurity incidents, which may occur through intentional or unintentional acts by individuals or groups, including state-sponsored actors, having authorized or unauthorized access to the Issuer's systems or the Issuer's clients' or counterparties' information, all of which may include confidential information. These individuals or groups include employees, third-party service providers, customers and hackers. The information and technology systems used by the Issuer and its service providers are vulnerable to unauthorized access, damage or interruption from, among other things: hacking, ransomware, malware and other computer viruses;

denial of service attacks; network failures; computer and telecommunication failures; phishing attacks; infiltration by unauthorized persons; fraud; security breaches; usage errors by their respective professionals; power outages; terrorism; and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Recently, the cryptocurrency exchange industry has become a significant target for fraud.

While the Issuer will deploy a range of defenses, it is possible the Issuer could suffer an impact or disruption that could materially and adversely affect it. The security of the information and technology systems used by the Issuer and its service providers may continue to be subjected to cybersecurity threats that could result in material failures or disruptions in the Issuer’s business. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Issuer or a service provider may have to make a significant investment to fix or replace them. As a company whose material business include financial services, the Issuer has and will continue to have access to sensitive, confidential information of clients and counterparties which makes the cybersecurity risks identified above more important than they may be to other non-financial services companies.

The Issuer relies on a variety of technologies to provide security to its systems. Despite the implementation of network security measures, the Issuer’s infrastructure is potentially vulnerable to computer break-ins and similar disruptive problems. The Issuer could also suffer from an internal security breach. Computer viruses, break-ins or other security problems could lead to misappropriation of proprietary information and interruptions, delays or cessation in service to the Issuer Users. If a third party or employee were to misappropriate, misplace or lose corporate information, including financial and account information, customers’ personal information, or source code, the Issuer’s business may be harmed. The Issuer may be required to expend significant capital and other resources to protect against these security breaches or losses or to alleviate problems caused by these breaches or losses. If third parties gain improper access to the Issuer’s systems or databases or those of the Issuer’s partners or contractors, they may be able to steal, publish, delete or modify confidential customer information. A security breach could expose the Issuer to monetary liability, lead to inquiries and fines or penalties from regulatory or governmental authorities, lead to reputational harm and make Users less confident in the Issuer’s services, which could harm the Issuer’s business, financial condition and results of operations.

Risk of System Failure or Inadequacy

The Issuer’s operations are dependent on its ability to maintain its equipment in effective working order and to protect its systems against damage from fire, natural disaster, power loss, telecommunications failure or similar events. In addition, the growth of the Issuer’s customer base may strain or exceed the capacity of its computer and telecommunications systems and lead to degradations in performance or systems failure. The Issuer may in the future experience failure of its information systems which may result in decreased levels of service delivery or interruptions in service to its Users. While the Issuer continually reviews and seeks to upgrade its technical infrastructure and provides for certain system redundancies and backup power to limit the likelihood of systems overload or failure, any damage, failure or delay that causes interruptions in the Issuer’s operations could have a material and adverse effect on the Issuer’s business. All of the Issuer’s applications are hosted by external service providers. Any failure on the part of those external service providers to maintain their equipment in good working order and to prevent system disruptions could have a material and adverse effect on the Issuer’s business.

Loss of Private Key

CADT will be controllable only by the possessor of the private key or keys relating to the “digital wallet” in which the CADT is held. Private keys must be safeguarded and kept private in order to prevent a third party from accessing the CADT while held in such wallet. To the extent a private key is lost, destroyed or otherwise compromised by the Issuer or another digital party and no backup of the private key is accessible, the Issuer will be unable to access the CADT held in the related digital wallet. Any loss of private keys relating to digital wallets used to store CADT held by the Issuer from time to time could adversely affect its business, financial condition and results of operations. If any such CADT is lost, stolen or destroyed under circumstances rendering a party liable to the Issuer, the responsible party may not have the financial resources sufficient to satisfy the Issuer's claims.

Risks Associated with Market Expansion and Growth

The Issuer's opportunities to expand its operations into new markets abroad by increasing the number of eligible countries from which Users may open and transact using CADT may be limited. Any future expansion into new markets could place the Issuer in unfamiliar competitive environments and involve various risks, including incurring losses or failing to comply with applicable laws and regulations. Such expansion would also require significant resources and management time, and there is no guarantee that, after expending such resources and time, the Issuer would receive the necessary approvals to operate in such new markets. If the Issuer were granted authority to operate in such new markets, it is possible that returns on such investments would not be achieved for several years, if at all. There is no guarantee that the Issuer's business model will be successful in a new market, that the Issuer could maintain acceptable profit margins in any such new market, or that international expansion would help grow the Issuer's business. If the Issuer is unable to successfully expand operations into new markets, future growth rates may be harmed.

As the Issuer grows its business, its employee headcount and the scope and complexity of its business may increase dramatically. The Issuer only has a limited operating history at its current scale and its management team does not have substantial tenure working together. Consequently, if the Issuer's business grows at a rapid pace, it may experience difficulties maintaining this growth and building the appropriate processes and controls. Growth may increase the strain on resources, cause operating difficulties, including difficulties in sourcing, logistics, maintaining internal controls, marketing, designing products and services and meeting customer needs.

In addition, the Issuer may seek to run more than one business line and, while these business lines are anticipated to be complimentary, there can be no assurance that the Issuer will be able to effectively deliver internal or external resources effectively to each business line as and when needed, particularly when multiple business lines are experiencing high levels of need at the same time. Finally, some or many of the Issuer's business lines are or are expected to be interlinked. Delays or the inability to roll out products in one business line may pose corresponding issues in other business lines.

If the Issuer does not adapt to meet these challenges, it could have a material adverse effect on its business, financial condition and results of operations.

Use of the Issuer's Services for Improper or Illegal Purposes

The Issuer's services remain susceptible to potentially illegal or improper uses as criminals are using increasingly sophisticated methods to engage in illegal activities involving Internet services and payment providers. Because the Issuer's customers will be able to transfer CADT, and money using bank accounts via the Internet, and these are not face-to-face transactions, these transactions involve a greater risk of fraud. Other illegal or improper uses of CADT and the Issuer's services may include money laundering, terrorist financing, drug trafficking, human trafficking, illegal online gaming, and other online scams, illegal sexually-oriented services, prohibited sales of pharmaceuticals, fraudulent sale of goods or services, piracy of software, movies, music and other copyrighted or trademarked goods, unauthorized uses of bank accounts and similar misconduct. Users of CADT and the Issuer's services may also encourage, promote, facilitate or instruct others to engage in illegal activities. If the measures the Issuer takes are too restrictive and inadvertently screen proper transactions, this could diminish the Issuer's customer experience which could harm the Issuer's business. Despite the Issuer's efforts, there can be no assurance that measures taken by the Issuer will stop all illegal or improper uses of CADT and the Issuer's services. The Issuer's business could be harmed if customers use CADT or the Issuer's services for illegal or improper purposes.

The use of Digital Assets for illegal purposes, or the perception of such use, even if such use does not involve the Issuer's services or products, could result in significant damage to the Issuer's reputation, damage to the reputation of Digital Assets and a loss of confidence in the services provided by the blockchain technology community as a whole.

Risk of Theft and Misconduct

The Canadian dollars exchanged in consideration of the purchase of CADT will be held by the Custodian, who, as part of its daily business, faces the risk of theft and employee dishonesty. Of particular concern are circumstances where employees could collude with customers to engage in theft by evasion of internal and other controls and cause damage which may not be predictable or within the terms of existing insurance coverage.

There is a risk that an employee of, or contractor to, the Issuer or any of its affiliates could engage in misconduct that adversely affects the Issuer's business. It is not always possible to deter such misconduct, and the precautions the Issuer takes to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of, or contractor to, the Issuer or any of its affiliates, or even unsubstantiated allegations of such misconduct, could result in direct financial harm to the Issuer.

Litigation Risk

As an enterprise whose primary business line is considered a financial service, the Issuer depends to a significant extent on its relationships with its clients and its reputation for integrity and high-caliber professional services. As a result, if a client is not satisfied with the Issuer's services or if there are allegations of improper conduct, including improper conduct by any of the Issuer's partners, by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to the Issuer, it may harm the Issuer's reputation and may be more damaging to the Issuer than to businesses in other non-financial industries.

Customer Complaints and Negative Publicity

Customer complaints or negative publicity about the Issuer's services could diminish consumer confidence in the Issuer, which could lead to a reduced use of the Issuer's services. Breaches of customers' privacy and security measures could have the same effect. The Issuer may take measures to combat risks of fraud and breaches of privacy and security such as cancelling customer transactions or closing customer accounts that may damage relations with the Issuer's customers. These measures heighten the need for prompt and accurate customer service to resolve irregularities and disputes. Effective customer service will require significant personnel expense, and this expense, if not managed properly, could impact the

Issuer's profitability. Any inability to manage or train customer service representatives properly could compromise the Issuer's ability to handle customer complaints effectively. If the Issuer does not handle customer complaints effectively, its reputation may be harmed and the Issuer may lose its customers' confidence.

Reliance on Key Personnel

The Issuer currently has a small senior management group, which is sufficient for the Issuer's present level of activity. The Issuer's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Issuer relies on a limited number of key employees, consultants and members of senior management and there is no assurance that the Issuer will be able to retain such key employees, consultants and senior management. The loss of one or more of such key employees, consultants or members of senior management, if not replaced, could have a material adverse effect on the Issuer's business, financial condition and prospects. The development of the Issuer is dependent upon its ability to attract and retain key personnel, particularly the services of Richard Zhou. See Item 13 – "Directors and Officers". The loss of Mr. Richard Zhou's services could have a materially adverse impact on the business of the Issuer. There can be no assurance that the Issuer can attract and train qualified personnel in the future. To operate successfully and manage its potential future growth, the Issuer must attract and retain highly qualified managerial and financial personnel. The Issuer faces intense competition for qualified personnel in these areas. If the Issuer is unable to hire and retain additional qualified personnel in the future to develop its business, then its financial condition and operating results could be adversely affected.

Reliance on Third-Party Service Providers

CADT will be backed by Canadian dollars stored by the Custodian in the Custodial Account. Any failure by the Custodian to properly secure the Canadian dollars backing the CADT, resulting in part or all of the Canadian dollar backing the CADT being lost, damaged or stolen, or access to such money being restricted, whether by natural events (such as an earthquake) or human actions (such as a terrorist attack), could result in a decrease in the value of the CADT, which could expose the Issuer to liability and reputational harm and seriously curtail the utilization of the CADT which could have a material adverse effect on our business, financial condition, or results of operations.

The Issuer's operations could be interrupted or disrupted if the Issuer's third-party service providers, or even the vendors of such third-party service providers, experience operational or other systems difficulties, terminate their service, fail to comply with regulations or raise their prices. The Issuer may also suffer the consequences of such third-party providers' mistakes. The Issuer outsources some of its operational activities and accordingly depends on relationships with many third-party service providers. For example, the Issuer relies on third parties for certain services, including anti-money laundering and counter-terrorist financing software. The failure or capacity restraints of third-party services, a cybersecurity breach involving any third-party service providers or the termination or change in terms or price of a third-party software license or service agreement on which the Issuer relies could interrupt the Issuer's operations. Replacing third-party service providers or addressing other issues with the Issuer's third-party service providers could entail significant delay, expense and disruption of service. As a result, if these third-party service providers experience difficulties, are subject to cybersecurity breaches, terminate their services or raise their prices, and the Issuer is unable to replace them with other service providers, particularly on a timely basis, the Issuer's operations could be interrupted. If an interruption were to continue for a significant period, the Issuer's business, financial condition and results of operations could be adversely affected. Even if the Issuer can replace third-party providers, it may be at a higher cost to the Issuer, which could also adversely affect the Issuer's business, financial condition and results of operations.

The Issuer is dependent on Hengwell providing the Issuer software maintenance and support on a 24-hour, 7 day a week basis pursuant to the Maintenance Agreement. See Item 3 - "General Development of the Business - Maintenance Agreement". In the event the Maintenance Agreement is terminated or Hengwell refuses to provide any or all of the services contemplated therein, there is a risk the Issuer is unable to find a suitable alternative service provider that will provide the same services on the same or similar terms, which may result in the Issuer paying higher fees for those services. Further, finding a suitable replacement may cause delays with the Issuer's business, both in terms of finding the replacement and transitioning to that service provider, any of which could negatively impact the Issuer's business and revenue.

While the Issuer has obtained banking services with the Custodian there is no assurance the Custodian will continue to provide banking services, or that replacement banking services could be obtained. A number of companies that provide blockchain technology-related products and services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to blockchain technology-related companies, including the Issuer, for a number of reasons, such as perceived compliance risks or costs. Similarly, continued general banking difficulties may decrease the utility or value of Digital Assets or harm public perception of those assets. In addition to banks, other third-party service providers including accountants, lawyers and insurance providers may also decline to provide services to companies engaged in blockchain technology-related businesses because of the perceived risk profile associated with such businesses or the lack of regulatory certainty. The failure of blockchain technology-related businesses to be banked or obtain services could materially and adversely affect the Issuer's business, financial condition and results of operation.

BVCI has contracted the services of KVB pursuant to the Dealer Services Agreement for purposes of issuing CADT through KVB in reliance on an exemption from the dealer registration requirement under applicable securities laws. As BVCI is not currently registered as a dealer under applicable securities laws for purposes of selling CADT, it will be substantially dependent on KVB for puposes of selling CADT and otherwise pursuing its proposed CADT related business. In the event KVB terminates the Dealer Services Agreement, or the conditions to the issuance of CADT provided for in the Dealer Services Agreement are not satisfied, BVCI would not be able to pursue its CADT business any further, unless or until it is registered under applicable securities laws in a category that permits the sale of CADT, or an alternative third-party registered as a dealer in a category that permits it to sell CADT is secured. There is no assurance that BVCI's dealer registration application will be successful or that it would be able to secure such a third party dealer should KVB terminate the Dealer Services Agreement or the conditions provided therein not be satisfied.

Pursuant to the Dealer Services Agreement, BVCI must develop the KVB Wallet in a manner that ensures that the KVB Wallet functions well for purposes of compliance with applicable securities laws. As the obligations of a dealer under applicable securities laws are onerous and complex, the KVB Wallet must have adequate functions to allow KVB to fulfil certain of its obligations as a dealer under such laws where the more traditional processes of a dealer would unduly hinder the usability of CADT and the KVB Wallet. In particular, there is no assurance the KVB Wallet can be developed in a manner that allows KVB to satisfy all of its obligations to prospective users of CADT (such a "know-your client" (KYC) and investment "suitability" obligations) while still allowing those users to use CADT as a means to settle transactions in near real time. As KVB is regulated as a dealer by the securities regulators and regulatory authorities in all jurisdictions in which BVCI proposes to operate its CADT related business, such regulators and regulatory authorities will have to be satisfied with the manner in which the KVB Wallet operates to the extent applicable to securities laws, and there is no assurance in this regard.

Competition

The Issuer faces competition from established competitors, and also from competitors using alternative technologies. While the market for Digital Assets, including technologies backed by fiat currency or other commodities is highly fragmented, there exists little in the way of barriers to entry to this type of business, and the Issuer anticipates that such barriers to entry will become lower in the future. The Issuer therefore believes that it must continue to develop new products and services and introduce enhancements to its existing products and services in a timely manner if it is to remain competitive. Even if the Issuer introduces new and enhanced products and services, it may not be able to compete effectively because of the significantly greater financial, technical, marketing and other resources available to some of its competitors. As the markets for the Issuer's products and services expand, additional competition may emerge and competitors may commit more resources to competitive products and services. There can be no assurance that the Issuer will be able to compete successfully in these circumstances. Some of the Issuer's current and potential competitors have significantly greater resources and better competitive positions in certain markets than the Issuer. These factors may allow competitors to respond more effectively than the Issuer to new or emerging technologies and changes in market requirements. Competitors may develop products, features, or services that are similar to those of the Issuer or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. In addition, certain competitors could use strong or dominant positions in one or more markets to gain competitive advantage against the Issuer in areas where it operates. As a result, competitors may acquire and engage Users at the expense of the growth or engagement of the Issuer's user base, which may negatively affect its business and financial results.

Global Economic and Financial Market Conditions

Market events and conditions, including disruption in the Canadian, U.S. and international credit markets and other financial systems and the deterioration of Canadian, U.S. and global economic and financial market conditions, could, among other things, impact currency trading and impede access to capital or increase the cost of capital, which would have an adverse effect on the Issuer's ability to fund its working capital and other capital requirements. Market disruptions could, among other things, make it more difficult for the Issuer to obtain, or increase its cost of obtaining, capital and financing for its operations. The Issuer's access to additional capital may not be available on terms acceptable to the Issuer or at all.

Force Majeure Risks

The Issuer may be affected by events beyond its control, including acts of nature, fires, floods, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, civil unrest, change in overall legal framework and labor strikes. Some such events may adversely affect the ability of the Issuer or a counterparty to the Issuer to perform its obligations. In addition, the cost to the Issuer of repairing or replacing its damaged reputation or assets as a result of such an event could be considerable. Certain events such as war or an outbreak of an infectious disease could have a broader negative impact on the world economy and international business activity generally, or in any location in which the Issuer may invest or conduct its business specifically.

Market Price of Common Shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Issuer Common Shares is also likely to be significantly affected by the rapid technological changes affecting the crypto-currency market, or changes in the Issuer's financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Issuer's performance that may have an effect on the price of the Issuer Common Shares include the following: the extent of analytical coverage available to investors concerning the Issuer's business may be limited if investment banks with research capabilities do not follow the Issuer's securities; naked short selling; lessening in trading volume and general market interest in the Issuer's securities may affect an investor's ability to trade significant numbers of Issuer Common Shares; the size of the Issuer's public float may limit the ability of some institutions to invest in the Issuer's securities; and a substantial decline in the price of the Issuer Common Shares that persists for a significant period of time could cause the Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the price of the Issuer Common Shares at any given point in time may not accurately reflect the Issuer's long-term value.

Dividend Policy

No cash dividends on the Issuer Common Shares have been paid by the Issuer to date. Payment of any future dividends will be at the discretion of the Issuer Board after taking into account many factors, including the Issuer's operating results, financial condition and current and anticipated cash needs.

Control of the Issuer

Richard Zhou, the President, Chief Executive Officer and Chairperson of the Issuer, is the principal shareholder of the Issuer and a promoter of the Issuer. As of the date hereof, Mr. Zhou beneficially owns 14,977,438 Issuer Common Shares, representing approximately 61.36% of the issued and outstanding Issuer Common Shares. See Item 12 – "Principal Shareholders" and Item 13 – "Directors and Officers". By virtue of his status as the principal shareholder of the Issuer, and by being a director and officer of the Issuer, Mr. Zhou has the power to exercise control over all matters requiring shareholder approval, including the election of directors, amendments to the Issuer's articles and by-laws, mergers, business combinations and the sale of substantially all of the Issuer's assets. As a result, the Issuer could be prevented from entering into transactions that could be beneficial to the Issuer or its other shareholders. Also, third parties could be discouraged from making a take-over bid. As well, sales by Mr. Zhou of a substantial number of Issuer Common Shares could cause the market price of the Issuer Common Shares to decline. All of the Issuer Common Shares owned by Mr. Zhou will be escrowed in accordance with the policies of the Exchange. See Item 11 – "Escrowed Securities and Securities Subject to Restriction on Transfer".

Uninsurable Risks

The operations of the Issuer are subject to risks associated with settling CADT transactions in an accurate and secure manner, as well as the depositing with and holding of Canadian money through the Custodian, and any and all legal liability associated with these dealing or with the Issuer's internet technology business generally. It is not always possible to obtain insurance against all such risks and **neither the Issuer**

nor the Custodian insures the Canadian dollars held on behalf of the Issuer's customers. The Custodian is not required to hold any insurance for the benefit of the Issuer or its Users. As custodian, the Custodian maintains insurance through third party insurance providers on such terms and conditions as it considers appropriate. While the Issuer may in the future obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Issuer's business and financial condition.

Even if BCVI obtains insurance for certain potential liabilities in the future, such insurance will not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts refundable. Even if the Issuer believes a claim is covered by insurance, insurers may dispute the Issuer's entitlement for a variety of different reasons, which may affect the timing and, if the insurers prevail, the amount of the Issuer's recovery. Any claims or litigation, even if fully indemnified or insured, could damage the Issuer's reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

18. Promoters

18.1 Promoters

Other than as set out in the following table, there has been no person or company that may be considered a promoter of the Issuer within two years immediately preceding this Listing Statement:

Name of Promoter	Number of Common Shares	% of Issued and Outstanding(1)
Richard Zhou	14,977,438	61.36%

Notes:

(1) Calculated on an undiluted basis.

Other than the compensation payable under the Stock Option Plan, there is nothing of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer, nor any assets, services or other consideration therefor received or to be received by the Issuer in return. See "*15. Executive Compensation – Employment, Consulting and Management Agreements*".

No asset has been acquired within the two years before the date of this Listing Statement, or is to be acquired, by the Issuer from a promoter.

18.2 Orders, Bankruptcies and Sanctions

(1) No promoter referred to in section 18.1 is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that:

(a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

(2) For the purposes of section 18.2 (1), “order” means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

(3) No promoter referred to in section 18.1:

(a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

(4) No promoter referred to in section 18.1 has been subject to:

(a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19. Legal Proceedings

19.1 <u>Legal Proceedings</u>

The Issuer is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

19.2 <u>Regulatory actions</u>

Not applicable.

20. Interest of Management and Others in Material Transactions

No director or executive officer of the Issuer (including BVCI prior to the Transaction) or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer.

21. Auditors, Transfer Agents and Registrars

21.1 The Issuer's auditor is NVS Professional Corporation, 100 Allstate Parkway, Suite 303, Markham, Ontario L3R 6H3. NVS Professional Corporation was first appointed as auditors of the Issuer in September of 2019.

21.2 The Issuer's transfer agent and registrar is TSX Trust Company.

22. Material Contracts

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by BVCI within two years prior to the date hereof and which are currently in effect, both of which are material contracts of the Issuer post-Transaction:

(a) Hengwell Software Development Agreement dated November 1, 2020 between the Issuer and (Hengwell).
(b) Dealer Services Agreement dated November 16, 2021 between the Issuer and KVB Financial Canada Inc.
(c) Promissory Note issued by the Issuer to Jiangsu Hengwell Information Technology Co. Ltd. (Hengwell) in the amount of $1,200,000.
(d) Blockchain Software Maintenance and Support Agreement dated November 1, 2020 between the Issuer and Jiangsu Hengwell Information Technology Co. Ltd. (Hengwell).
(e) The Custodial Agreement dated July 20, 2020 between the Issuer and the Custodian.
(f) Identity Mind Agreement between the Issuer and IDM Global, Inc. dated December 30, 2018.

23. Interest of Experts

No person or company named in this document as having prepared or certified a part of the document or a report described in this document holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an associate or affiliate of the Issuer.

24. Other Material Facts

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. Financial Statements

Flexwork

The following financial statements have been posted on the Flexwork's disclosure page on the CSE website, are available under Flexwork's profile on SEDAR at www.sedar.com and are attached as Appendices to this Listing Statement:

(a) Audited annual consolidated financial statements of Flexwork including the auditor's report for the financial years ended December 31, 2021, 2020 and 2019, and unaudited dinancial statements for the three-month interim period ended March 31, 2022 (Appendix "A", "B", "C" and "D", respectively); and

(b) Management Discussion and Analysis of Flexwork for the financial years ended December 31, 2021 and 2020, and three-month interim period ended March 31, 2022 (Appendix "E", "F" and "G", respectively).

BVCI

The following financial statements of BVCI are attached as Appendices to this Listing Statement:

(a) Audited annual consolidated financial statements of BVCI including the auditor's report for the financial years ended December 31, 2021 and 2020, and October 31, 2019, and unaudited financial statements for the three-month interim period ended March 31, 2022 (Appendix "H", "I", "J" and "K", respectively);

(b) Management Discussion and Analysis of BVCI for the financial years ended December 31, 2021 and 2020, and three-month interim period ended March 31, 2022 (Appendix "L", "M" and "N", respectively);

Issuer

The following financial statements of the Issuer are attached as an Appendix to this Listing Statement:

(a) Unaudited pro forma financial statements of the Issuer as of December 31, 2021, and March 31, 2022 (Appendix "O").

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board, Blockchain Venture Capital Inc. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Blockchain Venture Capital Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this ___8th____ day of August, 2022.

(s) Richard Zhou
Chief Executive Officer - Richard Zhou

(s) Steven Olsthoorn
Chief Financial Officer - Steven Olsthoorn

(s) Richard Zhou
Promoter (if applicable) - Richard Zhou

(s) Richard Zhou
Director - Richard Zhou

(s) Steven Olsthoorn
Director - Steven Olsthoorn

Flexwork Properties Ltd.
Financial Statements
For the Years Ended
December 31, 2021 and December 31, 2020
(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying financial statements (the "Financial Statements") of Flexwork Properties Ltd. (the "Company" or "Flexwork") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 of the Financial Statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the Financial Statements.

"Kabir Ahmed"
Chairman, President and Chief Executive Officer
February 4, 2022

"*Peter W. Hogg*"
Chief Financial Officer
February 4, 2022

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Flexwork Properties Ltd.

Opinion

We have audited the financial statements of Flexwork Properties Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statement of income (loss) and comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2021 and, as of that date, the Company had a working capital deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises 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

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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 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 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 judgement 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 risks 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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 4, 2022

Flexwork Properties Ltd.

Statements of Financial Position

(Canadian dollars)

As at	**December 31, 2021**	December 31, 2020
	$	$
Assets		
Current assets		
Cash	**27,446**	935
HST receivable	**405**	451
Prepaid expenses and deposits	**520**	-
Total Assets	**28,371**	1,386
Current liabilities		
Trade and other payables (note 6)	**101,295**	91,425
Total Liabilities	**101,295**	91,425
Shareholders' deficit		
Share capital and reserves (note 4)	**1,769,135**	1,792,699
Deficit	**(1,842,059)**	(1,882,738)
Total shareholders' deficit	**(72,924)**	(90,039)
Total liabilities and shareholders' deficit	**28,371**	1,386

Going concern (note 1)

Contingencies (note 10)

Other (note 12)

Approved by the Board of Directors on February 4, 2022.

"Kabir Ahmed"	*"Michael Boyd"*
Director	Director

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Income (Loss) and Comprehensive Income (Loss)

(Canadian dollars)

	For the years ended	
	December 31, 2021	December 31, 2020
	$	$
Expenses		
Corporate administration (notes 5 and 6)	**32,885**	31,513
Non-refundable advance from BVCI (note 12)	**(50,000)**	-
Net income (loss) and comprehensive income (loss) for the year	**17,115**	(31,513)
Net earnings (loss) per share -basic and diluted	**0.00**	(0.00)
Weighted average number of shares outstanding -basic and diluted	**25,258,869**	23,416,196

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.
Statements of Changes in Equity

(Canadian dollars)

	Share capital		Share based payments	Share capital and reserves	Deficit	Total
	#	$	$	$	$	$
Balance at December 31, 2020	**25,258,869**	**1,758,441**	**34,258**	**1,792,699**	**(1,882,738)**	**(90,039)**
Expiry of warrants	**-**	**-**	**(14,800)**	**(14,800)**	**14,800**	**-**
Expiry of stock options	**-**	**-**	**(8,764)**	**(8,764)**	**8,764**	**-**
Net income for the year	**-**	**-**	**-**	**-**	**17,115**	**17,115**
Balance at December 31, 2021	**25,258,869**	**1,758,441**	**10,694**	**1,769,135**	**(1,842,059)**	**(72,924)**

Balance at December 31, 2019	23,245,169	1,718,167	38,635	1,756,802	(1,855,602)	(98,800)
Capital stock issued	2,013,700	40,274	-	40,274	-	40,274
Expiry of stock options	-	-	(4,377)	(4,377)	4,377	-
Net loss for the year	-	-	-	-	(31,513)	(31,513)
Balance at December 31, 2020	25,258,869	1,758,441	34,258	1,792,699	(1,882,738)	(90,039)

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Cash Flows

(Canadian dollars)

	For the years ended December 31, 2021 $	December 31, 2020 $
Operations		
Net income (loss) for the year	**17,115**	(31,513)
Net change in non-cash working capital items:		
HST receivable	**46**	208
Prepaid expenses and deposits	**(520)**	-
Trade and other payables	**9,870**	30,818
Cash flows provided (used in) operating activities	**26,511**	(487)
Net increase (decrease) in cash	**26,511**	(487)
Cash at beginning of year	**935**	1,422
Cash at end of year	**27,446**	935

Supplemental Information

Issuance of shares for debt	**-**	40,274

The accompanying notes are an integral part of these financial statements

General

Flexwork Properties Ltd. (the "Company" or "Flexwork") was incorporated pursuant to the laws of Ontario on July 11, 2005. The Company's common shares are listed on the Canadian Securities Exchange under the symbol RNG. The registered office of the Company is located at 1 King Street West, Suite 4009, Toronto, ON, M5H 1A1.

1. Basis of preparation, nature of operations and going concern

The Company has historically been in the resource industry. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations.

Although the Company had taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. On February 2, 2020, the claims related to the Company's only exploration and evaluation property lapsed. See note 3.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of December 31, 2021 and February 4, 2022, the financing has not been completed and the Company has now withdrawn from the proposed financing. Instead, the Company is currently pursuing a proposed reverse takeover (RTO) with Blockchain Venture Capital Inc. There is no certainty that the Company will receive the requisite shareholder and regulatory approvals for the proposed RTO, or that the Company will be able to complete the proposed RTO. Refer to Note 12 and the Company's press release dated March 16, 2021 for additional details.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

The Company has a need for equity financing for working capital. The Company had a net income of $17,115 for the year ended December 31, 2021 (2020 – net loss of $31,513) and had an accumulated deficit of $1,842,059 (2020 - $1,882,738). In addition, the Company had a working capital deficit of $72,924 at December 31, 2021 (2020 – $90,039). The Company will require further financing beyond the current level of cash to maintain its overhead charges and to complete its proposed change of business.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. The Company expects to incur further losses in the development of its business. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation
These annual financial statements have been prepared on a historical cost basis. In addition, these annual financial statements have been prepared using the accrual basis of accounting except for cash flow information. The functional and reporting currency of the Company is the Canadian Dollar.

In the preparation of these annual financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

2. Significant accounting policies

Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either "fair value through profit or loss (FVPL) or "fair value through other comprehensive income (FVOCI), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company has classified cash and amounts receivable held for collection of contractual cash flows at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost

is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Exploration and evaluation expenditures
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

A portion of the Company's exploration activities may be conducted jointly with others wherein the Company enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting is applied by the Company only when the parties have earned their respective interests and enter into formal comprehensive agreements giving the parties joint control. The Company was not party to any joint ventures for accounting purposes, during the years ended December 31, 2021 and 2020.

Flow-through shares
Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

The Company has agreed to indemnify the subscribers of its flow-through shares for any tax related amounts that become payable by them if the Company fails to meet its expenditure commitments.

Cash and cash equivalents
Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company did not have any cash equivalents as at December 31, 2021 and 2020.

Provisions
A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.
The Company had no material provisions at December 31, 2021 and 2020.

Share based payment transactions
The fair value of share options granted to employees is determined at the grant date and recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options that expire after vesting, the recorded value is transferred to deficit.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Income taxes
Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred asset will be recovered, the tax asset is not recognized.

Restoration, rehabilitation and environmental obligations
A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2021 and 2020 as the disturbance to date is minimal.

Earnings (Loss) per share
The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted earnings (loss) per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made 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:

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes and recoverability of potential deferred tax assets
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option

(Canadian dollars)

exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See notes 1 and 10.

Accounting policy changes
During 2021, the Company did not adopt new IFRS standards, interpretations, amendments and improvements of existing standards.

Future accounting pronouncements
Standards issued but not yet effective up to the date of issuance of the Company's financial statements are not expected to have a significant impact to the Company and have been excluded.

3. Exploration and evaluation expenditures

East Bay Property, McVicar Lake, Ontario

On March 16, 2015, the Company announced it had staked claim in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of Goldcorp's Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

4. Share capital

(a) Common shares
The authorized share capital consists of an unlimited number of common shares, with no par value.

As at December 31, 2021 and December 31, 2020, the Company had 25,258,869 common shares issued and outstanding after issuing 2,013,700 common shares at $0.02 per share on November 30, 2020 for $40,274 in settlement of outstanding liabilities.

(b) Warrants
The following summary sets out the continuity for warrants for the years ended December 31, 2021 and December 31, 2020:

	Warrants #	Weighted average exercise price $
Outstanding, December 31, 2020 and 2019	**600,000**	**0.05**
Expired 2021	**(600,000)**	**0.05**
Outstanding, December 31, 2021	**Nil**	**-**

(c) Options

As at December 31, 2021, there were 2,525,887 common shares available for the grant of stock options to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). The Plan is a 10% rolling option plan based on the number of common shares issued and outstanding. As at December 31, 2021, there were 550,000 stock options outstanding and exercisable and 1,975,887 left unallocated.

(Canadian dollars)

The following summary sets out the activity in the Plan over the years ended December 31, 2021 and December 31, 2020:

	Options #	Weighted average exercise price $
Outstanding, December 31, 2019	**1,150,000**	**0.05**
Expired	**(200,000)**	**0.05**
Outstanding, December 31, 2020	**950,000**	**0.05**
Expired	**(400,000)**	**0.05**
Options exercisable, December 31, 2021	**550,000**	**0.05**

The following table sets out the details of the stock options granted and outstanding as at December 31, 2021:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
550,000	550,000	0.67 years	$0.05	September 1, 2022
550,000	**550,000**	**0.67 years**		

5. Corporate administration and general

	Years ended December 31,	
	2021 **$**	2020 $
Wages and director fees	**6,500**	6,700
Office	**261**	349
Audit and legal fees	**4,120**	3,980
Reporting issuer costs	**22,004**	20,484
	32,885	31,513

6. Remuneration of key management personnel and related-party transactions

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Years ended December 31,	
	2021 **$**	2020 $
Share based compensation	**-**	-
Fees, wages and directors fees	**6,500**	6,700
	6,500	6,700

Salaries and benefits include director fees. The Board of Directors and officers, other than the Chief Financial Officer, do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at December 31, 2021, $95,550 (2020 - $86,848) was owing to directors or officers. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On November 30, 2020, the Company settled $40,274 of accounts payable due to the CEO by issuing 2,013,700 common shares. Refer also to Note 4.

(Canadian dollars)

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

7. Income taxes

Provision for income taxes
The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2020 – 26.5%) to the amounts recognized in the statements of loss:

		Years ended December 31
	2021	2020
	$	$
Income (loss) before income taxes	**17,115**	(31,513)
Expected income tax (recovery) based on statutory rate	**4,535**	(8,350)
Adjustment to expected income tax benefit:		
Change in tax losses not recognized	**(4,535)**	8,350
Deferred income tax recovery	**-**	-

Deductible temporary differences
Deferred tax assets in respect of the following temporary differences have not been recognized for accounting purposes as it is not probable that taxable profits will be available against which the deferred tax assets can be utilized:

	2021	2020
	$	$
Non-capital losses	**1,202,000**	1,169,000
Exploration property interests	**295,000**	295,000
Capital losses	**82,000**	82,000
	1,579,000	1,546,000

Tax loss carry-forwards
As at December 31, 2021, the Company had approximately $nil (2020 - $nil), $254,000 (2020 - $254,000) and $41,000 (2020 - $41,000) of Canadian development expenditures, Canadian exploration expenditures, and foreign resource expenditures, respectively, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(Canadian dollars)

As at December 31, 2021, the Company has non-capital loss carry forwards expiring as follows:

	Total $
2029	80,000
2030	350,000
2032	72,000
2033	26,000
2034	228,000
2035	122,000
2037	89,000
2038	176,000
2039	27,000
2040	32,000
	1,202,000

8. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2021, totaled a deficit of $72,924 (2020 – $90,039).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2021 and December 31, 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company is in the process of searching for financing alternatives. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

9. Financial risk management

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2021, the Company had cash of $27,446 (2020 - $935) to settle current liabilities of $101,295 (2020 - $91,425). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures and/or acquisitions during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

10. Contingencies

The Company's past exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations complied in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

11. COVID-19

Novel Coronavirus (“COVID-19”)
The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company’s business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company’s business, operations or financial results, including the Company’s ability to secure financing and complete the transaction disclosed in the below note.

12. Other

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the* "*OBCA*"*)*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE. The Resulting Issuer or the Resulting Issuer Shares has not yet been approved for listing on the CSE.

In addition, by way of the press release dated March 16, 2021, the Company has announced two related transactions, including a proposed share consolidation of the Company's share capital, and a proposed debt settlement of approximately $97,000 currently owing to two directors of the Company. There is no certainty that any of these transactions including the RTO will be completed or that the Company will receive the requisite shareholder or regulatory approvals.

During 2021, the Company received a $50,000 non-refundable advance from BVCI.

Flexwork Properties Ltd.
Financial Statements
For the Years Ended
December 31, 2020 and December 31, 2019
(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying financial statements (the "Financial Statements") of Flexwork Properties Ltd. (the "Company" or "Flexwork") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 of the Financial Statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the Financial Statements.

"Kabir Ahmed"
Chairman, President and Chief Executive Officer
March 24, 2021

"*Peter W. Hogg*"
Chief Financial Officer
March 24, 2021

Independent Auditor's Report

To the Shareholders of Flexwork Properties Ltd.

Opinion

We have audited the financial statements of Flexwork Properties Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2020 and, as of that date, the Company had a working capital deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises 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

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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 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 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 judgement 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 risks 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.

McGovern
Hurley

- 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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 24, 2021

Flexwork Properties Ltd.

Statements of Financial Position

(Canadian dollars)

As at	**December 31, 2020**	December 31, 2019
	$	$
Assets		
Current assets		
Cash	**935**	1,422
HST receivable	**451**	659
Total Assets	**1,386**	2,081
Current liabilities		
Trade and other payables (note 6)	**91,425**	100,881
Total Liabilities	**91,425**	100,881
Shareholders' deficit		
Share capital and reserves (note 4)	**1,792,699**	1,756,802
Deficit	**(1,882,738)**	(1,855,602)
Total shareholders' deficit	**(90,039)**	(98,800)
Total liabilities and shareholders' deficit	**1,386**	2,081

Going concern (note 1)

Contingencies (note 10)

Subsequent events (note 12)

Approved by the Board of Directors on March 24, 2021.

"Kabir Ahmed"	*"Michael Boyd"*
Director	Director

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Loss and Comprehensive Loss

(Canadian dollars)

	For the years ended December 31, 2020	December 31, 2019
	$	$
Expenses		
Corporate administration (notes 5 and 6)	**31,513**	26,917
Net loss and comprehensive loss for the year	**(31,513)**	(26,917)
Net loss per share		
-basic and diluted	**(0.00)**	(0.00)
Weighted average number of shares outstanding		
-basic and diluted	**23,416,196**	23,245,169

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Changes in Equity

(Canadian dollars)

	Share capital		Share based payments	Share capital and reserves	Deficit	Total
	#	$	$	$	$	$
Balance at December 31, 2019	**23,245,169**	**1,718,167**	**38,635**	**1,756,802**	**(1,855,602)**	**(98,800)**
Capital stock issued	**2,013,700**	**40,274**	**-**	**40,274**	**-**	**40,274**
Expiry of stock options	**-**	**-**	**(4,377)**	**(4,377)**	**4,377**	**-**
Net loss for the year	**-**	**-**	**-**	**-**	**(31,513)**	**(31,513)**
Balance at December 31, 2020	**25,258,869**	**1,758,441**	**34,258**	**1,792,699**	**(1,882,738)**	**(90,039)**
Balance at December 31, 2018	23,245,169	1,718,167	55,388	1,773,555	(1,845,438)	(71,883)
Expiry of warrants	-	-	(30)	(30)	30	-
Expiry of stock options	-	-	(16,723)	(16,723)	16,723	-
Net loss for the year	-	-	-	-	(26,917)	(26,917)
Balance at December 31, 2019	23,245,169	1,718,167	38,635	1,756,802	(1,855,602)	(98,800)

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Cash Flows

(Canadian dollars)

	For the years ended	
	December 31, 2020	December 31, 2019
	$	$
Operations		
Net loss for the year	**(31,513)**	(26,917)
Net change in non-cash working capital items:		
HST receivable	**208**	1,147
Prepaid expenses and deposits	**-**	2,560
Trade and other payables	**30,818**	17,258
Cash flows (used in) operating activities	**(487)**	(5,952)
Net (decrease) in cash	**(487)**	(5,952)
Cash at beginning of year	**1,422**	7,374
Cash at end of year	**935**	1,422

Supplemental Information

Issuance of shares for debt	**40,274**	-

The accompanying notes are an integral part of these financial statements

General

Flexwork Properties Ltd. (the "Company" or "Flexwork") was incorporated pursuant to the laws of Ontario on July 11, 2005. The Company's common shares are listed on the Canadian Securities Exchange under the symbol RNG. The registered office of the Company is located at 1 King Street West, Suite 4009, Toronto, ON, M5H 1A1.

1. Basis of preparation, nature of operations and going concern

The Company has historically been in the resource industry. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations.

Although the Company had taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. On February 2, 2020, the claims related to the Company's only exploration and evaluation property lapsed. See note 3.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of December 31, 2020 and March 24, 2021, the financing has not been completed. There is no guarantee that the Company will be able to complete the financing and listing on the CSE.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

The Company has a need for equity financing for working capital. The Company had a net loss of $31,513 for the year ended December 31, 2020 (2019 - $26,917) and had an accumulated deficit of $1,882,738 (2019 - $1,855,602). In addition, the Company had a working capital deficit of $90,039 at December 31, 2020 (2019 – $98,800). The Company will require further financing beyond the current level of cash to maintain its overhead charges and to complete its proposed change of business.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. The Company expects to incur further losses in the development of its business. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation
These annual financial statements have been prepared on a historical cost basis. In addition, these annual financial statements have been prepared using the accrual basis of accounting except for cash flow information. The functional and reporting currency of the Company is the Canadian Dollar.

In the preparation of these annual financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

2. Significant accounting policies

Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either "fair value through profit or loss (FVPL) or "fair value through other comprehensive income (FVOCI), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company has classified cash and amounts receivable held for collection of contractual cash flows at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge

relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company’s only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company’s financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Exploration and evaluation expenditures
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity. Once a project has been established as commercially viable and technically feasible, related

development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

A portion of the Company's exploration activities may be conducted jointly with others wherein the Company enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting is applied by the Company only when the parties have earned their respective interests and enter into formal comprehensive agreements giving the parties joint control. The Company was not party to any joint ventures for accounting purposes, during the years ended December 31, 2020 and 2019.

Flow-through shares

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

The Company has agreed to indemnify the subscribers of its flow-through shares for any tax related amounts that become payable by them if the Company fails to meet its expenditure commitments.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company did not have any cash equivalents as at December 31, 2020 and 2019.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.
The Company had no material provisions at December 31, 2020 and 2019.

Share based payment transactions

The fair value of share options granted to employees is determined at the grant date and recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options that expire after vesting, the recorded value is transferred to deficit.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Income taxes
Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred asset will be recovered, the tax asset is not recognized.

Restoration, rehabilitation and environmental obligations
A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2020 and 2019 as the disturbance to date is minimal.

Loss per share
The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made 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:

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes and recoverability of potential deferred tax assets
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See notes 1 and 10.

Accounting policy changes
During 2020, the Company did not adopt new IFRS standards, interpretations, amendments and improvements of existing standards.

(Canadian dollars)

Future accounting pronouncements
Standards issued but not yet effective up to the date of issuance of the Company's financial statements are not applicable or do not have a significant impact to the Company and have been excluded.

3. Exploration and evaluation expenditures

East Bay Property, McVicar Lake, Ontario

On March 16, 2015, the Company announced it had staked claim in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of Goldcorp's Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

4. Share capital

(a) Common shares
The authorized share capital consists of an unlimited number of common shares, with no par value.

As at December 31, 2020, the Company had 25,258,869 common shares issued and outstanding after issuing 2,013,700 common shares at $0.02 per share on November 30, 2020 for $40,274 in settlement of outstanding liabilities. As at December 31, 2019 and 2018, the Company had 23,245,169 common shares issued and outstanding.

(b) Warrants
The following summary sets out the continuity for warrants for the years ended December 31, 2020 and December 31, 2019:

	Warrants \#	Weighted average exercise price $
Outstanding, January 1, 2019	**900,000**	**0.05**
Expired 2019	**(300,000)**	**0.05**
Outstanding, December 31, 2019 and 2020	**600,000**	**0.05**

As at December 31, 2020, the Company had 600,000 warrants outstanding with an exercise price of $0.05 expiring on May 26, 2021.

(c) Options

As at December 31, 2020, there were 2,525,887 common shares available for the grant of stock options to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). The Plan is a 10% rolling option plan based on the number of common shares issued and outstanding. As at December 31, 2020, there were 950,000 stock options outstanding and exercisable and 1,575,887 left unallocated.

(Canadian dollars)

The following summary sets out the activity in the Plan over the years ended December 31, 2020 and December 31, 2019:

	Options #	Weighted average exercise price $
Outstanding, January 1, 2019	**2,050,000**	**0.05**
Expired	**(900,000)**	**0.05**
Outstanding, December 31, 2019	**1,150,000**	**0.05**
Expired	**(200,000)**	**0.05**
Options exercisable, December 31, 2020	**950,000**	**0.05**

The following table sets out the details of the stock options granted and outstanding as at December 31, 2020:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
*100,000	100,000	0.13 years	$0.05	February 17, 2021
100,000	100,000	0.42 years	$0.05	June 1, 2021
200,000	200,000	0.47 years	$0.05	June 21, 2021
550,000	550,000	1.67 years	$0.05	September 1, 2022
950,000	**950,000**	**0.85 years**		

*100,000 stock options expired unexercised on February 17, 2021.

5. Corporate administration and general

	Years ended December 31, 2020 $	2019 $
Wages and director fees	**6,700**	6,500
Office	**349**	504
Audit and legal fees	**3,980**	3,700
Reporting issuer costs	**20,484**	16,213
	31,513	26,917

6. Remuneration of key management personnel and related-party transactions

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Years ended December 31, 2020 $	2019 $
Share based compensation	**-**	-
Fees, wages and directors fees	**6,700**	6,500
	6,700	6,500

Salaries and benefits include director fees. The Board of Directors and officers, other than the Chief Financial Officer, do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at December 31, 2020, $86,848 (2019 - $94,806) was owing to directors or officers. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On November 30, 2020, the Company settled $40,274 of accounts payable due to the CEO by issuing 2,013,700 common shares. Refer also to Note 4.

(Canadian dollars)

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

7. Income taxes

Provision for income taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2019 – 26.5%) to the amounts recognized in the statements of loss:

		Years ended December 31
	2020	2019
	$	$
Loss before income taxes	**(31,513)**	(26,917)
Expected income tax (recovery) based on statutory rate	**(8,350)**	(7,100)
Adjustment to expected income tax benefit:		
Change in tax losses not recognized	**8,350**	7,100
Deferred income tax recovery	**-**	-

Deductible temporary differences

Deferred tax assets in respect of the following temporary differences have not been recognized for accounting purposes as it is not probable that taxable profits will be available against which the deferred tax assets can be utilized:

	2020	2019
	$	$
Non-capital losses	**1,169,000**	1,138,000
Exploration property interests	**295,000**	295,000
Capital losses	**82,000**	82,000
	1,546,000	1,515,000

Tax loss carry-forwards

As at December 31, 2020, the Company had approximately $nil (2019 - $nil), $254,000 (2019 - $254,000) and $41,000 (2019 - $41,000) of Canadian development expenditures, Canadian exploration expenditures, and foreign resource expenditures, respectively, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(Canadian dollars)

As at December 31, 2020, the Company has non-capital loss carry forwards expiring as follows:

	Total **$**
2029	97,000
2030	350,000
2032	72,000
2033	26,000
2034	228,000
2035	72,000
2037	90,000
2038	176,000
2039	27,000
2040	31,000
	1,169,000

8. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2020, totaled a deficit of $90,039 (2019 – $98,800).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2020 and December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company is in the process of searching for financing alternatives. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

9. Financial risk management

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2020, the Company had cash of $935 (2019 - $1,422) to settle current liabilities of $91,425 (2019 - $100,881). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures and/or acquisitions during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

10. Contingencies

The Company's past exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations complied in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

11. COVID-19

Novel Coronavirus (“COVID-19”)
The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company’s business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company’s business, operations or financial results, including the Company’s ability to secure financing and complete the transaction disclosed in the below subsequent events note.

12. Subsequent events

On February 17, 2021, 100,000 stock options expired unexercised.

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the* "*OBCA*"*)*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE.

In addition, by way of the press release dated March 16, 2021, the Company has announced two related transactions, including a proposed share consolidation of the Company's share capital, and a proposed debt settlement of approximately $97,000 currently owing to two directors of the Company. There is no certainty that any of these transactions including the RTO will be completed or that the Company will receive the requisite shareholder or regulatory approvals.

Flexwork Properties Ltd.
Financial Statements
For the Years Ended
December 31, 2019 and December 31, 2018
(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying financial statements (the "Financial Statements") of Flexwork Properties Ltd. (the "Company" or "Flexwork") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 of the Financial Statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the Financial Statements.

"Kabir Ahmed"
Chairman, President and Chief Executive Officer
April 28, 2020

"*Peter W. Hogg*"
Chief Financial Officer
April 28, 2020

Independent Auditor's Report

To the Shareholders of Flexwork Properties Ltd.

Opinion

We have audited the financial statements of Flexwork Properties Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises 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 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 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 judgement 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 risks 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

McGovern Hurley

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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 28, 2020

Flexwork Properties Ltd.

Statements of Financial Position

(Canadian dollars)

As at	**December 31, 2019**	December 31, 2018
	$	$
Assets		
Current assets		
Cash	**1,422**	7,374
HST receivable	**659**	1,806
Prepaid expenses and deposits	**-**	2,560
Total Assets	**2,081**	11,740
Current liabilities		
Trade and other payables (note 6)	**100,881**	83,623
Total Liabilities	**100,881**	83,623
Shareholders' equity		
Share capital and reserves (note 4)	**1,756,802**	1,773,555
Deficit	**(1,855,602)**	(1,845,438)
Total shareholders' equity	**(98,800)**	(71,883)
Total liabilities and shareholders' equity	**2,081**	11,740

Going concern (note 1)

Contingencies (note 10)

Subsequent Events (notes 3 and 11)

Approved by the Board of Directors on April 28, 2020.

"Kabir Ahmed"	*"Michael Boyd"*
Director	Director

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Loss and Comprehensive Loss

(Canadian dollars)

	For the years ended December 31, 2019	December 31, 2018
	$	$
Expenses		
Corporate administration (notes 5 and 6)	**26,917**	176,168
Exploration and evaluation expenditures (note 3)	**-**	3,500
Net loss and comprehensive loss for the year	**(26,917)**	(179,668)
Net loss per share -basic and diluted	**(0.00)**	(0.01)
Weighted average number of shares outstanding -basic and diluted	**23,245,169**	23,245,169

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Changes in Equity

(Canadian dollars)

	Share capital		Share based payments	Share capital and reserves	Deficit	Total
	#	$	$	$	$	$
Balance at December 31, 2018	**23,245,169**	**1,718,167**	**55,388**	**1,773,555**	**(1,845,438)**	**(71,883)**
Expiry of warrants	**-**	**-**	**(30)**	**(30)**	**30**	**-**
Expiry of stock options	**-**	**-**	**(16,723)**	**(16,723)**	**16,723**	**-**
Net loss for the year	**-**	**-**	**-**	**-**	**(26,917)**	**(26,917)**
Balance at December 31, 2019	**23,245,169**	**1,718,167**	**38,635**	**1,756,802**	**(1,855,602)**	**(98,800)**

Balance at December 31, 2017	23,245,169	1,718,167	55,388	1,773,555	(1,665,770)	107,785
Net loss for the year	-	-	-	-	(179,668)	(179,668)
Balance at December 31, 2018	23,245,169	1,718,167	55,388	1,773,555	(1,845,438)	(71,883)

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Statements of Cash Flows

(Canadian dollars)

	For the years ended	
	December 31, 2019	December 31, 2018
	$	$
Operations		
Net loss for the year	**(26,917)**	(179,668)
Net change in non-cash working capital items:		
HST receivable	**1,147**	1,112
Prepaid expenses and deposits	**2,560**	7,451
Trade and other payables	**17,258**	74,578
Cash flows (used in) operating activities	**(5,952)**	(96,527)
Financing		
Cash flows provided from financing activities	**-**	-
Net (decrease) in cash	**(5,952)**	(96,527)
Cash at beginning of year	**7,374**	103,901
Cash at end of year	**1,422**	7,374

The accompanying notes are an integral part of these financial statements

General

Flexwork Properties Ltd. (the "Company" or "Flexwork") was incorporated pursuant to the laws of Ontario on July 11, 2005. The Company's common shares are listed on the Canadian Securities Exchange under the symbol RNG. The registered office of the Company is located at 1 King Street West, Suite 4009, Toronto, ON, M5H 1A1.

1. Basis of preparation, nature of operations and going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations.

Although the Company had taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. Subsequent to December 31, 2019, the claims related to the Company's only exploration and evaluation property lapsed. See note 3.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

The Company has a need for equity financing for working capital. The Company had a net loss of $26,917 for the year ended December 31, 2019 (2018 - $179,668) and had an accumulated deficit of $1,855,602 (2018 - $1,845,438). In addition, the Company had a working capital deficit of $98,800 at December 31, 2019 (2018 – $71,883). The Company will require further financing beyond the current level of cash to maintain its overhead charges and to complete its proposed change of business.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. The Company expects to incur further losses in the development of its business. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of December 31, 2019 and April 28, 2020, the financing has not been completed. There is no guarantee that the Company will be able to complete the financing and listing on the CSE.

Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation
These annual financial statements have been prepared on a historical cost basis. In addition, these annual financial statements have been prepared using the accrual basis of accounting except for cash flow information. The functional and reporting currency of the Company is the Canadian Dollar.

In the preparation of these annual financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

2. Significant accounting policies

Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company has classified cash and amounts receivable held for collection of contractual cash flows at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial

position with changes in fair value recognized in other income or expense in the statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Exploration and evaluation expenditures
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity. Once a project has been established as commercially viable and technically feasible, related

development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

A portion of the Company's exploration activities may be conducted jointly with others wherein the Company enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting is applied by the Company only when the parties have earned their respective interests and enter into formal comprehensive agreements giving the parties joint control. The Company was not party to any joint ventures for accounting purposes, during the years ended December 31, 2019 and 2018.

Flow-through shares

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

The Company has agreed to indemnify the subscribers of its flow-through shares for any tax related amounts that become payable by them if the Company fails to meet its expenditure commitments.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company did not have any cash equivalents as at December 31, 2019 and 2018.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.
The Company had no material provisions at December 31, 2019 and 2018.

Share based payment transactions

The fair value of share options granted to employees is determined at the grant date and recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options that expire after vesting, the recorded value is transferred to deficit.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Income taxes
Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred asset will be recovered, the tax asset is not recognized.

Restoration, rehabilitation and environmental obligations
A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2019 and 2018 as the disturbance to date is minimal.

Loss per share
The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made 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:

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes and recoverability of potential deferred tax assets
Income, value added, withholding and other taxes The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See notes 1 and 10.

Accounting policy changes
During 2019, the Company adopted new IFRS standards, interpretations, amendments and improvements of existing standards.

(Canadian dollars)

Uncertainty over Income Tax Treatments ("IFRIC 23") was issued by IASB on June 7, 2017 to clarify the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 Income Taxes. IFRIC 23 is effective January 1, 2019. The Company determined there was no impact of this new standard on its financial statements.

Future accounting pronouncements
Standards issued but not yet effective up to the date of issuance of the Company's financial statements are not applicable or do not have a significant impact to the Company and have been excluded.

3. Exploration and evaluation expenditures

	Years ended December 31,	
	2019	2018
	$	$
East Bay Property	**-**	3,500
	-	3,500

East Bay Property, McVicar Lake, Ontario

On March 16, 2015, the Company announced it had staked claim in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of Goldcorp's Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

4. Share capital

(a) Common shares
The authorized share capital consists of an unlimited number of common shares, with no par value.

As at December 31, 2019, 2018 and 2017 the Company had 23,245,169 common shares issued and outstanding.

(b) Warrants
The following summary sets out the continuity for warrants for the years ended December 31, 2019 and December 31, 2018:

	Warrants	Weighted average exercise price
	#	$
Outstanding, December 31, 2018 and 2017	**900,000**	**0.06**
Expired – August 17, 2019	**(300,000)**	**(0.10)**
Outstanding, December 31, 2019	**600,000**	**0.05**

As at December 31, 2019, the Company had 600,000 warrants outstanding with an exercise price of $0.05 expiring on May 26, 2021. 300,000 warrants expired unexercised on August 17, 2019.

(c) Options

As at December 31, 2019, there were 2,324,517 common shares available for the grant of stock options to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). The Plan is a 10% rolling option plan based on the number of common shares issued and outstanding. As at December 31, 2019, there were 1,150,000 stock options outstanding and exercisable and 1,174,517 left unallocated.

(Canadian dollars)

The following summary sets out the activity in the Plan over the years ended December 31, 2019 and December 31, 2018:

	Options #	Weighted average exercise price $
Outstanding, December 31, 2017 and December 31, 2018	**2,050,000**	**0.05**
Expired	**(900,000)**	**0.05**
Options exercisable, December 31, 2019	**1,150,000**	**0.05**

The following table sets out the details of the stock options granted and outstanding as at December 31, 2019:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
100,000	100,000	1.13 years	$0.05	February 17, 2021
100,000	100,000	1.38 years	$0.05	May 16, 2021
100,000	100,000	1.42 years	$0.05	June 1, 2021
200,000	200,000	1.47 years	$0.05	June 21, 2021
650,000	650,000	2.67 years	$0.05	September 1, 2022
1,150,000	**1,150,000**	**2.10 years**		

See also note 11.

5. Corporate administration and general

	Years ended December 31,	
	2019	2018
	$	$
Wages and director fees	**6,500**	55,700
Office	**504**	6,252
Insurance	**-**	5,076
Audit and legal fees	**3,700**	65,130
Reporting issuer costs	**16,213**	44,010
	26,917	176,168

6. Remuneration of key management personnel and related-party transactions

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Years ended December 31,	
	2019	2018
	$	$
Share based compensation	**-**	-
Fees, wages and directors fees	**6,500**	115,685
	6,500	115,685

(Canadian dollars)

Salaries and benefits include director fees. The Board of Directors and officers, other than the Chief Financial Officer, do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at December 31, 2019, $94,806 (2018 - $71,300) was owing to directors or officers. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

7. Income taxes

Provision for income taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2018 – 26.5%) to the amounts recognized in the statements of loss:

		Years ended December 31
	2019	2018
	$	$
Loss before income taxes	**(26,917)**	(179,668)
Expected income tax (recovery) based on statutory rate	**(7,100)**	(47,600)
Adjustment to expected income tax benefit:		
Change in tax losses not recognized	**7,100**	47,600
Deferred income tax recovery	**-**	-

Deductible temporary differences

Deferred tax assets in respect of the following temporary differences have not been recognized for accounting purposes as it is not probable that taxable profits will be available against which the deferred tax assets can be utilized:

	2019	2018
	$	$
Non-capital losses	**1,138,000**	1,111,000
Exploration property interests	**295,000**	309,000
Capital losses	**82,000**	82,000
	1,515,000	1,502,000

(Canadian dollars)

Tax loss carry-forwards
As at December 31, 2019, the Company had approximately $nil (2018 - $nil), $254,000 (2018 - $254,000) and $41,000 (2018 - $41,000) of Canadian development expenditures, Canadian exploration expenditures, and foreign resource expenditures, respectively, which, under certain circumstances, may be utilized to reduce taxable income of future years.

As at December 31, 2019, the Company has non-capital loss carry forwards expiring as follows:

	Total $
2029	97,000
2030	350,000
2032	72,000
2033	26,000
2034	228,000
2035	72,000
2037	90,000
2038	176,000
2039	27,000
	1,138,000

8. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at December 31, 2019, totaled a deficit of $98,800 (2018 – $71,883).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2019 and December 31, 2018.

The Company is in the process of searching for financing alternatives. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

9. Financial risk management

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.
Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2019, the Company had cash of $1,422 (2018- $7,374) to settle current liabilities of $100,881 (2018 - $83,623). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures and/or acquisitions and/or exploration plans during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditures, and expenditures may be adjusted accordingly.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and equity price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

10. Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

11. Subsequent Events

Novel Coronavirus (“COVID-19”)
The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

Expiry of Options
100,000 stock options set to originally expire on May 16, 2021 and an additional 100,000 set to expire on September 1, 2022 have now expired unexercised on February 7, 2020 in accordance with the terms of the stock option plan.

Flexwork Properties Ltd.
Financial Statements
For the Three Months Ended
March 31, 2022 and March 31, 2021
(Expressed in Canadian Dollars)

Management's responsibility for financial reporting

The accompanying unaudited interim condensed financial statements (the "Financial Statements") of Flexwork Properties Ltd. (the "Company" or "Flexwork") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the Financial Statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 of the Financial Statements for the year ended December 31, 2021.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements and (ii) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Financial Statements.

The Board of Directors is responsible for reviewing and approving the Financial Statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the Financial Statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the Financial Statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the Financial Statements.

"Kabir Ahmed"	"*Peter W. Hogg*"
Chairman, President and Chief Executive Officer	Chief Financial Officer
May 30, 2022	May 30, 2022

Flexwork Properties Ltd.

Condensed Interim Statements of Financial Position

(Canadian dollars)

As at	**March 31, 2022**	December 31, 2021
	$	$
Assets		
Current assets		
Cash	**13,437**	27,446
HST receivable	**9,207**	405
Prepaid expenses and deposits	**520**	520
Total Assets	**23,164**	28,371
Current liabilities		
Trade and other payables	**3,986**	101,295
Total Liabilities	**3,986**	101,295
Shareholders' equity (deficit)		
Share capital and reserves (note 2)	**1,871,687**	1,769,135
Deficit	**(1,852,509)**	(1,842,059)
Total shareholders' equity (deficit)	**19,178**	(72,924)
Total liabilities and shareholders' equity (deficit)	**23,164**	28,371

Going concern (note 1)

Contingencies (note 7)

Subsequent events (note 9)

Approved by the Board of Directors on May 30, 2022.

"Kabir Ahmed"	*"Michael Boyd"*
Director	Director

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

(Canadian dollars)

	For the three months ended	
	March 31, 2022	March 31, 2021
	$	$
Expenses		
Corporate administration (notes 3 and 4)	**10,450**	17,176
Net loss and comprehensive loss for the period	**(10,450)**	(17,176)
Net loss per share -basic and diluted	**(0.00)**	(0.00)
Weighted average number of shares outstanding -basic and diluted	**27,309,915**	25,258,869

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Condensed Interim Statements of Changes in Equity

(Canadian dollars)

	Share capital		Share based payments	Share capital and reserves	Deficit	Total
	#	$	$	$	$	$
Balance at December 31, 2021	**25,258,869**	**1,758,441**	**10,694**	**1,769,135**	**(1,842,059)**	**(72,924)**
Capital stock issued	**2,051,046**	**102,552**	**-**	**102,552**	**-**	**102,552**
Net loss for the period	**-**	**-**	**-**	**-**	**(10,450)**	**(10,450)**
Balance at March 31, 2022	**27,309,915**	**1,860,993**	**10,694**	**1,871,687**	**(1,852,509)**	**19,178**
Balance at December 31, 2020	25,258,869	1,718,167	34,258	1,792,699	(1,882,738)	(90,039)
Expiry of warrants	-	-	(14,800)	(14,800)	14,800	-
Expiry of stock options	-	-	(8,764)	(8,764)	8,764	-
Net income for the period	-	-	-	-	17,115	17,115
Balance at December 31, 2021	25,258,869	1,758,441	10,694	1,769,135	(1,842,059)	(72,924)

The accompanying notes are an integral part of these financial statements

Flexwork Properties Ltd.

Condensed Interim Statements of Cash Flows

(Canadian dollars)

	For the three months ended	
	March 31, 2022	March 31, 2021
	$	$
Operations		
Net loss for the period	**(10,450)**	(17,176)
Net change in non-cash working capital items:		
HST receivable	**(8,802)**	(1,116)
Trade and other payables	**(97,309)**	7,244
Advances payable	**-**	25,000
Cash flows (used in) provided operating activities	**(116,561)**	13,952
Financing		
Shares issued	**102,552**	-
Cash flows from financing activities	**102,552**	-
Net (decrease) increase in cash	**(14,009)**	13,952
Cash at beginning of period	**27,446**	935
Cash at end of period	**13,437**	14,887

The accompanying notes are an integral part of these financial statements

General

Flexwork Properties Ltd. (the "Company" or "Flexwork") was incorporated pursuant to the laws of Ontario on July 11, 2005. The Company's common shares are listed on the Canadian Securities Exchange under the symbol RNG. The registered office of the Company is located at 1 King Street West, Suite 4009, Toronto, ON, M5H 1A1.

1. Basis of preparation, nature of operations and going concern

The Company has historically been in the resource industry. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations.

Although the Company had taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. On February 2, 2020, the claims related to the Company's only exploration and evaluation property lapsed.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of March 31, 2022 and May 30, 2022, the financing has not been completed and the Company has now withdrawn from the proposed financing. Instead, the Company is currently pursuing a proposed reverse takeover (RTO) with Blockchain Venture Capital Inc. There is no certainty that the Company will receive the requisite shareholder and regulatory approvals for the proposed RTO, or that the Company will be able to complete the proposed RTO. Refer to Note 9 and the Company's press release dated March 16, 2021 for additional details.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

The Company has a need for equity financing for working capital. The Company had a net loss of $10,450 for the three months ended March 31, 2022 and had an accumulated deficit of $1,852,509. In addition, the Company had working capital of $19,178 at March 31, 2022. The Company will require further financing beyond the current level of cash to maintain its overhead charges and to complete its proposed change of business.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. The Company expects to incur further losses in the development of its business. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

Statement of compliance
The Company's Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The Financial Statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in the audited financial statements for the year ended December 31, 2021.

2. Share capital

(a) Common shares

The authorized share capital consists of an unlimited number of common shares, with no par value.

As at March 31, 2022, the Company had 27,309,915 common shares issued and outstanding after issuing 2,051,046 common shares at $0.05 per share on February 18, 2022 for $102,552 in settlement of outstanding liabilities. As at December 31, 2021, the Company had 25,258,869 common shares issued and outstanding.

(b) Warrants

The Company had 600,000 warrants outstanding with an exercise price of $0.05 that expired unexercised on May 26, 2021.

(c) Options

As at March 31, 2021, there were 2,730,991 common shares available for the grant of stock options to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan"). The Plan is a 10% rolling option plan based on the number of common shares issued and outstanding. As at March 31, 2022, there were 550,000 stock options outstanding and exercisable and 2,180,991 left unallocated.

(Canadian dollars)

The following summary sets out the activity in the Plan over the period ended March 31, 2022 and December 31, 2021:

	Options #	Weighted average exercise price $
Outstanding, December 31, 2021	**550,000**	**0.05**
Expired	**-**	**-**
Options exercisable, March 31, 2022	**550,000**	**0.05**

The following table sets out the details of the stock options granted and outstanding as at March 31, 2022:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
550,000	550,000	0.42 years	$0.05	September 1, 2022
550,000	**550,000**	**0.42 years**		

3. Corporate administration and general

	Three months ended March 31,	
	2022	2021
	$	$
Wages and director fees	**2,000**	3,000
Office	**66**	84
Audit and legal fees	**1,250**	2,580
Reporting issuer costs	**7,134**	11,512
	10,450	17,176

4. Remuneration of key management personnel and related-party transactions

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Three months ended March 31,	
	2022	2021
	$	$
Share based compensation	**-**	-
Fees, wages and directors fees	**2,000**	3,000
	2,000	3,000

Salaries and benefits include director fees. The Board of Directors and officers, other than the Chief Financial Officer, do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at March 31, 2022, $2,468 (December 31, 2021 - $95,550) was owing to directors or officers. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On February 18, 2022, the Company settled $102,552 of accounts payable due to the CEO and CFO by issuing 2,051,046 common shares.

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

5. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at March 31, 2022, totaled $19,178 (December 31, 2021 – deficit of $72,924).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2022 and the year ended December 31, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company is in the process of searching for financing alternatives. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

6. Financial risk management

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2022, the Company had cash of $13,437 (December 31, 2021 -

$27,446) to settle current liabilities of $3,986 (December 31, 2021 - $101,295). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures and/or acquisitions during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company receives low interest rates on its cash balances and, as such, the Company does not have significant interest rate risk.
- The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

7. Contingencies

The Company's past exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations complied in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

8. COVID-19

Novel Coronavirus ("COVID-19")
The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing and complete the transaction disclosed in the below note.

9. Other

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the "OBCA")*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE. The Resulting Issuer or the Resulting Issuer Shares has not yet been approved for listing on the CSE.

During 2021, the Company received a $50,000 non-refundable advance from BVCI.

FLEXWORK PROPERTIES LTD.

Management's Discussion and Analysis
of the Financial Condition and Results of Operations

For the Year Ended December 31, 2021

FLEXWORK PROPERTIES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") has been prepared based on information available to Flexwork Properties Ltd. ("Flexwork" or the "Company") as at February 4, 2022. The MD&A of the operating results and financial condition of the Company for the year ended December 31, 2021, should be read in conjunction with the Company's financial statements (the "Financial Statements") and related notes for the years ended December 31, 2021 and December 31, 2020. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Executive summary

General
Flexwork was incorporated pursuant to the laws of Ontario on July 11, 2005 and was engaged in the acquisition, exploration and development of mineral property interests containing precious metals.

Flexwork's goal is to deliver value to shareholders while evaluating transactions in and outside the mining industry.

The ability of the Company to continue as a going concern is dependent upon its being able to obtain additional financing. Flexwork's financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of December 31, 2021 and February 4, 2022, the financing has not been completed and the Company has now withdrawn from the proposed financing. Instead, the Company is currently pursuing a proposed reverse takeover (RTO) with Blockchain Venture Capital Inc. There is no certainty that the Company will receive the requisite shareholder and regulatory approvals for the proposed RTO, or that the Company will be able to complete the proposed RTO. Refer to the Company's press release dated March 16, 2021 for additional details.

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the* "*OBCA*"*)*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE. The Resulting Issuer or the Resulting Issuer Shares has not yet been approved for listing on the CSE.

In addition, by way of the press release dated March 16, 2021, the Company has announced two related transactions, including a proposed share consolidation of the Company's share capital, and a proposed debt settlement of approximately $97,000 currently owing to two directors of the Company. There is no certainty that any of these transactions including the RTO will be completed or that the Company will receive the requisite shareholder or regulatory approvals.

During 2021, the Company received a $50,000 non-refundable advance from BVCI.

Highlights

- At December 31, 2021, the Company had assets of $28,371 (December 31, 2020 - $1,386) and a working capital deficit of $72,924 (December 31, 2020 – $90,039). At December 31, 2021, the Company had $101,295 of liabilities (December 31, 2020 – $91,425) and no debt.

- The Company had cash of $27,446 at December 31, 2021 (December 31, 2020 - $935).

Overall performance and results of operations

Net income for the year ended December 31, 2021 was $17,115 or $0.00 per share (December 31, 2020 net loss of $31,513 or $0.00 per share). The net income includes a non-refundable advance from BVCI and corporate administration expenditures that included consulting fees/wages; directors' fees; accounting, legal and audit services; and regulatory compliance costs.

Selected annual information
Years ended December 31,

	2021	2020	2019
	$	$	$
Total assets	**28,371**	1,386	2,081
Current liabilities	**101,295**	91,425	100,881
Shareholders equity (deficit)	**(72,924)**	(90,039)	(98,800)
Net income (loss) for the year	**17,115**	(31,513)	(26,917)
Net income (loss) per share – basic and diluted	**0.00**	(0.00)	(0.00)

Summary of quarterly results

	December 31, 2021	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**
	$	$	$	$
Total assets	28,371	5,305	7,536	16,454
Shareholders' deficit	(72,924)	(118,225)	(113,504)	(107,215)
Net income (loss)	45,301	(4,721)	(6,289)	(17,176)
Net income (loss) per share - basic	0.00	(0.00)	(0.00)	(0.00)

	December 31, 2020	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
	$	$	$	$
Total assets	1,386	1,299	2,702	3,883
Shareholders' (deficit)	(90,039)	(123,242)	(118,077)	(108,097)
Net loss	(7,071)	(5,165)	(9,980)	(9,297)
Net loss per share-basic	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity, working capital and capital resources

As at December 31, 2021, the Company had cash of $27,446 (December 31, 2020 - $935) and a working capital deficit of $72,924 (December 31, 2020 –$90,039), an accumulated deficit of $1,842,059 (December 31, 2020- $1,882,738) and cash flow from operations for the year ended December 31, 2021 of $26,511 (December 31, 2020 – negative cash flow - $487).

As at December 31, 2021, the capital structure of the Company consisted primarily of all the components of shareholders' equity. To adjust or maintain its capital structure, the Company may issue new common shares.

As at December 31, 2021, the company had 25,258,869 common shares issued and outstanding (December 31, 2020 – 25,258,869); No warrants issued and outstanding (December 31, 2020 – 600,000); and 550,000 stock options issued and outstanding (December 31, 2020 – 950,000).

Remuneration of key management and transactions with related parties

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Years ended December 31,	
	2021	2020
	$	$
Fees, wages and directors fees	**6,500**	6,700
	6,500	6,700

Salaries and benefits include director fees. The Board of Directors and officers do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at December 31, 2021, $95,550 (2020 – $86,848) was owing to directors or officers.

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Capital management and off balance sheet transactions

The Company's capital structure is adjusted based on management and the Board of Directors' decision to fund expenditures, outside of operating cash flow, with the issuance of debt or equity such that it may complete the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company would raise funds externally as and when required to finance obligations or complete projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The sources of future funds available to the Company are cash flow from operations, the exercise of outstanding stock options and/or warrants, the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2021. The Company is not subject to externally imposed capital restrictions.

There are no off balance sheet transactions for year ended December 31, 2021.

Critical accounting policies and estimates

The critical accounting policies and estimates are disclosed in Note 2 of the financial statements for the year ended December 31, 2021.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Risks and uncertainties

Financial risk:
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a select major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. HST receivable is in good standing as of December 31, 2021. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

At December 31, 2021, the Company had cash of $27,446 (December 31, 2020 - $935) to settle current liabilities of $101,295 (December 31, 2020 - $91,425). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

As of December 31, 2019, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's other price risk includes equity price risk, whereby the Company's investments are subject to market price fluctuation.

Disclosure of outstanding share information

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

The following table sets forth information concerning the outstanding securities of the Company as at February 4, 2022:

Common shares of no par value	**Number**
Shares	25,258,869
Options	550,000
Warrants	-
Fully diluted shares outstanding	25,808,869

Segregation of duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved and a material weakness exists. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2021.

Cautionary note regarding forward-looking information

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Additional information and continuous disclosure

This MD&A has been prepared as at February 4, 2022. Additional information on the Company is available through regular filings of press releases, financial statements, on SEDAR (www.sedar.com).

Management's responsibility

Management is responsible for all information contained in this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Financial Statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company's Board of Directors has reviewed with management and approved the Financial Statements and this MD&A.

"Kabir Ahmed"	*"Peter W. Hogg"*
Kabir Ahmed	Peter W. Hogg
Chief Executive Officer	Chief Financial Officer

FLEXWORK PROPERTIES LTD.

Management's Discussion and Analysis
of the Financial Condition and Results of Operations

For the Year Ended December 31, 2020

This management discussion and analysis ("MD&A") has been prepared based on information available to Flexwork Properties Ltd. ("Flexwork" or the "Company") as at March 24, 2021. The MD&A of the operating results and financial condition of the Company for the year ended December 31, 2020, should be read in conjunction with the Company's financial statements (the "Financial Statements") and related notes for the years ended December 31, 2020 and December 31, 2019. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Executive summary

General
Flexwork was incorporated pursuant to the laws of Ontario on July 11, 2005 and was engaged in the acquisition, exploration and development of mineral property interests containing precious metals.

Flexwork's goal is to deliver value to shareholders while evaluating transactions in and outside the mining industry.

The ability of the Company to continue as a going concern is dependent upon its being able to obtain additional financing. Flexwork's financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

At the request of the Company, the common shares of the Company were de-listed from trading on the TSX Venture Exchange (TSXV) at the close of the market on February 27, 2018. The Company's common shares commenced trading on the Canadian Securities Exchange (CSE) at the opening of the market on February 28, 2018, under the same trading symbol, RNG.

On May 28, 2018, the Company announced by way of a Press Release that - subject to receipt of approvals from both the CSE and the Company's shareholders – the Company proposes to carry out a Change of Business ("COB") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company". The principal reason for this proposed COB is that the Company believes that it can create greater value over time for the Company's shareholders by transitioning to a business operating in an industry sector with (i) more stable and recurring revenue streams; (ii) greater regulatory certainty and access to capital; and (iii) a lower business risk profile.

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("IIROC"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE. Please refer to the Company's Press Release dated May 28, 2018 for additional details related to the proposed COB, trading halt, and concurrent private placement financing.

Thereafter, on August 30, 2018, the shareholders of the Company provided its overwhelming approval for the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd. Please refer the Company's press release dated August 31, 2018 for additional details.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE.

There is no guarantee that the Company will be able to complete the proposed concurrent private placement.

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the* "*OBCA*"*)*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE.

In addition, by way of the press release dated March 16, 2021, the Company has announced two related transactions, including a proposed share consolidation of the Company's share capital, and a proposed debt settlement of approximately $97,000 currently owing to two directors of the Company. There is no certainty that any of these transactions including the RTO will be completed or that the Company will receive the requisite shareholder or regulatory approvals.

Highlights

- On March 16, 2015, the Company staked the East Bay Property, consisting of 56 claim units totalling 896 hectares in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of Goldcorp Inc.'s Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

- At December 31, 2020, the Company had assets of $1,386 (December 31, 2019 - $2,081) and a working capital deficit of $90,039 (December 31, 2019 – $98,800). At December 31, 2020, the Company had $91,425 of liabilities (December 31, 2019 – $100,881) and no debt.

- The Company had cash of $935 at December 31, 2020 (December 31, 2019 - $1,422).

Overall performance and results of operations

Net loss for the year ended December 31, 2020 was $31,513 or $0.00 per share (December 31, 2019 $26,917 or $0.00 per share). The net loss includes corporate administration expenditures that included consulting fees/wages; directors' fees; accounting, legal and audit services; and regulatory compliance costs.

Mineral property interests

East Bay
On March 16, 2015, the Company announced the staking of the East Bay property, consisting of 56 claim units totalling 896 hectares in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of the Goldcorp's Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

Selected annual information
Years ended December 31,

	2020 **$**	2019 $	2018 $
Total assets	**1,386**	2,081	11,740
Current liabilities	**91,425**	100,881	83,623
Shareholders equity (deficit)	**(90,039)**	(98,800)	(71,883)
Net (loss) for the year	**(31,513)**	(26,917)	(179,668)
Net (loss) per share – basic and diluted	**(0.00)**	(0.00)	(0.01)

Summary of quarterly results

	December 31, 2020 $	**September 30, 2020** $	**June 30, 2020** $	**March 31, 2020** $
Total assets	1,386	1,299	2,702	3,883
Shareholders' deficit	(90,039)	(123,242)	(118,077)	(108,097)
Net loss	(7,071)	(5,165)	(9,980)	(9,297)
Net loss per share - basic	(0.00)	(0.00)	(0.00)	(0.00)

	December 31, 2019 $	**September 30, 2019** $	**June 30, 2019** $	**March 31, 2019** $
Total assets	2,081	3,691	5,471	6,994
Shareholders' (deficit)	(98,800)	(92,862)	(88,229)	(78,736)
Net loss	(5,938)	(4,633)	(9,493)	(6,853)
Net loss per share-basic	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity, working capital and capital resources

As at December 31, 2020, the Company had cash of $935 (December 31, 2019 - $1,422) and a working capital deficit of $90,039 (December 31, 2019 –$98,800), an accumulated deficit of $1,882,738 (December 31, 2019- $1,855,602) and negative cash flow from operations for the year ended December 31, 2020 of $487 (December 31, 2019 - $5,952).

As at December 31, 2020, the capital structure of the Company consisted primarily of all the components of shareholders' equity. To adjust or maintain its capital structure, the Company may issue new common shares.

As at December 31, 2020, the company had 25,258,869 common shares issued and outstanding (December 31, 2019 – 23,245,169); 600,000 warrants issued and outstanding (December 31, 2019 – 600,000); and 950,000 stock options issued and outstanding (December 31, 2019 – 1,150,000).

Remuneration of key management and transactions with related parties

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Years ended December 31,	
	2020	2019
	$	$
Fees, wages and directors fees	**6,700**	6,500
	6,700	6,500

Salaries and benefits include director fees. The Board of Directors and officers do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at December 31, 2020, $86,848 (2019 – $94,806) was owing to directors or officers. On November 30, 2020, the Company settled $40,274 of accounts payable due to the CEO by issuing 2,013,700 common shares. Refer also to Note 4.

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Capital management and off balance sheet transactions

The Company's capital structure is adjusted based on management and the Board of Directors' decision to fund expenditures, outside of operating cash flow, with the issuance of debt or equity such that it may complete the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company would raise funds externally as and when required to finance obligations or complete projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The sources of future funds available to the Company are cash flow from operations, the exercise of outstanding stock options and/or warrants, the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2020. The Company is not subject to externally imposed capital restrictions.

There are no off balance sheet transactions for year ended December 31, 2020.

Critical accounting policies and estimates

The critical accounting policies and estimates are disclosed in Note 2 of the financial statements for the year ended December 31, 2020.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Risks and uncertainties

Financial risk:
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a select major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. HST receivable is in good standing as of December 31, 2020. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

At December 31, 2020, the Company had cash of $935 (December 31, 2019 - $1,422) to settle current liabilities of $91,425 (December 31, 2019 - $100,881). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

As of December 31, 2019, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's other price risk includes equity price risk, whereby the Company's investments are subject to market price fluctuation.

Disclosure of outstanding share information

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

The following table sets forth information concerning the outstanding securities of the Company as at March 24, 2021:

Common shares of no par value	**Number**
Shares	25,258,869
Options	850,000
Warrants	600,000
Fully diluted shares outstanding	26,708,869

Segregation of duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved and a material weakness exists. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2020.

Cautionary note regarding forward-looking information

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Additional information and continuous disclosure

This MD&A has been prepared as at March 24, 2021. Additional information on the Company is available through regular filings of press releases, financial statements, on SEDAR (www.sedar.com).

Management's responsibility

Management is responsible for all information contained in this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Financial Statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company's Board of Directors has reviewed with management and approved the Financial Statements and this MD&A.

"Kabir Ahmed"
Kabir Ahmed
Chief Executive Officer

"Peter W. Hogg"
Peter W. Hogg
Chief Financial Officer

FLEXWORK PROPERTIES LTD.

Management's Discussion and Analysis
of the Financial Condition and Results of Operations

For the three Months Ended March 31, 2022

This management discussion and analysis ("MD&A") has been prepared based on information available to Flexwork Properties Ltd. ("Flexwork" or the "Company") as at May 30, 2022. The MD&A of the operating results and financial condition of the Company for the three months ended March 31, 2022, should be read in conjunction with the Company's unaudited interim condensed financial statements for the three months ended March 31, 2022 (the "Financial Statements") and the audited financial statements and the related notes for the year ended December 31, 2021. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Executive summary

General
Flexwork was incorporated pursuant to the laws of Ontario on July 11, 2005 and was engaged in the acquisition, exploration and development of mineral property interests containing precious metals.

Flexwork's goal is to deliver value to shareholders while evaluating transactions in and outside the mining industry.

The ability of the Company to continue as a going concern is dependent upon its being able to obtain additional financing. Flexwork's financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

On May 28, 2018, the Company announced that - subject to receipt of approvals from both the Canadian Securities Exchange ("**CSE**") and the Company's shareholders – the Company proposes to carry out a Change of Business ("**COB**") pursuant to CSE Policy No. 8, and thereafter, transition to an "Active Real Property Acquisition, Management, and Rental Income Company".

Additionally, on May 28, 2018, at the request of the Company, trading in the Company's common shares on the CSE was halted by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). The halt in trading is expected to be lifted upon the Company's (1) receipt of approvals for the proposed COB from the CSE and the Company's shareholders of record; (2) completion of a proposed concurrent private placement financing; and (3) submission of all final documentation to regulatory authorities, including the CSE.

Thereafter, on August 30, 2018, the shareholders of the Company approved the Company's proposed change of business and change of name from Reliant Gold Corp. to Flexwork Properties Ltd.

On September 17, 2018, pursuant to an Articles of Amendment, the Company changed its name to Flexwork Properties Ltd. Finally, on September 18, 2018, the Company received a letter from the CSE providing conditional approval for listing of the Company's shares on the CSE, subject to completion of the proposed concurrent private placement and submission of the final listing fee and any final documentation to the CSE. As of March 31, 2022 and May 30, 2022, the financing has not been completed and the Company has now withdrawn from the proposed financing. Instead, the Company is currently pursuing a proposed reverse takeover (RTO) with Blockchain Venture Capital Inc. There is no certainty that the Company will receive the requisite shareholder and regulatory approvals for the proposed RTO, or that the Company will be able to complete the proposed RTO. Refer to the Company's press release dated March 16, 2021 for additional details.

On March 15, 2021, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Blockchain Venture Capital Inc. ("BVCI"), to complete an amalgamation, pursuant to Section 174 of the *Ontario Business Corporations Act (the* "*OBCA*"*)*, resulting in a reverse takeover (the "RTO") of the Company by the shareholders of BVCI. Upon completion of the RTO, the combined entity (the "Resulting Issuer") will continue to carry on the business of BVCI and the Resulting Issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree (the "Name Change").

The proposed RTO between the Company and BVCI, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the "Exchange" or the "CSE"). As such, the closing of the RTO is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite approvals from the shareholders of the Company and BVCI, respectively, and receipt of regulatory approval for the RTO and listing of the issued and outstanding common shares of the Resulting Issuer (the "Resulting Issuer Shares") on the Exchange. There is no certainty that the proposed RTO transaction will be completed or that the Resulting Issuer will be approved for listing on the CSE. The Resulting Issuer or the Resulting Issuer Shares has not yet been approved for listing on the CSE.

During 2021, the Company received a $50,000 non-refundable advance from BVCI.

Highlights

- At March 31, 2022, the Company had assets of $23,164 (December 31, 2021 - $28,371) and a working capital of $19,178 (December 31, 2021 – deficit of $72,924). At March 31, 2022, the Company had $3,986 of liabilities (December 31, 2021 – $101,295) and no debt.

- The Company had cash of $13,437 at March 31, 2022 (December 31, 2021 - $27,446).

Overall performance and results of operations

Net loss for the three months ended March 31, 2022 was $10,450 or $0.00 per share (net loss of $17,176 or $0.00 per share for the three months ended March 31, 2021). The net loss includes corporate administration expenditures that included consulting fees/wages, directors' fees, accounting, legal and audit services, and regulatory compliance costs.

Mineral property interests

East Bay
On March 16, 2015, the Company announced the staking of the East Bay property, consisting of 56 claim units totalling 896 hectares in the McVicar Lake area located approximately 90 kilometres west of Pickle Lake and 130 kilometres southwest of the Goldcorp's Musselwhite Gold Mine. On February 2, 2020, the mineral claims that constitute the East Bay property lapsed without being renewed.

Summary of quarterly results

	March 31 2022 $	December 31 2021 $	September 30 2021 $	June 30 2021 $
Total assets	23,164	28,371	5,305	7,536
Shareholders' equity (deficit)	19,178	(72,924)	(118,225)	(113,504)
Net income (loss)	(10,450)	45,301	(4,721)	(6,289)
Net loss per share - basic	(0.00)	(0.00)	(0.00)	(0.00)

	March 31 2021 $	December 31 2020 $	September 30 2020 $	June 30 2020 $
Total assets	16,454	1,386	1,299	2,702
Shareholders' deficit	(107,215)	(90,039)	(123,242)	(118,077)
Net loss	(17,176)	(7,071)	(5,165)	(9,980)
Net loss per share-basic	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity, working capital and capital resources

As at March 31, 2022, the Company had cash of $13,437 (December 31, 2021 - $27,446) and a working capital of $19,178 (December 31, 2021 – deficit of $72,924), an accumulated deficit of $1,852,509 (December 31, 2021 - $1,842,059) and negative cash flow from operations for the three months ended March 31, 2022 of $116,5615 (year ended December 31, 2021 – $26,511).

As at March 31, 2022, the capital structure of the Company consisted primarily of all the components of shareholders' equity. To adjust or maintain its capital structure, the Company may issue new common shares.

As at March 31, 2022, the Company had 27,309,915 common shares issued and outstanding after issuing 2,051,046 common shares at $0.05 per share on February 18, 2022 for $102,552 in settlement of outstanding liabilities to the CEO and CFO. As at December 31, 2021, the Company had 25,258,869 common shares issued and outstanding.

Remuneration of key management and transactions with related parties

Key management personnel include the members of the Board of Directors, the President/CEO and the CFO. Compensation of key management personnel (including directors) was as follows:

	Three months ended March 31,	
	2022	2021
	$	$
Fees, wages and directors fees	**2,000**	3,000
Share based compensation	**-**	-
	2,000	3,000

Fees, wages and director fees include legal fees accrued to the President/CEO. The Board of Directors and officers, other than the Chief Financial Officer, do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. As at March 31, 2022, $2,468 (December 31, 2021 - $95,550) were owing to directors or officers.

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Capital management and off balance sheet transactions

The Company's capital structure is adjusted based on management and the Board of Directors' decision to fund expenditures, outside of operating cash flow, with the issuance of debt or equity such that it may complete the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company would raise funds externally as and when required to finance obligations or complete projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The sources of future funds available to the Company are cash flow from operations, the exercise of outstanding stock options and/or warrants, the sale of equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended March 31, 2022. The Company is not subject to externally imposed capital restrictions.

There are no off balance sheet transactions for the three months ended March 31, 2022 and year ended December 31, 2021.

Critical accounting policies and estimates

The critical accounting policies and estimate are those as disclosed in the audited financial statements for the year ended December 31, 2021.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

Contingencies

The Company's past exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations complied in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Risks and uncertainties

Financial risk:
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a select major Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. HST receivable is in good standing as of March 31, 2022. Management believes that the credit risk with respect to HST receivable is minimal.

Liquidity risk:
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

At March 31, 2022, the Company had cash of $13,437 (December 31, 2021 - $27,446) to settle current liabilities of $3,986 (December 31, 2021 - $101,295). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Further financing is required for working capital expenditures during the next twelve months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity and other price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements

and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

Disclosure of outstanding share information

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

The following table sets forth information concerning the outstanding securities of the Company as at March 31, 2022 and May 30, 2022:

Common shares of no par value	**Number**
Shares	27,309,915
Options	550,000
Fully diluted shares outstanding	27,859,915

Segregation of duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved and a material weakness exists. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2022.

Cautionary note regarding forward-looking information

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Additional information and continuous disclosure

This MD&A has been prepared as at May 30, 2022. Additional information on the Company is available through regular filings of press releases, financial statements, on SEDAR (www.sedar.com) and on the Company's web site (www.reliantgold.com).

Management's responsibility

Management is responsible for all information contained in this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Financial Statements in all material aspects. Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. The Company's Board of Directors has reviewed with management and approved the Financial Statements and this MD&A.

"Kabir Ahmed"
Kabir Ahmed
Chief Executive Officer

"Peter W. Hogg"
Peter W. Hogg
Chief Financial Officer

Blockchain
Venture Capital

Financial Statements
December 31, 2021 and 2020
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.
December 31, 2021 and 2020
Contents

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **Blockchain Venture Capital Inc.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Blockchain Venture Capital Inc.** (the "Corporation"), which comprise of the statements of financial position as at **December 31, 2021** and **December 31, 2020**, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at **December 31, 2021** and **December 31, 2020**, and its financial performance and its cash flows for the years then ended 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our audit opinion, we draw attention to Note 2 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation’s ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 IFRSs, 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 Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’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 Corporation’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 Corporation'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 Corporation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Sadik Najarali.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by
Chartered Professional Accountants of Ontario

Markham, Ontario
February 25, 2022

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Financial Position
As at December 31, 2021 and 2020
(Presented in Canadian Dollars)

	Notes	2021	2020
ASSETS			
Current Assets			
Cash		$ 229,462	$ 62,774
Grant receivable	9	-	19,845
Prepaids and deposits		45,817	23,976
Total Current Assets		275,279	106,595
Non-Current Assets			
Computer equipment		3,125	1,927
Total Assets		$ 278,404	$ 108,522
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		$ 72,661	$ 115,262
Advances from shareholder	4	-	142,570
Total Current Liabilities		72,661	257,832
Non-Current Liabilities			
Loan payable	5	36,530	33,058
Long-term debt	6	628,716	762,046
Total Non-Current Liabilities		665,246	795,104
Total Liabilities		737,907	1,052,936
Equity			
Share capital	7	3,691,478	1,154,914
Shares to be issued	7	271,303	264,403
Reserves	7	323,784	118,296
Deficit		(4,746,068)	(2,482,027)
Total Equity		(459,503)	(944,414)
Total Liabilities and Equity		$ 278,404	$ 108,522

Approved on Behalf of the Board

Signed - Xin Zhou
Director

Signed - Steve Olsthoorn
Director

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

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Comprehensive Loss
Year Ended December 31, 2021 and 2020
(Presented in Canadian Dollars)

	Notes	2021	2020
Revenue		$ 191	$ 1,204
Cost of Sales		202	598
Gross Profit		(11)	606
Expenses			
Professional fees		881,458	604,129
Office and general		309,418	120,845
Trustee fees		234,475	-
Salaries and wages	9	215,162	24,964
Share-based payments	7 (d)	205,488	118,296
Blockchain costs		174,547	85,012
Blockchain service fees		95,000	121,000
Accretion expense	5, 6	74,500	70,356
Loss on debt settlement	6	45,642	-
Interest expense		28,340	-
Total Expenses		2,264,030	1,144,602
Other income	5	-	27,867
Net Loss and Comprehensive Loss		$ (2,264,041)	$ (1,116,129)
Weighted Average Number of Shares Outstanding	7 (g)	21,780,339	20,360,365
Loss Per Share - Basic and Diluted	7 (g)	$ (0.10)	$ (0.05)

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

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Changes in Equity
Year Ended December 31, 2021 and 2020
(Presented in Canadian Dollars)

	Notes	Preference Shares #	Preference Shares $	Common Shares #	Common Shares $	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2019		4,959,398	$ 24,797	14,957,640	$ 710,809	$ -	$ -	$ (1,365,898)	$ (630,292)
Share exchange	7 (b)	(4,959,398)	(24,797)	4,959,398	24,797	-	-	-	-
Issuance of common shares	7 (b)	-	-	822,548	435,616	-	-	-	435,616
Share issuance costs	7 (b)	-	-	-	(16,308)	-	-	-	(16,308)
Shares to be issued	7 (c)	-	-	-	-	264,403	-	-	264,403
Share-based payments	7 (d, e)	-	-	-	-	-	118,296	-	118,296
Net loss		-	-	-	-	-	-	(1,116,129)	(1,116,129)
Balance as at December 31, 2020		-	$ -	20,739,586	$ 1,154,914	$ 264,403	$ 118,296	$ (2,482,027)	$ (944,414)
Issuance of common shares	7 (b)	-	-	2,205,674	2,785,765	(264,403)	-	-	2,521,362
Share issuance costs	7 (b)	-	-	-	(249,201)	-	-	-	(249,201)
Shares to be issued	7 (c)	-	-	-	-	271,303	-	-	271,303
Share-based payments	7 (d, e)	-	-	-	-	-	205,488	-	205,488
Net loss		-	-	-	-	-	-	(2,264,041)	(2,264,041)
Balance as at December 31, 2021		-	$ -	22,945,260	$ 3,691,478	$ 271,303	$ 323,784	$ (4,746,068)	$ (459,503)

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

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Cash Flows
Year Ended December 31, 2021 and 2020
(Presented in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss	$ (2,264,041)	$ (1,116,129)
Item not requiring an outlay of cash:		
Accretion expense	74,500	70,356
Loss on debt settlement	45,642	-
Depreciation expense	1,016	1,123
Share-based payments	205,488	118,296
Other income	-	(27,867)
Changes in non-cash working capital:		
Grant receivable	19,845	(19,845)
Prepaids and deposits	(21,841)	(20,000)
Accounts payable and accrued liabilities	(42,601)	59,010
Cash Used In Operating Activities	(1,981,992)	(935,056)
Financing Activities		
Proceeds from issuance of common shares	2,521,362	435,616
Proceeds from loan payable	-	60,000
Advances from shareholder, net	(142,570)	142,756
Share issuance costs	(249,201)	(16,308)
Shares to be issued	271,303	264,403
Repayment of long-term debt	(250,000)	-
Cash Provided By Financing Activities	2,150,894	886,467
Investing Activities		
Acquisition of computer equipment	(2,214)	(1,130)
Net Increase (Decrease) in Cash	166,688	(49,719)
Cash, Beginning of Year	62,774	112,493
Cash, End of Year	$ 229,462	$ 62,774

Supplemental Cash Flow Information		
Interest paid	$ 28,340	$ -
Income taxes paid	$ -	$ -

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

1. NATURE OF THE BUSINESS AND GOING CONCERN

Blockchain Venture Capital Inc. (the "Company") was incorporated on June 18, 2018 under the laws of the Province of Ontario. As at December 31, 2021, the Company has not commenced commercial operations.

The Company is domiciled in the Province of Ontario and has its registered office at 130 King Street West, Suite 1800, Toronto, Ontario, M5X 1E3.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). Significant accounting estimates, judgments, and assumptions used or exercised by management in the preparation of these financial statements are presented below.

The Board of Directors approved these financial statements for issue on February 25, 2022.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are stated at fair value.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Judgments, Estimates, and Assumptions (Continued)

Significant areas of judgement and estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company’s ability to continue as a going concern.

Share-based Payments Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense. The Black-Scholes model involves six key inputs to determine fair value of an option or warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-Term Debt and Loan Payable

Long-term debt and loan payable are measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest-bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of long-term debt, loan payable, and accretion expense recognized.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented.

Revenue Recognition

Other income is earned as a consulting fee from other blockchain companies for time spent aiding in implementation of a blockchain solution.

Revenue is recognized when (i) the Company and its customer have signed a contract identifying each party's rights and payment terms for the delivery of services; (ii) it is probable that the Company will collect its fees under the contract; and (iii) the Company has satisfied its performance obligations for the delivery of services.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Recognition and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows from a financial asset have expired or substantially all risks and rewards of ownership have been transferred, or when obligations under financial liabilities have been discharged, cancelled, or expired.

Gains and losses on derecognition, determined as the difference between the settlement amount and the carrying value of a financial asset or liability, are recognized in the statement of comprehensive income (loss).

Classification

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash, grant receivable, and loan receivable are classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt are classified as subsequently measured at amortized cost.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Impairment

The Company assesses all information available, including on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

Share Capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity.

Share-based Payments

The Company has a stock option plan that is described in note 7 (d). Employees (including officers), directors, and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Any consideration received by the Company on the exercise of stock options is credited to share capital. The cost of options is recognized, together with a corresponding increase in reserves, over the period in which the corresponding performance and/or service conditions are fulfilled, ending on the date on which the relevant optionee becomes fully entitled to the award (“vesting date”).

The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company’s best estimate of the number of options that will ultimately vest on the vesting date. The Company records compensation expense and credits contributed surplus for all stock options granted, which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for share-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of share-based payments expense.

Where the terms of a stock option award are modified, the minimum expense recognized is the amount as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option, or is otherwise beneficial to the optionee as measured at the date of modification. Where an option is cancelled, any expense not yet recognized for the vested options on the date of cancellation is recognized immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company follows the asset and liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss carry-forwards. The resulting changes in the net deferred tax asset or liability are included in income.

Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income (loss) in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates, is included in income in the period that includes the substantive enactment date. Deferred income 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.

Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect on the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the initial transaction.

Loss Per Share

Basic earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the fiscal year. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive shares. Instruments which would be anti-dilutive are not included in the calculation of diluted earnings (loss) per share.

Government Assistance and Grants

Government assistance and grants are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the statement of comprehensive loss, as determined by the terms and conditions of the agreements under which the assistance is provided to the Company or the nature of the expenditures which gave rise to the grants. Government assistance and grants receivable are recorded when their receipt is reasonably assured.

Research and Development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

(Presented in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

(a) In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 9, *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

(b) The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements.

4. ADVANCES FROM SHAREHOLDER

As at December 31, 2020, advances of $142,570 are due to the President of the Company. These advances were unsecured and due on demand, and interest of $26,000 was paid to the President during the year ended December 31, 2021 (2020 - $Nil). The advances were made for general working capital purposes, and all advances were repaid in full on October 20, 2021.

5. LOAN PAYABLE

The Company received a loan of $60,000 from the Government of Canada under the Canadian Emergency Business Account ("CEBA") program in response to the COVID-19 pandemic. The loan is non-interest bearing and is due December 31, 2023. The lender will forgive $20,000 of the loan if $40,000 is repaid before December 31, 2023. If the loan is not repaid before that date, the loan will renew for a further three years to December 31, 2025 and will become interest bearing at 5% per annum during the extended term.

The Company recognized income of $27,867 on the receipt of the loan, representing the forgivable portion of the loan of $20,000, as well as $7,867 as the present value of the interest-free portion of the loan, which was determined utilizing a discount rate of 10% per annum. This income is reflected in the statement of comprehensive loss in the year ended December 31, 2020.

The following is a continuity of loan payable:

	2021		2020	
	Principal	**Carrying Value**	**Principal**	**Carrying Value**
Balance - beginning of year	$ 40,000	$ 33,058	$ -	$ -
Liability recognized	-	-	40,000	32,133
Accretion expense	-	3,472	-	925
Balance - end of year	$ 40,000	$ 36,530	$ 40,000	$ 33,058

(Presented in Canadian Dollars)

6. LONG-TERM DEBT

Long-term debt is due to Jiangsu Hengwell Information Technology Co., Ltd. ("Jiangsu"), a blockchain development company located in Wuxi, China. The debt is unsecured, non-interest bearing and is due November 10, 2023. The debt has been recorded at its present value utilizing a discount rate of 10% per annum.

The following is a continuity of long-term debt:

	2021		2020	
	Principal	Carrying Value	Principal	Carrying Value
Balance - beginning of year	$ 1,000,000	$ 762,046	$ 1,000,000	$ 692,615
Liability derecognized (i)	(250,000)	(204,358)	-	-
Accretion expense	-	71,028	-	69,431
Balance - end of year	$ 750,000	$ 628,716	$ 1,000,000	$ 762,046

(i) On September 29, 2021, the Company repaid $250,000 of the principal of $1,000,000. Accordingly, the Company has derecognized a portion of the long-term debt with a carrying value of $204,358, and has recognized a loss on early settlement of $45,642.

7. EQUITY

(a) Authorized

Unlimited common shares, no par value

On January 10, 2020, the Company amended its articles of incorporation to redesignate the preference shares as common shares effective as at that date.

(b) Issued and Outstanding

During the year ended December 31, 2021, the Company transacted in its issued and outstanding common shares as follows:

(i) Issued 538,915 common shares in private placements at a price of $0.53 per share for gross proceeds of $285,625. Included in these shares issuances were proceeds of $264,403 that had been collected prior to December 31, 2020.

(ii) Issued 1,666,759 common shares in private placements at a price of $1.50 per share for gross proceeds of $2,500,140.

(iii) Paid referral fees of $249,201 which are categorized as share issuance costs.

During the year ended December 31, 2020, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Issued 822,548 common shares in private placements at a price of $0.53 per share for gross proceeds of $435,616. In connection with private placements, the Company paid share issuance costs of $16,308.

(ii) Exchanged 4,959,398 preference shares for 4,959,398 common shares on January 10, 2020. The stated capital of the exchanged shares was $24,797.

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(c) Shares to be Issued

In December 2021, the Company received $271,303 in respect of common shares to be issued. On January 4, 2022, the Company closed this financing and issued the above common shares. See note 15.

(d) Stock Options

Stock options are awarded to directors and officers under an incentive stock option plan adopted on August 31, 2020. The maximum number of options that may be granted under the plan is limited to 10% of the total number of issued and outstanding common shares. The exercise prices of options are determined by the Board to be an amount greater than or equal to the fair market value of the underlying common shares on the grant date. Expiry dates and vesting conditions are determined by the Board on the grant date. Options belonging to former directors or officers are cancelled after 60 days from the date the individual ceases to provide services to the Company.

The following table reflects the continuity of stock options:

	2021		2020	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of year	620,000	$ 0.53	-	$ -
Granted (i)	-	-	620,000	0.53
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of year	620,000	$ 0.53	620,000	$ 0.53
Exercisable, end of year	413,330	$ 0.53	206,665	$ 0.53

Options granted are accounted for by the fair value method of accounting, whereby share-based payments are recorded over the vesting period and reserves are credited for options granted.

The fair value of stock options granted during the year ended December 31, 2020 was calculated as $0.39 per option, based on the Black-Scholes option pricing model. Share-based payments expense for options vested during the year ended December 31, 2021 was $94,488 (2020 - $118,296).

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(d) Stock Options (Continued)

The fair value of the options granted was estimated at the grant date using the following weighted average assumptions:

	2020
Share price	$ 0.53
Expected volatility	100 %
Dividend yield	0 %
Risk-free interest rate	0.41 %
Expected life	5 years
Expected forfeiture rate	0 %

The expected volatility is based on management's estimate of the volatility in the Company's share price over the life of the options, based on a comparison with other similar entities. The Company has not paid any cash dividends historically and does not have any plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian benchmark bonds with an equivalent term to maturity. The expected life of the options is based on management's estimate of the time that the options will be outstanding.

The Company had the following stock options outstanding as at December 31, 2021:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
620,000	413,330	$0.53	October 1, 2025	3.75 years

(e) Warrants

The following table reflects the continuity of warrants:

	2021		2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-	$ -	-	$ -
Issued (i)	100,000	1.50	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of year	100,000	$ 1.50	-	$ -

(i) On November 16, 2021, the Company issued 100,000 warrants, which are exercisable at $1.50 per share and expire November 16, 2026.

The fair value of warrants issued during the year ended December 31, 2021 was calculated as $1.11 per warrant, based on the Black-Scholes option pricing model. Share-based payments expense for warrants issued during the year ended December 31, 2021 was $111,000 (2020 - $Nil).

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(e) Warrants (Continued)

The fair value of the warrants issued was estimated at the issue date using the following weighted average assumptions:

	2021
Share price	$ 1.50
Expected volatility	100 %
Dividend yield	0 %
Risk-free interest rate	0.46 %
Expected life	5 years
Expected forfeiture rate	0 %

The expected volatility is based on management's estimate of the volatility in the Company's share price over the life of the warrants, based on a comparison with other similar entities. The Company has not paid any cash dividends historically and does not have any plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian benchmark bonds with an equivalent term to maturity. The expected life of the warrants is based on management's estimate of the time that the warrants will be outstanding.

The Company had the following warrants outstanding as at December 31, 2021:

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
100,000	$1.50	November 16, 2026	4.88 years

(f) Reserves

Reserves are comprised of the initial fair value of stock options granted and warrants issued.

(g) Loss Per Share

	2021	2020
Numerator:		
Net loss	$ (2,264,041)	$ (1,116,129)
Denominator:		
Weighted average number of shares outstanding	21,780,339	20,360,365
Loss Per Share:		
Basic and diluted	$ (0.104)	$ (0.055)

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(h) Maximum Share Dilution

The following table presents the maximum number of common shares that would be outstanding if all dilutive instruments were exercised:

	2021	2020
Common shares outstanding	22,945,260	20,739,586
Stock options outstanding	413,330	206,665
Warrants outstanding	100,000	-
Fully diluted common shares outstanding	23,458,590	20,946,251

8. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

	2021	2020
Salaries and benefits	$ 65,000	$ 31,900
Share-based payments	12,704	15,905
	$ 77,704	$ 47,805

(b) Advances made by the President of the Company are described in note 4. Interest incurred on the loan from the President totaled $26,000 for the year ended December 31, 2021 (2020 - $Nil).

(c) During the year ended December 31, 2020, the Company transacted with the President in common and preferred shares as described in note 7 (b), paragraph (ii).

(d) During the year ended December 31, 2021, the Company incurred advertising expenses of $14,955 (2020 - $Nil) to The Justin Poy Agency, which is a company controlled by a director.

(e) During the year ended December 31, 2021, the Company incurred anti-money laundering consulting fees of $17,799 (2020 - $Nil) to The AML Shop, which is a company controlled by a director.

9. GOVERNMENT GRANTS

Included in salaries and wages expense for the year ended December 31, 2021 are government grants of $30,838 (2020 - $30,009) which were received from the Government of Canada's National Research Council, under their Innovation Assistance Program. Of these amounts, $Nil was due to the Company as at December 31, 2021 (2020 - $19,845).

(Presented in Canadian Dollars)

10. INCOME TAXES

Income Tax Expense

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

	2021	2020
Loss before taxes	$ (2,264,041)	$ (1,116,129)
Corporate tax rate	26.50 %	26.50 %
Expected recovery at statutory rates	(599,971)	(295,774)
Tax effect of permanent differences	57,407	33,460
Tax effect of items charged directly to equity	(66,038)	(4,322)
Deferred tax asset not recognized	608,602	266,636
Income tax expense	$ -	$ -

The components of income tax expense are as follows

	2021	2020
Current income taxes	$ (608,602)	$ (266,636)
Deferred income taxes	608,602	266,636
Income tax expense	$ -	$ -

Deferred Taxes

The components of deferred income taxes have been determined at the combined federal and provincial statutory rate of 26.5% and are as follows:

	2021	2020
Non-capital losses available for carry-forward	$ 997,170	$ 425,407
Share issuance costs	55,423	3,457
Long-term debt	166,610	201,942
Loan payable	(920)	(1,840)
Equipment	(662)	(369)
Amount not recognized	(1,217,621)	(628,597)
Deferred tax asset	$ -	$ -

The Company has non-capital losses of approximately $3,762,904, which are available to be carried forward and used against future taxable income. These losses expire as follows.

2039	$ 315,685
2040	1,289,626
2041	2,157,593
	$ 3,762,904

11. COMMITMENTS

Jiangsu Hengwell Information Technology Co. Ltd. provides software maintenance and support to the Company on a 24 hour, 7 days per week basis, for an annual service fee of $24,000. This expense is recognized as blockchain service fees on the statement of comprehensive loss. There is no expiry date to this support agreement, and it is cancellable at any time.

(Presented in Canadian Dollars)

12. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	2021	2020
Share capital	$ 3,691,478	$ 1,154,914
Shares to be issued	271,303	264,403
Reserves	323,784	118,296
Deficit	(4,746,068)	(2,482,027)
	$ (459,503)	$ (944,414)

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

13. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, grant receivable, accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt. The fair values of these instruments, except for loan payable and long-term debt, approximate their carrying values due to the short-term nature of these instruments. The loan payable and long-term debt are carried at their present value, which is the discounted value of the cash flows required to settle the obligations.

(Presented in Canadian Dollars)

13. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at December 31, 2021, the Company has liabilities of $72,661 due within twelve months and has cash of $229,462 to meet its current obligations (2020 - current liabilities of $257,832 and cash of $82,619). As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
December 31, 2021				
Accounts payable	$ 72,661	$ -	$ -	$ 72,661
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 72,661	$ 790,000	$ -	$ 862,661
December 30, 2020				
Accounts payable	$ 115,262	$ -	$ -	$ 115,262
Advances to shareholder	142,570	-	-	142,570
Loan payable	-	40,000	-	40,000
Long-term debt	-	1,000,000	-	1,000,000
	$ 257,832	$ 1,040,000	$ -	$ 1,297,832

Credit Risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfil its payment obligations. As at December 31, 2021, the Company's maximum exposure to credit risk is $229,462 and is comprised of cash and grant receivable (2020 - $82,619). All of the Company's cash is held at a chartered bank in Canada and grant receivable is due from the Government of Canada, which are both considered of high credit quality. Management has judged credit risk to be low.

Novel Coronavirus (COVID-19)

There is currently a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company’s business growth prospects and financial condition.

14. SEGMENTED INFORMATION

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

All of the Company’s revenues are earned in Canada and all of the Company’s assets are located in Canada and accordingly, the Company has no segmented information to disclose.

15. SUBSEQUENT EVENTS

Private Placements

On January 10, 2022, the Company issued 142,535 common shares at $1.50 per share and 31,250 common shares at $2.00 per share in private placements for gross proceeds of $276,303.

Included in these shares are 170,452 common shares for which funds were received prior to December 31, 2021, as described in note 7 (c).

On February 15, 2022, the Company issued 91,333 common shares at $1.50 per share and 9,500 common shares at $2.00 per share in private placements for gross proceeds of $156,000.

Proposed Amalgamation

On March 15, 2021, the Company entered into a definitive agreement with Flexwork Properties Ltd. ("Flexwork"), a company incorporated in Ontario and listed on the Canadian Securities Exchange under the symbol "RNG". BVCI and Flexwork intend to complete a reverse takeover ("RTO") which will continue and carry on the business of BVCI.

The RTO is proposed to be completed by way of an amalgamation of BVCI and Flexwork on the basis of one common share of the resulting issuer for each issued and outstanding common share of BVCI and Flexwork. Prior to completing the amalgamation, Flexwork will consolidate its common shares on the basis of 19.1057626 common shares for one new common share. All outstanding options and warrants of Flexwork will be reissued by the amalgamated corporation based on the above consolidation ratio.

Concurrent with the proposed RTO, BVCI intends to complete a private placement aggregating up to a maximum of 2,000,000 common shares at an issue price of $1.75 per share for the purposes of funding its working capital requirements and carrying on the business of the resulting issuer.

It is anticipated that upon completion of the proposed RTO, 95% of the resulting issuer's shares will be allocated to the shareholders of BVCI and the remaining 5% of the resulting issuer's shares will be allocated to the current shareholders of Flexwork.

Blockchain Venture Capital

Financial Statements
December 31, 2020 and 2019
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.
December 31, 2020 and 2019
Contents

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **Blockchain Venture Capital Inc.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Blockchain Venture Capital Inc.** (the "Corporation"), which comprise of the statements of financial position as at **December 31, 2020** and **December 31, 2019**, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at **December 31, 2020** and **December 31, 2019**, and its financial performance and its cash flows for the years then ended 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our audit opinion, we draw attention to Note 2 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation’s ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

INDEPENDENT AUDITOR'S REPORT

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 IFRSs, 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 Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’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.

INDEPENDENT AUDITOR'S REPORT

- 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 Corporation'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 Corporation'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 Corporation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by
Chartered Professional Accountants of Ontario

Markham, Ontario
July 14, 2021

BLOCKCHAIN VENTURE CAPITAL INC.
Statement of Financial Position
As at December 31, 2020 and 2019
(Presented in Canadian Dollars)

	Notes	2020	2019
ASSETS			
Current Assets			
Cash		$ 62,774	$ 112,493
Grant receivable	9	19,845	-
Prepaids and deposits		23,976	3,976
Advances to shareholder	4	-	186
Total Current Assets		106,595	116,655
Non-Current Assets			
Computer equipment		1,927	1,920
Total Assets		$ 108,522	$ 118,575
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		$ 115,262	$ 56,252
Advances from shareholder	4	142,570	-
Total Current Liabilities		257,832	56,252
Non-Current Liabilities			
Loan payable	5	33,058	
Long-term debt	6	762,046	692,615
Total Non-Current Liabilities		795,104	692,615
Total Liabilities		1,052,936	748,867
Equity			
Share capital	7	1,154,914	735,606
Shares to be issued	7	264,403	-
Reserves	7	118,296	-
Deficit		(2,482,027)	(1,365,898)
Total Equity		(944,414)	(630,292)
Total Liabilities and Equity		$ 108,522	$ 118,575

Approved on Behalf of the Board

Signed - Xin Zhou
Director

Signed - Steve Olsthoorn
Director

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

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Comprehensive Loss
Year Ended December 31, 2020 and 2019
(Presented in Canadian Dollars)

	Notes	2020	2019
Revenue		$ 1,204	$ -
Cost of Sales		598	-
Gross Profit		606	-
Expenses			
Professional fees		604,129	232,636
Share-based payments	7 (d)	118,296	-
Blockchain service fees		121,000	-
Office and general		120,845	66,943
Blockchain costs		85,012	151,180
Accretion expense	6	70,356	73,701
Salaries and wages	9	24,964	-
Loss on debt settlement	6	-	63,397
Total Expenses		1,144,602	587,857
Other income	5	27,867	9,000
Net Loss and Comprehensive Loss		$ (1,116,129)	$ (578,857)
Weighted Average Number of Shares Outstanding	7 (f)	20,360,365	17,002,960
Loss Per Share - Basic and Diluted	7 (f)	$ (0.05)	$ (0.03)

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

BLOCKCHAIN VENTURE CAPITAL INC.
Statement of Changes in Equity
Year Ended December 31, 2020 and 2019
(Presented in Canadian Dollars)

	Preference Shares		Common Shares					
	#	**$**	**#**	**$**	**Shares to be Issued**	**Reserves**	**Deficit**	**Total Equity**
Balance as at December 31, 2018	-	$ -	18,000,000	$ 1,000	$ -	$ -	$ (787,041)	$ (786,041)
Share exchange	199,998	1,000	17,999,820)	(1,000)	-	-	-	-
Shares-for-debt exchange	4,759,400	23,797	13,040,460	260,809	-	-	-	284,606
Issuance of common shares	-	-	1,917,000	450,000	-	-	-	450,000
Net loss	-	-	-	-	-	-	(578,857)	(578,857)
Balance as at December 31, 2019	4,959,398	$ 24,797	14,957,640	$ 710,809	$ -	$ -	$ (1,365,898)	$ (630,292)
Share exchange	(4,959,398)	(24,797)	4,959,398	24,797	-	-	-	-
Issuance of common shares	-	-	822,548	435,616	-	-	-	435,616
Share issuance costs	-	-	-	(16,308)	-	-	-	(16,308)
Shares to be issued	-	-	-	-	264,403	-	-	264,403
Share-based payments	-	-	-	-	-	118,296	-	118,296
Net loss	-	-	-	-	-	-	(1,116,129)	(1,116,129)
Balance as at December 31, 2020	-	$ -	20,739,586	$ 1,154,914	$ 264,403	$ 118,296	$ (2,482,027)	$ (944,414)

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

BLOCKCHAIN VENTURE CAPITAL INC.
Statement of Cash Flows
Year Ended December 31, 2020 and 2019
(Presented in Canadian Dollars)

	2020	2019
Operating Activities		
Net loss	$ (1,116,129)	$ (578,857)
Items not requiring an outlay of cash:		
Accretion expense	70,356	73,701
Loss on debt settlement	-	63,397
Depreciation expense	1,123	-
Share-based payments	118,296	-
Other income	(27,867)	-
Changes in non-cash working capital:		
Grant receivable	(19,845)	-
Prepaids and deposits	(20,000)	(3,976)
Accounts payable and accrued liabilities	59,010	56,252
Cash Used In Operating Activities	(935,056)	(389,483)
Financing Activities		
Proceeds from issuance of common shares	435,616	250,000
Proceeds from loan payable	60,000	-
Advances from shareholder	142,756	252,808
Share issuance costs	(16,308)	-
Shares to be issued	264,403	-
Cash Provided By Financing Activities	886,467	502,808
Investing Activities		
Acquisition of computer equipment	(1,130)	(1,920)
Net Increase (Decrease) in Cash	(49,719)	111,405
Cash, Beginning of Year	112,493	1,088
Cash, End of Year	$ 62,774	$ 112,493

Supplemental Cash Flow Information		
Shares issued to settle advances from shareholder	$ -	$ 284,606
Shares issued to settle long-term debt	-	200,000
Interest paid	-	-
Income taxes paid	$ -	$ -

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

1. NATURE OF THE BUSINESS AND GOING CONCERN

Blockchain Venture Capital Inc. (the "Company") was incorporated on June 18, 2018 under the laws of the Province of Ontario. As at December 31, 2020, the Company has not commenced commercial operations.

The Company is domiciled in the Province of Ontario and has its registered office at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). Significant accounting estimates, judgments, and assumptions used or exercised by management in the preparation of these financial statements are presented below.

The Board of Directors approved these financial statements for issue on July 14, 2021.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are stated at fair value.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Judgments, Estimates, and Assumptions (Continued)

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company's ability to continue as a going concern.

Share-based Payments Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based payments expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-Term Debt and Loan Payable

Long-term debt and loan payable are measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest-bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of long-term debt, loan payable, and accretion expense recognized.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented.

Revenue Recognition

Other income is earned as a consulting fee from other blockchain companies for time spent aiding in implementation of a blockchain solution.

Revenue is recognized when (i) the Company and its customer have signed a contract identifying each party's rights and payment terms for the delivery of services; (ii) it is probable that the Company will collect its fees under the contract; and (iii) the Company has satisfied its performance obligations for the delivery of services.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Recognition and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows from a financial asset have expired or substantially all risks and rewards of ownership have been transferred, or when obligations under financial liabilities have been discharged, cancelled, or expired.

Gains and losses on derecognition, determined as the difference between the settlement amount and the carrying value of a financial asset or liability, are recognized in the statement of comprehensive income (loss).

Classification

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash, grant receivable, and advances to shareholder are classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt are classified as subsequently measured at amortized cost.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Impairment

The Company assesses all information available, including on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

Share Capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity.

Share-based Payments

The Company has a stock option plan that is described in note 7 (d). Employees (including officers), directors, and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Any consideration received by the Company on the exercise of stock options is credited to share capital. The cost of options is recognized, together with a corresponding increase in reserves, over the period in which the corresponding performance and/or service conditions are fulfilled, ending on the date on which the relevant optionee becomes fully entitled to the award (“vesting date”).

The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company’s best estimate of the number of options that will ultimately vest on the vesting date. The Company records compensation expense and credits contributed surplus for all stock options granted, which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for share-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of share-based payments expense.

Where the terms of a stock option award are modified, the minimum expense recognized is the amount as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option, or is otherwise beneficial to the optionee as measured at the date of modification. Where an option is cancelled, any expense not yet recognized for the vested options on the date of cancellation is recognized immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company follows the asset and liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss carry-forwards. The resulting changes in the net deferred tax asset or liability are included in income.

Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income (loss) in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates, is included in income in the period that includes the substantive enactment date. Deferred income 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.

Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect on the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the initial transaction.

Loss Per Share

Basic earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the fiscal year. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive shares. Instruments which would be anti-dilutive are not included in the calculation of diluted earnings (loss) per share.

Government Assistance and Grants

Government assistance and grants are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the statement of comprehensive loss, as determined by the terms and conditions of the agreements under which the assistance is provided to the Company or the nature of the expenditures which gave rise to the grants. Government assistance and grants receivable are recorded when their receipt is reasonably assured.

Research and Development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

(b) In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 1, *First-time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9, *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 41, *Agriculture* – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

(b) The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements.

4. ADVANCES TO SHAREHOLDER

As at December 31, 2020, advances of $142,570 are due to the President of the Company (2019 - $186 was due from the President of the Company). These advances are unsecured, non-interest bearing, and are due on demand. The advances were made for general working capital purposes.

(Presented in Canadian Dollars)

5. LOAN PAYABLE

The following is a continuity of loan payable:

	2020		2019	
	Principal	Carrying Value	Principal	Carrying Value
Balance - beginning of year	$ -	$ -	$ -	$ -
Liability recognized	40,000	32,133	-	-
Accretion expense	-	925	-	-
Balance - end of year	$ 40,000	$ 33,058	$ -	$ -

The Company received a loan of $60,000 from the Government of Canada under the Canadian Emergency Business Account ("CEBA") program in response to the COVID-19 pandemic. The loan was received in two tranches of $40,000 on August 13, 2020 and $20,000 on December 15, 2020. The loan is non-interest bearing and is due December 31, 2022.

The lender will forgive $20,000 of the loan if $40,000 is repaid before December 31, 2022. If the loan is not repaid before that date, the loan will renew for a further three years to December 31, 2025 and will become interest bearing at 5% per annum during the extended term.

The Company recognized income of $27,867 on the receipt of the loan, representing the forgivable portion of the loan of $20,000, as well as $7,867 as the present value of the interest-free portion of the loan, which was determined utilizing a discount rate of 10% per annum. This income is reflected in the statement of comprehensive loss.

6. LONG-TERM DEBT

Long-term debt is due to Jiangsu Hengwell Information Technology Co., Ltd. ("Jiangsu"), a blockchain development company located in Wuxi, China. The debt is unsecured, non-interest bearing and is due November 10, 2023. The debt has been recorded at its present value utilizing a discount rate of 10% per annum.

The following is a continuity of long-term debt:

	2020		2019	
	Principal	Carrying Value	Principal	Carrying Value
Balance - beginning of year	$ 1,000,000	$ 692,615	$ 1,200,000	$ 755,517
Liability derecognized (i)	-	-	(200,000)	(136,603)
Accretion expense	-	69,431	-	73,701
Balance - end of year	$ 1,000,000	$ 762,046	$ 1,000,000	$ 692,615

(i) On November 7, 2019, the Company settled $200,000 of the principal of this long-term debt. Accordingly, the Company has derecognized a portion of the long-term debt with a carrying value of $136,603, and has recognized a loss on early settlement of $63,397.

The settlement of $200,000 was made by way of a set-off agreement between Jiangsu, the Company, and a shareholder of the Company, whereby 378,000 common shares of the Company were issued to Jiangsu in exchange for partial settlement of the debt. See note 7 (b) (v).

7. EQUITY

(a) Authorized

Unlimited common shares, no par value

On December 23, 2019, the Company authorized a stock dividend of 14,874,542 common shares to effect an increase in the number of shares issued and outstanding, on the basis of 180 common shares for each existing common share as at that date. All quantities of common shares in these financial statements are stated on a post-dividend basis.

On January 10, 2020, the Company amended its articles of incorporation to redesignate the preference shares as common shares effective as at that date.

(b) Issued and Outstanding

During the year ended December 31, 2020, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Issued 822,548 common shares in private placements at a price of $0.53 per share for gross proceeds of $435,616. In connection with private placements, the Company paid share issuance costs of $16,308.

(ii) Exchanged 4,959,398 preference shares for 4,959,398 common shares on January 10, 2020. The stated capital of the exchanged shares was $24,797.

During the year ended December 31, 2019, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Exchanged 17,999,820 common shares for 199,998 preference shares on October 17, 2019. The stated capital of the exchanged shares was $1,000.

(ii) Exchanged 4,759,400 preference shares for the extinguishment of advances from shareholder of $23,797 on October 17, 2019.

(iii) Exchanged 13,040,460 common shares for the extinguishment of advances from shareholder of $260,809 on October 25, 2019.

(iv) Issued 1,350,000 common shares in private placements at a price of $0.11 per share for gross proceeds of $150,000.

(v) Issued 567,000 common shares in private placements at a price of $0.53 per share for gross proceeds of $300,000. As described in note 6, 378,000 of these shares were issued directly to the creditor for the long-term debt as a partial debt settlement.

(c) Shares to be Issued

In November and December 2020, the Company received $264,403 in respect of common shares to be issued. The Company has allotted 498,873 common shares to be issued at $0.53 per share. On March 8, 2021, the Company closed this financing and issued the above common shares. See note 14.

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(d) Stock Options

Stock options are awarded to directors and officers under an incentive stock option plan adopted on August 31, 2020. The maximum number of options that may be granted under the plan is limited to 10% of the total number of issued and outstanding common shares. The exercise prices of options are determined by the Board to be an amount greater than or equal to the fair market value of the underlying common shares on the grant date. Expiry dates and vesting conditions are determined by the Board on the grant date. Options belonging to former directors or officers are cancelled after 60 days from the date the individual ceases to provide services to the Company.

The following table reflects the continuity of stock options:

	2020		2019	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of year	-	$ -	-	$ -
Granted (i)	620,000	0.53	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of year	620,000	$ 0.53	-	$ -
Exercisable, end of year	206,665	$ 0.53	-	$ -

(i) On August 31, 2020, the Company granted 620,000 stock options, which are exercisable at $0.53 per share and expire October 1, 2025. The options vest in tranches of one-third on October 1, 2020, one-third on October 1, 2021, and one-third on October 1, 2022.

Options granted are accounted for by the fair value method of accounting, whereby share-based payments are recorded over the vesting period and reserves are credited for options granted.

The fair value of stock options granted during the year ended December 31, 2020 was calculated as $0.39 per option, based on the Black-Scholes option pricing model. Share-based payments expense for options vested during the year ended December 31, 2020 was $118,296 (2019 - $Nil).

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(d) Stock Options (Continued)

The fair value of the options granted was estimated at the grant date using the following weighted average assumptions:

		2020
Share price	$	0.53
Expected volatility		100 %
Dividend yield		0 %
Risk-free interest rate		0.41 %
Expected life		5 years
Expected forfeiture rate		0 %

The expected volatility is based on management's estimate of the volatility in the Company's share price over the life of the options, based on a comparison with other similar entities. The Company has not paid any cash dividends historically and does not have any plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian benchmark bonds with an equivalent term to maturity. The expected life of the options is based on management's estimate of the time that the options will be outstanding.

The Company had the following stock options outstanding as at December 31, 2020:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
620,000	206,665	$0.53	October 1, 2025	4.75 years

(e) Reserves

Reserves are comprised of the initial fair value of stock options granted.

(f) Loss Per Share

		2020		2019
Numerator:				
Net loss	$	(1,116,129)	$	(578,857)
Denominator:				
Weighted average number of shares outstanding		20,360,365		17,002,960
Loss Per Share:				
Basic and diluted	$	(0.055)	$	(0.034)

(Presented in Canadian Dollars)

7. EQUITY (Continued)

(g) Maximum Share Dilution

The following table presents the maximum number of common shares that would be outstanding if all dilutive instruments were exercised:

	2020	2019
Common shares outstanding	20,739,586	14,957,640
Stock options outstanding	206,665	-
Fully diluted common shares outstanding	20,946,251	14,957,640

8. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

	2020	2019
Salaries and benefits	$ 31,900	$ -
Share-based payments	15,905	-
	$ 47,805	$ -

(b) Advances made to the President of the Company are described in note 4. During the years ended December 31, 2020 and 2019, the Company transacted with the President in common and preferred shares as described in note 7 (b), paragraphs (i), (ii), (iii), and (iv).

9. GOVERNMENT GRANTS

Included in salaries and wages expense for the year ended December 31, 2020 are government grants of $30,009 (2019 - $Nil) which were received from the Government of Canada's National Research Council, under their Innovation Assistance Program. Of these amounts, $19,845 was due to the Company as at December 31, 2020 (2019 - $Nil).

(Presented in Canadian Dollars)

10. INCOME TAXES

Income Tax Expense

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

	2020	2019
Loss before taxes	$ (1,116,129)	$ (578,857)
Corporate tax rate	26.50 %	26.50 %
Expected recovery at statutory rates	(295,774)	(153,397)
Tax effect of permanent differences	50,884	-
Deferred tax asset not recognized	244,890	153,397
Income tax expense	$ -	$ -

The components of income tax expense are as follows

	2020	2019
Current income taxes	$ (244,890)	$ (153,397)
Deferred income taxes	244,890	153,397
Income tax expense	$ -	$ -

Deferred Taxes

The components of deferred income taxes have been determined at the combined federal and provincial statutory rate of 26.5% and are as follows:

	2020	2019
Non-capital losses available for carry-forward	$ 397,075	$ 83,657
Long-term debt	198,622	216,657
Loan payable	2,650	-
Equipment	(347)	-
Amount not recognized	(598,000)	(300,314)
Deferred tax asset	$ -	$ -

The Company has non-capital losses of approximately $1,498,397, which are available to be carried forward and used against future taxable income. These losses expire between 2039 and 2040.

11. COMMITMENTS

In connection with the purchase of the underlying blockchain technology mentioned in note 6, Jiangsu Hengwei Information Technology Co. Ltd. will also provide software maintenance and support to the Company on a 24 hour, 7 days per week basis, for an annual service fee of $24,000. This expense is recognized as blockchain service fees on the statement of comprehensive loss.

(Presented in Canadian Dollars)

12. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	2020	2019
Share capital	$ 1,154,914	$ 735,606
Shares to be issued	264,403	-
Reserves	118,296	-
Deficit	(2,482,027)	(1,365,898)
	$ (944,414)	$ (630,292)

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

13. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, grant receivable, advances to shareholder, accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt. The fair values of these instruments, except for long-term debt, approximate their carrying values due to the short-term nature of these instruments. The long-term debt is carried at its present value, which is the discounted value of the cash flows required to settle the obligation.

(Presented in Canadian Dollars)

13. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at December 31, 2020, the Company has liabilities of $257,832 due within twelve months and has cash of $82,619 to meet its current obligations (2019 - liabilities of $56,252 and cash of $112,493). As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
December 31, 2020				
Accounts payable	$ 115,262	$ -	$ -	$ 115,262
Advances to shareholder	142,570	-	-	142,570
Loan payable	-	40,000	-	40,000
Long-term debt	-	1,000,000	-	1,000,000
	$ 257,832	$ 1,040,000	$ -	$ 1,297,832
December 31, 2019				
Accounts payable	$ 56,252	$ -	$ -	$ 56,252
Long-term debt	-	-	1,200,000	1,200,000
	$ 56,252	$ -	$ 1,200,000	$ 1,256,252

Credit Risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfil its payment obligations. As at December 31, 2020, the Company's maximum exposure to credit risk is $82,619 and is comprised of cash and grant receivable (2019 - $112,493). All of the Company's cash is held at a chartered bank in Canada and grant receivable is due from the Government of Canada, which are both considered of high credit quality. Management has judged credit risk to be low.

Novel Coronavirus (COVID-19)

There is currently a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company’s business growth prospects and financial condition.

14. SUBSEQUENT EVENTS

Private Placements

Subsequent to December 31, 2020, the Company issued 538,915 common shares at $0.53 per share and 532,162 common shares at $1.50 per share in private placements for gross proceeds of $1,083,869.

Included in these shares are 498,873 common shares for which funds were received prior to December 31, 2020, as described in note 7 (c).

Proposed Amalgamation

On March 15, 2021, the Company entered into a definitive agreement with Flexwork Properties Ltd. ("Flexwork"), a company incorporated in Ontario and listed on the Canadian Securities Exchange under the symbol "RNG". BVCI and Flexwork intend to complete a reverse takeover ("RTO") which will continue and carry on the business of BVCI.

The RTO is proposed to be completed by way of an amalgamation of BVCI and Flexwork on the basis of one common share of the resulting issuer for each issued and outstanding common share of BVCI and Flexwork. Prior to completing the amalgamation, Flexwork will consolidate its common shares on the basis of 21.2 to 21.5 common shares for one new common share. All outstanding options and warrants of Flexwork will be reissued by the amalgamated corporation based on the above consolidation ratio.

Concurrent with the proposed RTO, BVCI intends to complete a private placement aggregating between $1,500,000 and $2,000,000 at an issue price of $1.50 per share for the purposes of funding its working capital requirements and carrying on the business of the resulting issuer. In addition, management of Flexwork who are owed approximately $97,000 in unpaid fees shall enter into a debt settlement agreement at a price of $1.50 per share.

It is anticipated that upon completion of the proposed RTO, 95% of the resulting issuer's shares will be allocated to the shareholders of BVCI and the remaining 5% of the resulting issuer's shares will be allocated to the current shareholders of Flexwork.

BLOCKCHAIN VENTURE CAPITAL INC.

Financial Statements
October 31, 2019 and 2018
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.
October 31, 2019 and 2018
Contents

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NVS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of **Blockchain Venture Capital Inc.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Blockchain Venture Capital Inc.**(the "Corporation"), which comprise of the statements of financial position as at **October 31, 2019** and **October 31, 2018**, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at **October 31, 2019** and **October 31, 2018**, and its financial performance and its cash flows for the years then ended 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our audit opinion, we draw attention to Note 2 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 IFRSs, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by
Chartered Professional Accountants of Ontario

Markham, Ontario
June 23, 2020

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Financial Position
As at October 31, 2019 and 2018
(Presented in Canadian Dollars)

	Notes	2019	2018
ASSETS			
Current Assets			
Cash		$ 105,100	$ 1,000
Advances to shareholder	4	5,983	-
Total Assets		$ 111,083	$ 1,000
LIABILITIES AND DEFICIENCY			
Current Liabilities			
Accounts payable and accrued liabilities		$ 47,134	$ -
Non-Current Liabilities			
Long-term debt	5	817,575	
Total Liabilities		864,709	-
Equity			
Share capital	6	385,606	1,000
Deficit		(1,139,232)	-
Total Equity		(753,626)	1,000
Total Liabilities and Equity		$ 111,083	$ 1,000

Approved on Behalf of the Board

Signed - Xin Zhou
Director

BLOCKCHAIN VENTURE CAPITAL INC.
Statement of Comprehensive Loss
Year Ended October 31, 2019 and 2018
(Presented in Canadian Dollars)

	Notes	2019	2018
Expenses			
Blockchain costs		$ 894,369	$ -
Professional fees		140,909	-
Accretion expense	5	72,469	-
Office and general		40,485	-
Total Expenses		1,148,232	-
Other income		9,000	-
Net Loss and Comprehensive Loss		$ (1,139,232)	$ -
Weighted Average Number of Shares Outstanding		17,531,357	18,000,000
Loss Per Share - Basic and Diluted		$ (0.06)	$ 0.00

BLOCKCHAIN VENTURE CAPITAL INC.

Statement of Changes in Equity
Year Ended October 31, 2019 and 2018
(Presented in Canadian Dollars)

	Notes	Preference Shares #	Preference Shares $	Common Shares #	Common Shares $	Deficit	Total Equity
Balance upon incorporation as at June 18, 2018		-	-	-	$ -	$ -	$ -
Issuance of common shares	6	-	-	18,000,000	1,000	-	1,000
Balance as at October 31, 2018		-	-	18,000,000	$ 1,000	$ -	$ 1,000
Share exchange	6	199,998	1,000	(17,999,820)	(1,000)	-	-
Shares-for-debt exchange	6	4,759,400	23,797	13,040,460	260,809	-	284,606
Issuance of common shares	6	-	-	900,000	100,000	-	100,000
Net loss		-	-	-	-	(1,139,232)	(1,139,232)
Balance as at October 31, 2019		4,959,398	24,797	13,940,640	$ 360,809	$(1,139,232)	$ (753,626)

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

BLOCKCHAIN VENTURE CAPITAL INC.
Statement of Cash Flows
Year Ended October 31, 2019 and 2018
(Presented in Canadian Dollars)

	2019	2018
Operating Activities		
Net loss	$ (1,139,232)	$ -
Items not requiring an outlay of cash:		
Accretion expense	72,469	-
Blockchain costs	745,106	-
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	47,134	-
Cash Used In Operating Activities	(274,523)	-
Financing Activities		
Proceeds from issuance of common shares	100,000	1,000
Advances to shareholder	278,623	-
Cash Provided By Financing Activities	378,623	1,000
Net Increase in Cash	104,100	1,000
Cash, Beginning of Period	1,000	-
Cash, End of Period	$ 105,100	$ 1,000

Supplemental Cash Flow Information		
Shares-for-debt exchange	$ 284,606	$ -
Interest paid	-	-
Income taxes paid	$ -	$ -

1. NATURE OF THE BUSINESS AND GOING CONCERN

Blockchain Venture Capital Inc. (the "Company") was incorporated on June 18, 2018 under the laws of the Province of Ontario. As at October 31, 2019, the Company has not commenced commercial operations and has no assets other than a minimum amount of cash.

The Company is domiciled in the Province of Ontario and has its registered office at 376 Highway 7 East, Suite 1005, Richmond Hill, Ontario, L4B 0C7.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). Significant accounting estimates, judgments, and assumptions used or exercised by management in the preparation of these financial statements are presented below.

The Board of Directors approved these financial statements for issue on June 23, 2020.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are stated at fair value.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Judgments, Estimates, and Assumptions (Continued)

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company's ability to continue as a going concern.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-Term Debt

Long-term debt is measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest-bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of long-term debt and accretion expense recognized.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented.

Revenue Recognition

Other income is earned as a consulting fee from other blockchain companies for time spent aiding in implementation of a blockchain solution.

Revenue is recognized when (i) the Company and its customer have signed a contract identifying each party's rights and payment terms for the delivery of services; (ii) it is probable that the Company will collect its fees under the contract; and (iii) the Company has satisfied its performance obligations for the delivery of services.

Financial Instruments

Recognition and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows from a financial asset have expired or substantially all risks and rewards of ownership have been transferred, or when obligations under financial liabilities have been discharged, cancelled, or expired.

Gains and losses on derecognition, determined as the difference between the settlement amount and the carrying value of a financial asset or liability, are recognized in the statement of comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Classification

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash and advances to shareholder are classified as subsquently measured at amortized cost.

Accounts payable and accrued liabilities and long-term debt are classified as subsquently measured at amortized cost.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embeded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Impairment

The Company assesses all information available, including on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

Share Capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company follows the asset and liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss carry-forwards. The resulting changes in the net deferred tax asset or liability are included in income.

Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income (loss) in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates, is included in income in the period that includes the substantive enactment date. Deferred income 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.

Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect on the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the initial transaction.

Loss Per Share

Basic earnings (loss) per share is calculated based on the weighted average number of common shares oustanding during the fiscal year. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive shares. Instruments which would be anti-dilutive are not included in the calculation of diluted earnings (loss) per share.

Recent Accounting Pronouncements

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

(a) IFRS 16, *Leases* (“IFRS 16”) was issued in January 2016 to improve the accounting for leases, generally by eliminating a lessees’ classification of leases and introducing a single lessee accounting model. The most significant effect of the new standard will be the lessee’s recognition of the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position. Leases with durations of 12 months or less and leases for low value assets are both exempted. The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. However, the new standard will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases. The presentation on the statement of loss and other comprehensive loss required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The standard is effective for annual periods beginning on or after January 1, 2019 and will supersede IAS 17 *Leases*. Earlier application is permitted.

(Presented in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

(b) In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* – The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 *Income Taxes* – The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 *Borrowing Costs* – The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

(c) The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements.

4. ADVANCES TO SHAREHOLDER

As at October 31, 2019, advances of $5,983 are due from the President of the Company (2018 - $Nil). These advances are unsecured, non-interest bearing, and are due on demand. The advances were made for general working capital purposes.

5. LONG-TERM DEBT

On November 10, 2018, the Company purchased the base technology for its Stablecoin blockchain from Jiangsu Hengwei Information Technology Co., Ltd., a blockchain development company located in Wuxi, China. The purchase price for the technology is $1,200,000, which is due to be paid on November 10, 2023.

The purchase of the technology was recorded at the present value of the purchase price of $745,106 and is recorded as blockchain costs on the statement of comprehensive loss. The present value was determined using an interest rate of 10% per annum, being management's estimate of the cost of capital for the Company. The following is a continuity of long-term debt:

	2019	2018
Balance - beginning of year	$ -	$ -
Liability recognized	745,106	-
Accretion expense	72,469	-
Balance - end of year	$ 817,575	$ -

(Presented in Canadian Dollars)

6. SHARE CAPITAL

(a) Authorized

Unlimited common shares, no par value
Unlimited preference shares, no par value

On December 23, 2019, the Company authorized a stock dividend of 14,874,542 common shares to effect an increase in the number of shares issued and outstanding, on the basis of 180 common shares for each existing common share as at that date. All quantities of common shares in these financial statements are stated on a post-dividend basis.

On January 10, 2020, the Company amended its articles of incorporation to redesignate the preference shares as common shares effective as at that date. See note 12.

(b) Issued and Outstanding

During the years ended October 31, 2019 and 2018, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Issued 18,000,000 common shares for gross proceeds of $1,000 on January 12, 2018.

(ii) Exchanged 17,999,820 common shares for 199,998 preference shares on October 17, 2019. The stated capital of the exchanged shares was $1,000.

(iii) Exchanged 4,759,400 preference shares for the extinguishment of advances from shareholder of $23,797 on October 17, 2019.

(iv) Exchanged 13,040,460 common shares for the extinguishment of advances from shareholder of $260,809 on October 25, 2019.

(v) Issued 900,000 common shares in a private placement at a price of $0.11 per share for gross proceeds of $100,000 on October 28, 2019.

(c) Loss Per Share

		2019		2018
Numerator:				
Net loss	$	(1,139,232)	$	-
Denominator:				
Weighted average number of shares outstanding		17,531,357		18,000,000
Loss Per Share:				
Basic and diluted	$	(0.065)	$	-

(Presented in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. No compensation was paid to key management personnel for the years ended October 31, 2019 and 2018.

(b) Advances made to the President of the Company are described in note 4. During the years ended October 31, 2019 and 2018, the Company transacted with the President in common and preferred shares as described in note 6 (b), paragraphs (i), (ii), (iii), and (iv).

8. INCOME TAXES

Income Tax Expense

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

	2019	2018
Loss before taxes	$ (1,139,232)	$ -
Corporate tax rate	26.50%	26.50%
Expected recovery at statutory rates	(301,896)	-
Deferred tax asset not recognized	301,896	-
Income tax expense	$ -	$ -

The components of income tax expense are as follows

	2019	2018
Current income taxes	$ -	$ -
Deferred income taxes	-	-
Income tax expense	$ -	$ -

Deferred Taxes

The components of deferred income taxes have been determined at the combined federal and provincial statutory rate of 26.5% and are as follows:

	2019	2018
Non-capital losses available for carry-forward	$ 83,657	$ -
Long-term debt	216,657	-
Amount not recognized	(300,314)	-
Deferred tax asset	$ -	$ -

The Company has non-capital losses of approximately $315,685, which are available to be carried forward and used against future taxable income. These losses expire in 2039.

(Presented in Canadian Dollars)

9. COMMITMENTS

In connection with the sale of the underlying blockchain technology mentioned in note 5, Jiangsu Hengwei Information Technology Co. Ltd. will also provide software maintenance and support to the Company on a 24 hour, 7 days per week basis, for an annual service fee of $240,000.

10. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	2019	2018
Share capital	$ 385,606	$ 1,000
Deficit	(1,139,232)	-
	$ (753,626)	$ 1,000

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

11. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, advances to shareholder, accounts payable and accrued liabilities, and long-term debt. The fair values of these instruments, except for long-term debt, approximate their carrying values due to the short-term nature of these instruments. The long-term debt is carried at its present value, which is the discounted value of the cash flows required to settle the obligation.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at October 31, 2019, the Company has liabilities of $864,709 due within twelve months and has cash of $111,083 to meet its current obligations (2018 - liabilities of $Nil and cash of $1,000). As a result, management has judged liquidity risk to be high.

(Presented in Canadian Dollars)

11. FINANCIAL RISK MANAGEMENT (Continued)

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
October 31, 2019				
Accounts payable	$ 47,134	$ -	$ -	$ 47,134
Long term debt	-	-	1,200,000	1,200,000
	$ 47,134	$ -	$ 1,200,000	$ 1,247,134

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. As at October 31, 2019, the Company's maximum exposure to credit risk is $111,083 and is comprised of cash and advances to shareholder (July 31, 2018 - $1,000). All of the Company's cash is held in a chartered bank in Canada. The advances to the President are considered of low credit risk due to his investment and involvement in the Company. Management has judged credit risk to be low.

12. SUBSEQUENT EVENTS

Stock Dividend

On December 23, 2019, the Company authorized a stock dividend of 14,874,542 common shares to effect an increase in the number of shares issued and outstanding, on the basis of 180 common shares for each existing common share as at that date. All quantities of common shares in these financial statements are stated on a post-dividend basis.

Authorized Share Capital

On January 10, 2020, the Company amended its articles of incorporation to redesignate its preference shares as common shares. As a result, the issued capital of the preference shares of $24,797 was reclassified to the issued capital of the common shares, and subsequently, Company is only authorized to issue one class of shares, which are common shares.

Share Issuances

In November 2019, the Company issued 450,000 common shares in private placements at a price of $0.11 per share for gross proceeds of $50,000.

In November 2019, the Company issued 378,000 common shares in a private placement at a price of $0.53 per share for total proceeds of $200,000 to the vendor in note 5. The proceeds on this private placement were not received in cash, but were applied as a direct reduction of the long-term debt.

From November 2019 to March 2020, the Company issued 753,771 common shares in private placements at a price of $0.53 per share for gross proceeds of $399,328.

12. SUBSEQUENT EVENTS (Continued)

Economic Conditions

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the JV as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the JV's business growth prospects and financial condition.

Blockchain
Venture Capital

Interim Condensed Financial Statements
Unaudited - See Notice to Reader
March 31, 2022 and 2021
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.
March 31, 2022 and 2021
Contents

NOTICE TO READER

Under National Instrument 51-102, *Continuous Disclosure Obligations*, if an auditor has not performed a review of a reporting issuer's interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of Blockchain Venture Capital Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

BLOCKCHAIN VENTURE CAPITAL INC.

Interim Condensed Statement of Financial Position
Unaudited - See Notice to Reader
As at
(Presented in Canadian Dollars)

	Notes	March 31, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash		$ 114,859	$ 229,462
Prepaids and deposits		34,101	45,817
Total Current Assets		148,960	275,279
Non-Current Assets			
Computer equipment		2,686	3,125
Total Assets		$ 151,646	$ 278,404
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		$ 234,663	$ 72,661
Non-Current Liabilities			
Loan payable	3	37,398	36,530
Long-term debt	4	643,964	628,716
Total Non-Current Liabilities		681,362	665,246
Total Liabilities		916,025	737,907
Equity			
Share capital	5	4,079,015	3,691,478
Shares to be issued	5	266,750	271,303
Reserves	5	333,456	323,784
Deficit		(5,443,600)	(4,746,068)
Total Equity		(764,379)	(459,503)
Total Liabilities and Equity		$ 151,646	$ 278,404

Approved on Behalf of the Board

Signed - Xin Zhou
Director

Signed - Steve Olsthoorn
Director

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

BLOCKCHAIN VENTURE CAPITAL INC.
Interim Condensed Statement of Comprehensive Loss
Unaudited - See Notice to Reader
Three Months Ended March 31, 2022 and 2021
(Presented in Canadian Dollars)

	Notes	2022	2021
Revenue		$ -	$ 114
Cost of Sales		-	166
Gross Profit		-	(52)
Expenses			
Professional fees		218,582	262,542
Office and general		141,357	24,137
Blockchain costs		118,986	22,687
Salaries and wages		92,476	9,453
Trustee fees		70,343	23,448
Blockchain service fees		30,000	-
Accretion expense	3, 4	16,116	19,350
Share-based payments	5 (d)	9,672	28,272
Total Expenses		697,532	389,889
Net Loss and Comprehensive Loss		$ (697,532)	$ (389,941)
Weighted Average Number of Shares Outstanding	5 (g)	23,149,032	20,921,446
Loss Per Share - Basic and Diluted	5 (g)	$ (0.03)	$ (0.02)

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

BLOCKCHAIN VENTURE CAPITAL INC.

Interim Condensed Statement of Changes in Equity

Unaudited - See Notice to Reader

Three Months Ended March 31, 2022 and 2021

(Presented in Canadian Dollars)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2020		20,739,586	$ 1,154,914	$ 264,403	$ 118,296	$ (2,482,027)	$ (944,414)
Issuance of common shares	5	545,581	295,625	(264,403)	-	-	31,222
Share issuance costs	5	-	(13,530)	-	-	-	(13,530)
Shares to be issued	5	-	-	326,250	-	-	326,250
Share-based payments		-	-	-	28,272	-	28,272
Net loss		-	-	-	-	(389,941)	(389,941)
Balance as at March 31, 2021		21,285,167	$ 1,437,009	$ 326,250	$ 146,568	$ (2,871,968)	$ (962,141)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2021	5	22,945,260	3,691,478	271,303	323,784	(4,746,068)	(459,503)
Issuance of common shares	5	274,618	432,302	(271,303)	-	-	160,999
Share issuance costs	5	-	(44,765)	-	-	-	(44,765)
Shares to be issued	5	-	-	266,750	-	-	266,750
Share-based payments		-	-	-	9,672	-	9,672
Net loss		-	-	-	-	(697,532)	(697,532)
Balance as at March 31, 2022		23,219,878	$ 4,079,015	$ 266,750	$ 333,456	$ (5,443,600)	$ (764,379)

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

BLOCKCHAIN VENTURE CAPITAL INC.
Interim Condensed Statement of Cash Flows
Unaudited - See Notice to Reader
Three Months Ended March 31, 2022 and 2021
(Presented in Canadian Dollars)

	2022	2021
Operating Activities		
Net loss	$ (697,532)	$ (389,941)
Item not requiring an outlay of cash:		
Accretion expense	16,116	19,350
Share-based payments	9,672	28,272
Depreciation expense	439	254
Changes in non-cash working capital:		
Prepaids and deposits	11,716	-
Grant receivable	-	19,845
Loan receivable	-	(15,000)
Accounts payable and accrued liabilities	162,002	17,973
Cash Used In Operating Activities	(497,587)	(319,247)
Financing Activities		
Proceeds from issuance of common shares	160,999	31,222
Advances from shareholder	-	10,000
Share issuance costs	(44,765)	(13,530)
Shares to be issued	266,750	326,250
Cash Provided By Financing Activities	382,984	353,942
Net Increase (Decrease) in Cash	(114,603)	34,695
Cash, Beginning of Period	229,462	62,774
Cash, End of Period	$ 114,859	$ 97,469

Supplemental Cash Flow Information		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

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

1. NATURE OF THE BUSINESS AND GOING CONCERN

Blockchain Venture Capital Inc. (the "Company") was incorporated on June 18, 2018 under the laws of the Province of Ontario. As at March 31, 2022, the Company has not commenced commercial operations and has no assets other than a minimum amount of cash.

The Company is domiciled in the Province of Ontario and has its registered office at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

The Board of Directors approved these interim financial statements for issue on July 8, 2022.

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS.

These interim condensed financial statements for the three months ended March 31, 2022 should be read together with the annual financial statements as at and for the year ended December 31, 2021. The same accounting policies and methods of computation were followed in the preparation of these interim financial statements, as described in note 3 of the annual audited financial statements.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are stated at fair value.

Functional and Presentation Currency

The Company's functional and presentation currency is the Canadian dollar.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

The judgments, estimates, and assumptions involved in preparing these interim condensed financial statements are the same as those disclosed in the annual audited financial statements.

(Presented in Canadian Dollars)

3. LOAN PAYABLE

The Company received a loan of $60,000 from the Government of Canada under the Canadian Emergency Business Account ("CEBA") program in response to the COVID-19 pandemic. The loan is non-interest bearing and is due December 31, 2023. The lender will forgive $20,000 of the loan if $40,000 is repaid before December 31, 2023. If the loan is not repaid before that date, the loan will renew for a further three years to December 31, 2025 and will become interest bearing at 5% per annum during the extended term.

The following is a continuity of loan payable:

	2022	
	Principal	**Carrying Value**
Balance - beginning of period	$ 40,000	$ 36,530
Accretion expense	-	868
Balance - end of period	$ 40,000	$ 37,398

4. LONG-TERM DEBT

Long-term debt is due to Jiangsu Hengwell Information Technology Co., Ltd., a blockchain development company located in Wuxi, China. The debt is unsecured, non-interest bearing and is due November 10, 2023. The debt has been recorded at its present value utilizing a discount rate of 10% per annum.

The following is a continuity of long-term debt:

	2022	
	Principal	**Carrying Value**
Balance - beginning of period	$ 750,000	$ 628,716
Accretion expense	-	15,248
Balance - end of period	$ 750,000	$ 643,964

5. EQUITY

(a) Authorized

Unlimited common shares, no par value

(b) Issued and Outstanding

During the three months ended March 31, 2021, the Company transacted in its issued and outstanding common shares as follows:

(i) Issued 538,915 common shares at $0.53 per share and 6,666 common shares at $1.50 per share in private placements for gross proceeds of $295,625. Included in these shares issuances were proceeds of $264,403 that had been collected prior to December 31, 2020.

(ii) Paid referral fees of $13,530 which are categorized as share issuance costs.

(Presented in Canadian Dollars)

5. EQUITY (Continued)

(b) Issued and Outstanding (Continued)

During the three months ended March 31, 2022, the Company transacted in its issued and outstanding common shares as follows:

(i) Issued 233,868 common shares at $1.50 per share and 40,750 common shares at $2.00 per share in private placements for gross proceeds of $432,302. Included in these share issuances were proceeds of $271,303 that had been collected prior to December 31, 2021.

(ii) Paid referral fees of $44,765 which are categorized as share issuance costs.

(c) Shares to be Issued

During the three months ended March 31, 2022, the Company received $266,750 in respect of common shares to be issued.

(d) Stock Options

Stock options are awarded to directors and officers under an incentive stock option plan adopted on August 31, 2020. The maximum number of options that may be granted under the plan is limited to 10% of the total number of issued and outstanding common shares. The exercise prices of options are determined by the Board to be an amount greater than or equal to the fair market value of the underlying common shares on the grant date. Vesting conditions are determined by the Board on the grant date.

The following table reflects the continuity of stock options:

	March 31, 2022	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	620,000	$ 0.53
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	620,000	$ 0.53
Exercisable, end of period	413,330	$ 0.53

The Company had the following stock options outstanding as at March 31, 2022:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
620,000	413,330	$0.53	October 1, 2025	3.5 years

(Presented in Canadian Dollars)

5. EQUITY (Continued)

(e) Warrants

The following table reflects the continuity of warrants:

	March 31, 2022	
	Number of Warrants	**Weighted Average Exercise Price**
Outstanding, beginning of period	100,000	$ 1.50
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	100,000	$ 1.50

The Company had the following warrants outstanding as at March 31, 2022:

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
100,000	$1.50	November 16, 2026	4.63 years

(f) Reserves

Reserves are comprised of the initial fair value of stock options granted and warrants issued.

(g) Loss Per Share

	2022	2021
Numerator:		
Net loss	$ (697,532)	$ (389,941)
Denominator:		
Weighted average number of shares outstanding	23,149,032	20,921,446
Loss Per Share:		
Basic and diluted	$ (0.030)	$ (0.019)

(h) Maximum Share Dilution

The following table presents the maximum number of common shares that would be outstanding if all dilutive instruments were exercised:

	March 31, 2022	March 31, 2021
Common shares outstanding	23,219,878	21,285,167
Stock options outstanding	413,330	206,665
Fully diluted common shares outstanding	23,633,208	21,491,832

(Presented in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

		2022		2021
Salaries and benefits	$	24,000	$	11,000
Share-based payments		1,300		3,801
	$	25,300	$	14,801

7. COMMITMENTS

In connection with the sale of the underlying blockchain technology mentioned in note 4, Jiangsu Hengwell Information Technology Co. Ltd. will also provide software maintenance and support to the Company on a 24 hour, 7 days per week basis, for a minimum annual service fee of $24,000.

8. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

		March 31, 2022		December 31, 2021
Share capital	$	4,079,015	$	3,691,478
Shares to be issued		266,750		271,303
Reserves		333,456		323,784
Deficit		(5,443,600)		(4,746,068)
	$	(764,379)	$	(459,503)

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

(Presented in Canadian Dollars)

9. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, loan payable, and long-term debt. The fair values of these instruments, except for long-term debt, approximate their carrying values due to the short-term nature of these instruments. The loan payable and long-term debt are carried at their present value, which is the discounted value of the cash flows required to settle the obligation.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at March 31, 2022, the Company has liabilities of $234,663 due within twelve months and has cash of $114,859 to meet its current obligations (December 31, 2021 - liabilities of $72,661 and cash of $229,462). The company is a pre-revenue business and is dependent on raising money through equity financing to continue as a going concern. As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
March 31, 2022				
Accounts payable	$ 234,663	$ -	$ -	$ 234,663
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 234,663	$ 790,000	$ -	$ 1,024,663
December 31, 2021				
Accounts payable	$ 72,661	$ -	$ -	$ 72,661
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 72,661	$ 790,000	$ -	$ 862,661

Credit Risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfil its payment obligations. As at March 31, 2022, the Company's maximum exposure to credit risk is $114,859 and is comprised of cash (December 31, 2021 - $229,462). All of the Company's cash is held at a chartered bank in Canada. Management has judged credit risk to be low.

10. SUBSEQUENT EVENTS

Private Placements

On April 21, 2022, the Company issued 24,000 common shares at $1.50 per share and 16,000 common shares at $2.00 per share in private placements for gross proceeds of $68,000.

Proposed Amalgamation

On March 15, 2021, the Company entered into a definitive agreement with Flexwork Properties Ltd. ("Flexwork"), a company incorporated in Ontario and listed on the Canadian Securities Exchange under the symbol "RNG". BVCI and Flexwork intend to complete a reverse takeover ("RTO") which will continue and carry on the business of BVCI.

The RTO is proposed to be completed by way of an amalgamation of BVCI and Flexwork on the basis of one common share of the resulting issuer for each issued and outstanding common share of BVCI and Flexwork. Prior to completing the amalgamation, Flexwork will consolidate its common shares on the basis of 19.1057626 common shares for one new common share. All outstanding options and warrants of Flexwork will be reissued by the amalgamated corporation based on the above consolidation ratio.

Concurrent with the proposed RTO, BVCI intends to complete a private placement aggregating up to a maximum of 2,000,000 common shares at an issue price of $1.75 per share for the purposes of funding its working capital requirements and carrying on the business of the resulting issuer.

It is anticipated that upon completion of the proposed RTO, 95% of the resulting issuer's shares will be allocated to the shareholders of BVCI and the remaining 5% of the resulting issuer's shares will be allocated to the current shareholders of Flexwork.

Management's Discussion and Analysis
Year Ended December 31, 2021

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51–102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Blockchain Venture Capital Inc.'s ("BVCI" or the "Company") audited financial statements for the year ended December 31, 2021 together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, fair value measurements of shares–based payments and contingent liabilities.

This MD&A is prepared as of February 25, 2022.

Forward Looking Statements

Certain statements contained in the report constitute forward–looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to BVCI or its management, are intended to identify forward–looking statements. Such statements reflect current views of BVCI with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in legislation governing digital currency and blockchain technology, market demand for blockchain and distributed ledger technology, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward–looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward–looking statements.

Description of Business

Blockchain Venture Capital Inc. ("BVCI" or the "Company") is a provider of an innovative technology infrastructure to participants in the emerging blockchain and ledger technology industry. Instrumental to BVCI's business and growth strategy is BVC Chain, a proprietary blockchain platform and ledger technology which serves as a platform and infrastructure for BvcPay and CADT, as well as the potential future development of a multitude of blockchain platform–based solutions, products and services. Collectively, BVC Chain, BvcPay and CADT strategically position BVCI to capture the full value chain resulting from the transitioning of data and other financial assets to a blockchain platform and ledger, and the new paradigm of conducting business that utilize such technologies.

BVCI was incorporated on June 18, 2018 under the *Business Corporations Act* (Ontario), and has its head office at 130 King Street West, Suite 1800, Toronto, Ontario, M5X 1E3.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Overall Performance

As at December 31, 2021, the Company has working capital of $202,618, compared to negative working capital of $151,237 as at December 31, 2020. Working capital increased during the year ended December 31, 2021 by cash provided by financing activities of $2,150,894, which were comprised of $2,521,362 proceeds from the issuance of common shares and $271,303 shares to be issued, less repayment of advances from a shareholder of $142,570, share issuance costs of $249,201, and repayment of long-term debt of $250,000. Working capital decreased by $1,981,992 from cash used in operating activities.

Commercial operations in respect of the blockchain platform have not yet commenced, and the Company has not yet begun to generate revenue from the platform. During the 2021 year, revenue of $191 was earned, which is related to the preliminary testing operations of the blockchain.

Management intends to continue financing operations through equity financings until such time as the blockchain platform commences operating.

Proposed Amalgamation

On March 15, 2021, the Company entered into a definitive agreement with Flexwork Properties Ltd. ("Flexwork"), a company incorporated in Ontario and listed on the Canadian Securities Exchange under the symbol "RNG". BVCI and Flexwork intend to complete a reverse takeover ("RTO") which will continue and carry on the business of BVCI.

The RTO is proposed to be completed by way of an amalgamation of BVCI and Flexwork on the basis of one common share of the resulting issuer for each issued and outstanding common share of BVCI and Flexwork. Prior to completing the amalgamation, Flexwork will consolidate its common shares on the basis of 19.1057626 common shares for one new common share. All outstanding options and warrants of Flexwork will be reissued by the amalgamated corporation based on the above consolidation ratio.

Concurrent with the proposed RTO, BVCI intends to complete a private placement aggregating up to a maximum of 2,000,000 common shares at an issue price of $1.75 per share for the purposes of funding its working capital requirements and carrying on the business of the resulting issuer.

It is anticipated that upon completion of the proposed RTO, 95% of the resulting issuer's shares will be allocated to the shareholders of BVCI and the remaining 5% of the resulting issuer's shares will be allocated to the current shareholders of Flexwork.

Results of Operations

Year Ended December 31, 2021 and 2020

During the year ended December 31, 2021, net loss was $2,264,041 compared to $1,116,129 for the year ended December 31, 2020.

Net loss for 2021 is primarily comprised of the following:

- Professional fees of $881,458 were incurred in the year ended December 31, 2021 (2020 – $604,129), which are legal fees for preparing the prospectus, work on potential reverse takeover transactions, corporate record keeping, and review of agreements totaling $735,312 (2020 – $570,455) and accounting fees of $146,146 (2020 – $33,674) for the 2020 and 2021 annual audits, ongoing CFO services, and valuator fees paid.

- Office and general expenses of $309,418 were incurred in the year ended December 31, 2021 (2020 – $120,845), which is comprised of rent of $40,714 (2020 – $34,287), advertising of $153,676 (2020 – $32,191), server hosting fees of $18,425 (2020 – $19,987), listing and registration fees of $25,537 (2020 – $Nil) and other items such as office, supplies, travel, and meals totaling $71,066 (2020 – $34,380).

- Trustee fees of $234,475 were incurred for the year ended December 31, 2021 (2020 – $Nil), which were paid to Concentra Trust for administration of custodial funds for the CADT stablecoin. Fees are charged at the rate of $23,447 per month, commencing in March 2021.

- Salaries and wages expense of $215,162 was incurred for the year ended December 31, 2021 (2020 – $24,964) which includes salaries for the President of $65,000 (2020 – $31,900) and for other staff. As at December 31, 2021, the company has 5 full-time staff members, compared to 2 full-time staff members as at December 31, 2020. Included within salaries and wages expense is a recovery of $30,838 in government grants for the year ended December 31, 2021 and $30,009 for the year ended December 31, 2020.

- Share-based payments totaled $205,488 for the year ended December 31, 2021 (2020 – $118,296), which represent the value of options granted to officers, directors, and consultants under the company’s incentive stock option plan, which was adopted on August 31, 2020, as well as warrants issued in November 2021.

- Blockchain costs of $174,547 were incurred for the year ended December 31, 2021 compared to $85,012 for the year ended December 31, 2020. Blockchain costs include API fees, consulting fees, and anti–money laundering fees.

- Blockchain service fees of $95,000 were incurred for the year ended December 31, 2021 (2020 – $121,000), which were paid to the vendor of the core blockchain technology, for 24/7 support and continuing development and service work provided by the vendor.

- Accretion expense of $74,500 was incurred in the year ended December 31, 2021 (2020 – $70,356), in respect of the Company's long-term debt due to the vendor of its core blockchain technology and on the CEBA loan due to the Government of Canada. Accretion is accrued at the rate of 10% per annum until the maturity of the long-term debt, which is due November 10, 2023, and the loan payable which is due December 31, 2023.

- Loss on debt settlement of $45,642 was incurred on September 29, 2021, when the Company paid $250,000 to settle a portion of the long-term debt having a carrying value of $204,358. The loss was computed as the excess of the settled amount over the carrying value. There was no loss on debt settlement during the year ended December 31, 2020.

Loss per share was $0.10 for the year ended December 31, 2021, compared to $0.05 for the year ended December 31, 2020.

Fourth Quarter Ended December 31, 2021 and 2020

During the fourth quarter ended December 31, 2021, net loss was $1,026,651 compared to $256,908 for the quarter ended December 31, 2020.

Net loss for Q4 2020 is primarily comprised of the following:

- Professional fees of $297,186 were incurred in the quarter ended December 31, 2021 (2020 – $150,854), which are legal fees for preparing the prospectus, work on potential reverse takeover transactions, corporate record keeping, and review of agreements totaling $245,790 (2020 – $142,379) and accounting fees of $51,396 (2020 – $8,475) for the 2021 annual audit and ongoing CFO services.

- Office and general expenses of $208,796 were incurred in the quarter ended December 31, 2021 (2020 – $51,393), which is comprised of rent of $14,639 (2020 – $9,994), advertising of $118,246 (2020 – $31,591), server hosting fees of $6,223 (2020 – $3,390), interest of $26,000 (2020 – $Nil), and other items such as office, supplies, travel, and meals totaling $43,688 (2020 – $6,418).

- Trustee fees of $70,342 were incurred for the quarter ended December 31, 2021 (2020 – $Nil), which were paid to Concentra Trust for administration of custodial funds for the CADT stablecoin. Fees are charged at the rate of $23,447 per month, commencing in March 2021.

- Salaries and wages expense of $116,259 was incurred for the quarter ended December 31, 2021 (2020 – $3,198). Included within salaries and wages expense is a recovery of $Nil in government grants for the quarter ended December 31, 2021 and $19,845 for the quarter ended December 31, 2020.

- Share-based payments totaled $120,672 for the quarter ended December 31, 2021 (2020 – $28,272), which represent the value of options granted to officers, directors, and consultants under the company's incentive stock option plan, which was adopted on August 31, 2020, as well as warrants issued in November 2021.

- Blockchain costs of $102,563 were incurred for the quarter ended December 31, 2021 compared to $3,955 for the quarter ended December 31, 2020. Blockchain costs include API fees, consulting fees, and anti–money laundering fees.

- Blockchain service fees of $95,000 were incurred for the quarter ended December 31, 2021 (2020 – $Nil), which were paid to the vendor of the core blockchain technology, for 24/7 support and continuing development and service work provided by the vendor.

- Accretion expense of $15,833 was incurred in the quarter ended December 31, 2021 (2020 – $19,236), in respect of the Company's long-term debt due to the vendor of its core blockchain technology and on the CEBA loan due to the Government of Canada. Accretion is accrued at the rate of 10% per annum until the maturity of the long-term debt, which is due November 10, 2023, and the loan payable which is due December 31, 2023.

Loss per share was $0.04 for the three months ended December 31, 2021, compared to $0.01 for the three months ended December 31, 2020.

Selected Annual Information

Selected annual information from the audited financial statements for the year ended December 31, 2021 is presented in the table below. The financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is reported in Canadian dollars

	December 31, 2021	**December 31, 2020**	**December 31, 2019**
Total assets	278,404	108,522	118,575
Total liabilities	737,907	1,052,936	748,867
Total equity	(459,503)	(944,414)	(630,292)
Net loss and comprehensive loss	(2,264,041)	(1,116,129)	(587,857)
Loss per share – basic and diluted	(0.10)	(0.05)	(0.03)

Total assets were $278,404 as at December 31, 2021, an increase of $169,882 from $108,522 as at December 31, 2020. Assets are comprised of cash of $229,462, prepaids and deposits of $45,817, and computer equipment of $3,125 as at December 31, 2021. Assets held at December 31, 2020 are comprised of cash of $62,774, grant receivable of $19,845, prepaids and deposits of $23,976, and computer equipment of $1,927.

Total liabilities were $737,907 as at December 31, 2021, a decrease of $315,029 from $1,052,936 as at December 31, 2020. Current liabilities as at December 31, 2021 are comprised of trade payables of $72,661 due in respect of legal, audit, and accounting fees (2020 – trade payables of $115,262 and advances from shareholder of $142,570). On October 20, 2021 the Company completed repayment of the balance $142,570 to the President, and on September 29, 2021, the Company made an early payment of $250,000 to settle a portion of its long-term debt.

Total equity was ($459,503) as at December 31, 2021 compared to ($944,414) as at December 31, 2020. Equity is comprised of share capital of $3,691,478, shares to be issued of $271,303, reserves of $323,784, and an accumulated deficit of $4,746,068 as at December 31, 2021. Share capital increased from $1,154,914 to $3,691,478 as a result of private placements net of share issuance costs of $2,536,564 during the year.

Outstanding Debts

Outstanding debts are comprised of a loan payable of $40,000 and long-term debt of $750,000 as at December 31, 2021. Both the loan payable and long-term debt are unsecured and are stated at the present value of the principal amounts, utilizing a discount rate of 10% per annum, and are presented as non-current liabilities on the statement of financial position.

Loan Payable

The loan payable was received from to the Government of Canada under the Canadian Emergency Business Account ("CEBA") program and is due December 31, 2023. Under the CEBA program, the Government of Canada will forgive $20,000 of the original principal of $60,000, assuming that the loan is repaid before its due date of December 31, 2023.

At the time the CEBA loan was received, the due date was December 31, 2022, however on January 12, 2022, the Government of Canada announced an automatic extension of 1 further year, such that the loans would not be due until December 31, 2023.

The Company recognized income of $27,867 in its financial statements during the year ended December 31, 2020, representing the forgivable portion of $20,000, as well as $7,867 as the present value of the interest-free portion. The Company intends to settle the debt before the due date in order to ensure it receives the forgivable amount.

Accretion expense was $3,472 for the year ended December 31, 2021 and was $925 for the year ended December 31, 2020 in respect of this loan payable.

The carrying value of the remaining principal of $40,000 as at December 31, 2021 is $36,530.

Long-Term Debt

The long-term debt is an amount payable on the purchase of the Company's core blockchain technology, to the vendor Jiangsu Hengwell Information Technology Co. Ltd. ("Hengwell"), and is due November 10, 2023. The long-term debt was recognized as a liability of $745,106 at the time of purchase, on November 10, 2018, for the present value of the purchase price of $1,200,000 over a 5-year term.

On November 7, 2019, the Company settled $200,000 of the principal of the debt by way of a set-off agreement, whereby 378,000 common shares of the Company were issued to Hengwell. The Company recognized a loss on early settlement of $63,397 in its financial statements for the year ended December 31, 2019, being the difference between the carrying value of $136,603 and the settled principal amount of $200,000.

On September 29, 2021, the Company repaid $250,000 of the principal of the debt, and recognized a loss on early settlement of $45,642 in its financial statements for the year ended December 31, 2021, being the difference between the carrying value of $204,358 and the settled principal amount of $250,000.

Accretion expense was $71,028 for the year ended December 31, 2021 and was $69,431 for the year ended December 31, 2020 in respect of this long-term debt.

The carrying value of the remaining principal of $750,000 as at December 31, 2021 is $628,716.

Discussion of Operations

The Company is in a very early stage of development and as of the date hereof has no revenue. As a result, there are no costs of sales or gross profits to report. This year, the Company has been focused on building a relationship with a schedule 1 Canadian bank and trust company, building a relationship with a payment service provider, and raising funds pursuant to various private placements in order to cover the cost of operating expenses. In the near future, the Company plans to organize and conduct a marketing campaign in an effort to bring users onto the Company's platform. Effective July 20, 2020, the Company entered into a custodial agreement ("Custodial Agreement") with Concentra Trust, a federal trust company incorporated pursuant to the laws of Canada. Users who purchase the Company's stablecoin CADT will deposit Canadian dollar funds with the Company, who is holding funds in trust for the benefit of the users. Under the terms of the Custodial Agreement, the Company has nominated Concentra Trust as its agent to hold the Canadian dollar funds representing corresponding CADT issued to users.

Summary of Quarterly Results

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows. The Company was incorporated on June 18, 2018, and accordingly, there are no fiscal periods prior to this date.

Quarter **Fiscal Year**	**Q4** **2021**	**Q3** **2021**	**Q2** **2021**	**Q1** **2021**	**Q4** **2020**	**Q3** **2020**	**Q2** **2020**	**Q1** **2020**
Net loss	(1,026,614)[(1)]	(497,159)[(2)]	(350,327)[(3)]	(389,941)[(4)]	(245,066)[(5)]	(271,754)[(6)]	(495,300)[(7)]	(104,009)[(8)]
Loss per share	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)

(1) Increase from prior quarter was $529,455 and was primarily comprised of an increase in professional fees of $116,281 due to additional work on the company's prospectus and year-end audit fees, an increase of $145,636 in office and general related to advertising, an increase of $59,850 in salaries and wages due to hiring of 2 new staff members, and an increase of $95,000 for blockchain service fees due to the vendor of the core technologies.

(2) Increase from prior quarter was $146,832 and was primarily comprised of an increase in professional fees of $40,080, an increase in salaries and wages of $23,368, an increase in insurance expense of $24,300, and a loss on debt settlement of $45,642. The debt settlement was a one-time payment of $250,000, which reduced the carrying value of long-term debt by $204,358.

(3) Decrease from prior quarter was $39,614 and was primarily comprised of a decrease in professional fees of $121,717, an increase in trustee fees of $46,894, an increase in office and general expenses of $41,165, and an increase in salaries and wages by $23,588. Legal fees are incurred in regard to the company's prospectus.

(4) Increase from prior quarter was $144,875 and was primarily comprised of an increase in professional fees of $111,688 and an increase in blockchain costs of $18,732. Legal fees are incurred in regards to the company's prospectus.

(5) Decrease from prior quarter was $26,688 and was primarily comprised of a decrease in share-based payments of $61,752 due to options vesting in Q3 and an increase in legal fees of $13,669 and an increase in office and general of $28,512.

(6) Decrease from prior quarter was $223,546 and was primarily comprised of a decline in legal fees of $178,905 and a decline in system development service charges from Hengwell of $90,000.

(7) Increase from prior quarter was $391,291 and was primarily comprised of increased legal fees of $316,090 and an increase in system development service charges from Hengwell of $59,000.

(8) Decrease from prior quarter was $181,103 and was primarily comprised of decreased legal fees of $133,586 as well as the non-recurrence of the loss on debt settlement in the previous quarter of $63,397.

Liquidity and Capital Resources

As at December 31, 2021, the Company has cash of $229,462 available to settle current liabilities of $72,661 (2020 – cash of $62,774 to settle current liabilities of $257,832). The Company also has a non–current liabilities of $750,000 due November 10, 2023 and $40,000 due December 31, 2023, which are presented at their present value of $665,246 on the statement of financial position as at December 31, 2021 (2020 – non-current liabilities have a present value of $795,104).

The Company does not currently have a recurring source of revenue and has incurred negative cash flows from operations since inception. As at December 31, 2021, the Company has working capital of $202,618 consisting of cash plus prepaids and deposits, less trade payables. All cash is held at a chartered bank in Canada and is unrestricted.

Management intends to finance operations through continued equity financings until the Company's blockchain platform is ready to operate, at which time it can begin earning revenue.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

The Company has a contractual commitment to pay $24,000 per year to the vendor of its underlying blockchain technology for software maintenance and support, for the 5–year term ending November 10, 2023. The Company recognizes an expense when invoices are received in respect of this maintenance and support.

Outstanding Share Data

On January 10, 2020, the Company amended its articles of incorporation to redesignate the preference shares as common shares effective as at that date.

During the year ended December 31, 2020, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Issued 822,548 common shares in private placements at a price of $0.53 per share for gross proceeds of $435,616. In connection with private placements, the Company paid share issuance costs of $16,308.

(ii) Exchanged 4,959,398 preference shares for 4,959,398 common shares on January 10, 2020. The stated capital of the exchanged shares was $24,797.

During the year ended December 31, 2021, the Company transacted in its issued and outstanding common shares as follows:

(iii) Issued 538,915 common shares in private placements at a price of $0.53 per share for gross proceeds of $285,625. Included in these shares issuances were proceeds of $264,403 that had been collected prior to December 31, 2020.

(iv) Issued 1,666,759 common shares in private placements at a price of $1.50 per share for gross proceeds of $2,500,140.

(v) Paid referral fees of $249,201 which are categorized as share issuance costs.

As at December 31, 2021, the Company has 22,945,260 common shares issued and outstanding.

Between January 1, 2022 and February 25, 2022, the Company issued 233,868 common shares at $1.50 per share and 40,750 common shares at $2.00 per share in private placements for gross proceeds of $432,303.

As at February 25, 2022, the Company has 23,219,878 common shares issued and outstanding.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at December 31, 2021.

Transactions with Related Parties

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

		2021		**2020**
Salaries and benefits	$	65,000	$	31,900
Share-based payments		12,704		15,905
	$	77,704	$	47,805

(b) As at December 31, 2020, advances of $142,570 are due to the President of the Company. These advances were unsecured, due on demand, and were made for general working capital purposes. Interest incurred on the loan from the President totaled $26,000 for the year ended December 31, 2021 (2020 - $Nil). All advances were repaid in full on October 20, 2021.

(c) On January 10, 2020, the Company exchanged 4,959,398 preference shares belonging to the President of the Company for 4,959,398 common shares. The stated capital of the exchanged shares was $24,797.

(d) During the year ended December 31, 2021, the Company incurred advertising expenses of $14,955 (2020 - $Nil) to The Justin Poy Agency, which is a company controlled by a director.

(e) During the year ended December 31, 2021, the Company incurred anti-money laundering consulting fees of $17,799 (2020 - $Nil) to The AML Shop, which is a company controlled by a director.

Key Risks and Uncertainties

Management has identified the following risks and uncertainties:

Absence of Operating History

The Company has a limited operating history on which an investor might evaluate its performance. It is therefore subject to many of the risks common to early–stage enterprises, including under–capitalization, cash shortages, limitations with respect to personnel and financing sources and lack of revenues, any of which could have a material adverse effect on the Company and may force it to reduce or curtail its operations. The Company is not currently profitable and has incurred operating losses since its inception. There is no assurance that the Company will generate profits in the future, or that profitability will be sustained, and the likelihood of success must be considered in light of the early stage of its operations. Even if the Company accomplishes its objectives, it may not generate positive cash flows or profits.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. Because the Company's business lines are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of third–party service providers, counterparties or other third parties, failed or inadequate processes, design flaws and technology or system failures and malfunctions.

Operational errors or significant operational delays could materially negatively impact the Company's ability to conduct its business or service its clients, which could adversely affect results of operations due to potentially higher expenses and lower revenues, create liability for the Company or its clients or negatively impact its reputation. Recurring operational issues may also raise concerns among regulators regarding the Company's governance and control environment.

Future Capital Needs and Uncertainty of Additional Financing

The Company currently anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the Company may need to raise additional funds in order to support expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of other shares in the capital of the Company. If adequate funds are not available on acceptable terms the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Digital Assets and Distributed Ledger Technology May Not Be Widely Adopted

Digital Currency is a new asset class that, as of yet, have not been widely adopted. The majority of the Company's business relies, and will rely, on the acceptance and use of CADT at a scale to create demand sufficient to make the Company's business lines commercially viable. Though the Company believes that the anticipated benefits of Digital Currencies will create such demand, there can be no assurance that this will occur, or if it does occur that it will be in the near term.

Unproven Market

CADT is a novel application of technology to the use of Canadian currency as a storage of value and a medium of exchange which aims to facilitate everyday transactions. There is currently no proven market for a service of this kind, and there can be no assurance that a market will develop in the near future, or at all. BVCI is relying on its ability to convince customers that its services are an attractive alternative to other forms of transaction–accessible accounts (such as bank accounts, and competitor virtual payment solutions), and other stores of monetary value (such as currencies, commodities, equities, debt instruments, and ETFs). BVCI believes that its assumptions and projections are reasonable, based on the proven markets for Canadian currency, and for internet–based payment settlement services, but there can be no assurance that this will be the case. Any failure to develop and sustain a market for BVCI's services could adversely affect BVCI's business, operations, and financial condition.

Interest in Canadian Dollars

The development of BVCI's business depends on the interest of the public wishing to hold and transact in Canadian dollars. Accordingly, BVCI's ability to establish its business and become profitable depends on the public's perception of Canadian dollars and on its future foreign exchange rate with other currencies, and will be significantly affected by changes in such foreign exchange rates. Foreign exchange rates can be subject to volatile price movements which can be material and occur over short periods of time, and which are affected by numerous factors, all of which are beyond BVCI's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, speculative trading, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the Canadian dollar, and political developments. The effect of these factors on the value of the Canadian dollar (and hence the CADT), and therefore the economic viability of any of BVCI's business, cannot be accurately determined.

Lack of Regulation and Customer Protection

BVCI's business is designed to be in full compliance with all legal and regulatory requirements of its users, including anti–money laundering legislation and banking department recordkeeping requirements, as well as being fully integrated with the ability to check various worldwide watch lists for wanted criminals and terrorists. Nevertheless, the fact that BVCI is not a bank, investment dealer or trust company, may result in the business of BVCI not being subject to a regulatory environment which is as extensive and robust as the regulatory environment for financial institutions. Furthermore, BVCI does not have insurance through government sponsored programs or deposit insurance and has no private insurance coverage. Although Canadian money is held by the Escrow Agent there can be no assurance that a third party will not claim an interest in such property in a legal proceeding or claim against BVCI, the Trustee, or any of their respective affiliates.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company’s ability to continue as a going concern.

Share-based Payments Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense. The Black-Scholes model involves six key inputs to determine fair value of an option or warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-term Debt and Loan Payable

Long-term debt and loan payable are measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest–bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of long-term debt and accretion expense recognized

Financial Risk Management

Fair Values

The Company's financial instruments consist of cash, grant receivable, accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt. The fair values of these instruments, except for loan payable and long-term debt, approximate their carrying values due to the short–term nature of these instruments. The loan payable and long-term debt are carried at their present value, which is the discounted value of the cash flows required to settle the obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at December 31, 2021, the Company has liabilities of $72,661 due within twelve months and has cash of $229,462 to meet its current obligations (2020 – current liabilities of $257,832 and cash and grant receivable of $82,619). As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	**1 - 3 years**	**4 - 5 years**	**Total**
December 31, 2021				
Accounts payable	$ 72,661	$ -	$ -	$ 72,661
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 72,661	$ 790,000	$ -	$ 862,661
December 31, 2020				
Accounts payable	$ 115,262	$ -	$ -	$ 115,262
Advances to shareholder	142,570	-	-	142,570
Loan payable	-	40,000	-	40,000
Long-term debt	-	1,00,000	-	1,000,000
	$ 257,832	$ 1,040,000	$ -	$ 1,297,832

Credit Risk

Credit risk is the risk of loss associated with a counter–party's inability to fulfil its payment obligations. As at December 31, 2021, the Company's maximum exposure to credit risk is $229,462 and is comprised of cash and grant receivable (2020 – $82,619). All of the Company's cash is held in a chartered bank in Canada and grant receivable is due from the Government of Canada, which are both considered of high credit quality. Management has judged credit risk to be low.

Management of Capital

The Company includes the following in its managed capital:

		2021		2020
Share capital	$	3,691,478	$	1,154,914
Shares to be issued		271,303		264,403
Reserves		323,784		118,296
Deficit		(4,746,068)		(2,482,027)
	$	(459,503)	$	(944,414)

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Segmented Information

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

All of the Company's revenues are earned in Canada and all of the Company's assets are located in Canada and accordingly, the Company has no segmented information to disclose.

Significant Accounting Policies

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented.

Revenue Recognition

Other income is earned as a consulting fee from other blockchain companies for time spent aiding in implementation of a blockchain solution.

Revenue is recognized when (i) the Company and its customer have signed a contract identifying each party's rights and payment terms for the delivery of services; (ii) it is probable that the Company will collect its fees under the contract; and (iii) the Company has satisfied its performance obligations for the delivery of services.

Financial Instruments

Recognition and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows from a financial asset have expired or substantially all risks and rewards of ownership have been transferred, or when obligations under financial liabilities have been discharged, cancelled, or expired.

Gains and losses on derecognition, determined as the difference between the settlement amount and the carrying value of a financial asset or liability, are recognized in the statement of comprehensive income (loss).

Classification

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Cash and grant receivable are classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, advances from shareholder, loan payable, and long-term debt are classified as subsequently measured at amortized cost.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Impairment

The Company assesses all information available, including on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward looking information.

Share Capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity.

Share-based Payments

The Company has a stock option plan that is described in the financial statements. Employees (including officers), directors, and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Any consideration received by the Company on the exercise of stock options is credited to share capital. The cost of options is recognized, together with a corresponding increase in reserves, over the period in which the corresponding performance and/or service conditions are fulfilled, ending on the date on which the relevant optionee becomes fully entitled to the award ("vesting date").

The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company's best estimate of the number of options that will ultimately vest on the vesting date. The Company records compensation expense and credits contributed surplus for all stock options granted, which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for share-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of share-based payments expense.

Where the terms of a stock option award are modified, the minimum expense recognized is the amount as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option, or is otherwise beneficial to the optionee as measured at the date of modification. Where an option is cancelled, any expense not yet recognized for the vested options on the date of cancellation is recognized immediately.

Income Taxes

The Company follows the asset and liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for loss carry-forwards. The resulting changes in the net deferred tax asset or liability are included in income.

Deferred tax assets and liabilities are measured using enacted, or substantively enacted, tax rates expected to apply to taxable income (loss) in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates, is included in income in the period that includes the substantive enactment date. Deferred income 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.

Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect on the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the initial transaction.

Loss Per Share

Basic earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the fiscal year. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive shares. Instruments which would be anti-dilutive are not included in the calculation of diluted earnings (loss) per share.

Government Assistance and Grants

Government assistance and grants are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the statement of comprehensive loss, as determined by the terms and conditions of the agreements under which the assistance is provided to the Company or the nature of the expenditures which gave rise to the grants. Government assistance and grants receivable are recorded when their receipt is reasonably assured.

Research and Development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

Recent Accounting Pronouncements

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

(a) In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 9, *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

(b) The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at https://www.bvcadt.com/

Management’s Discussion and Analysis
Year Ended December 31, 2020

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors. The management’s discussion and analysis (MD&A) is prepared to conform to National Instrument 51–102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Blockchain Venture Capital Inc.’s ("BVCI" or the "Company") audited financial statements for the year ended December 31, 2020 together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, fair value measurements of shares–based payments and contingent liabilities.

This MD&A is prepared as of July 14, 2021.

Forward Looking Statements

Certain statements contained in the report constitute forward–looking statements. When used in this document the words “anticipate”, “believe”, “estimate”, “expect”, “plan”, “future”, “intend”, “may”, “will”, “should”, “predicts”, “potential”, “continue”, and similar expressions, as they relate to BVCI or its management, are intended to identify forward–looking statements. Such statements reflect current views of BVCI with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in legislation governing digital currency and blockchain technology, market demand for blockchain and distributed ledger technology, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward–looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward–looking statements.

Description of Business

Blockchain Venture Capital Inc. (“BVCI”) is a provider of an innovative technology infrastructure to participants in the emerging blockchain and ledger technology industry. Instrumental to BVCI’s business and growth strategy is BVC Chain, a proprietary blockchain platform and ledger technology which serves as a platform and infrastructure for BvcPay and CADT, as well as the potential future development of a multitude of blockchain platform–based solutions, products and services. Collectively, BVC Chain, BvcPay and CADT strategically position BVCI to capture the full value chain resulting from the transitioning of data and other financial assets to a blockchain platform and ledger, and the new paradigm of conducting business that utilize such technologies.

BVCI was incorporated on June 18, 2018 under the *Business Corporations Act* (Ontario), and has its head office at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3.

Overall Performance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near–term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

As at December 31, 2020, the Company has negative working capital of $151,237, compared to working capital of $60,403 as at December 31, 2019. Working capital was reduced during the year ended December 31, 2020 by cash used in operating activities of $935,056. Working capital increased by $683,711 from the proceeds of issuing common shares and shares to be issued, $60,000 from a loan received from the Government of Canada, and $142,756 received from the Company’s principal shareholder.

Commercial operations in respect of the blockchain platform have not yet commenced, and the Company has not yet begun to generate revenue from the platform. During the 2020 year, revenue of $1,204 was earned, which is related to the preliminary testing operations of the blockchain.

Management intends to continue financing operations through equity financings until such time as the blockchain platform commences operating.

Results of Operations

Year Ended December 31, 2020 and 2019

During the year ended December 31, 2020, net loss was $1,116,129 compared to $578,857 for the year ended December 31, 2019.

Net loss for 2020 is primarily comprised of the following:

- Professional fees of $604,129 were incurred in the year ended December 31, 2020 (2019 – $232,636), which are legal fees for evaluating and assisting in the setup of the business structure, as well as review of agreements, corporate record keeping, and preparing the prospectus.

- Share-based payments totaled $118,296 for the year ended December 31, 2020, which represent the value of options granted to officers, directors, and consultants under the company's incentive stock option plan, which was adopted on August 31, 2020. There were no stock options outstanding during the year ended December 31, 2019.

- Blockchain service fees of $121,000 were incurred for the year ended December 31, 2020 (2019 – $Nil), which were paid to the vendor of the core blockchain technology, for 24/7 support and continuing development and service work provided by the vendor.

- Office and general expenses of $120,845 were incurred in the year ended December 31, 2020 (2019 – $66,943), which is comprised of rent of $34,287 (2019 – $14,071), advertising of $32,191 (2019 - $13,006), server hosting fees of $19,987 (2019 – $10,821), and other items such as office, supplies, travel, meals, and promotional expenses totaling $34,380 (2019 – $29,045).

- Blockchain costs of $85,012 were incurred for the year ended December 31, 2020 compared to $151,180 for the year ended December 31, 2019. Blockchain costs incurred in the year ended December 31, 2020 included API fees of $14,469 (2019 – $48,968), consulting fees of $19,291 (2019 – $54,027), and anti–money laundering fees of $51,252 (2019 – $48,185).

- Accretion expense of $70,356 was incurred in the year ended December 31, 2020 (2019 – $73,701), in respect of the Company's long-term debt due to the vendor of its core blockchain technology. Accretion is accrued at the rate of 10% per annum until the maturity of the long-term debt, which is due November 10, 2023.

- Salaries and wages expense of $24,964 was incurred in the year ended December 31, 2020 (2019 – $Nil) which includes salaries for the President of $31,900 (2019 – $Nil) and for other part–time staff.

- Loss on debt settlement of $63,397 was incurred in the year ended December 31, 2019, which was a one–time non–cash loss related to the difference between the value of common shares issued of $200,000 and the book value of debt settled of $136,603. Under IFRS, long-term debts are required to be stated at their present value, thus the loss is the result of a difference between the book value of the debt settled and the value of the amount settled.

Loss per share was $0.05 for the year ended December 31, 2020, compared to $0.03 for the year ended December 31, 2019.

Fourth Quarter Ended December 31, 2020 and 2019

During the fourth quarter ended December 31, 2020, net loss was $245,066 compared to $285,112 for the quarter ended December 31, 2019.

Net loss for Q4 2020 is primarily comprised of the following:

- Professional fees totaled $150,854 for the quarter ended December 31, 2020 (2019 – $133,586), which were comprised of accounting and audit fees of $8,475 (2019 – 28,075) and legal fees of $142,379 (2019 – 105,511). Legal fees were for work on the company's prospectus as well as evaluating and advising on potential reverse takeover options.

- Share-based payments totaled $28,272 for the quarter ended December 31, 2020 (2019 – $Nil), which represent the value of options granted to officers, directors, and consultants under the company's incentive stock option plan, which was adopted on August 31, 2020. There were no stock options outstanding during the quarter ended December 31, 2019.

- Blockchain costs of $3,955 were incurred for the quarter ended December 31, 2020 (2019 – $31,350). These costs include API fees, consulting fees, and anti–money laundering fees.

- Accretion expense of $19,236 was incurred in the quarter ended December 31, 2020 (2019 – $17,971), in respect of the Company's long-term debt due to the vendor of its core blockchain technology. Accretion is accrued at the rate of 10% per annum until the maturity of the long-term debt, which is due November 10, 2023.

- Office and general expenses of $51,393 were incurred for the quarter ended December 31, 2020 (2019 – $43,808), which were comprised of rent, travel, server hosting fees, and meals and entertainment.

Selected Annual Information

Selected annual information from the audited financial statements for the year ended December 31, 2020 is presented in the table below. The financial data has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is reported in Canadian dollars

	December 31, 2020	December 31, 2019	December 31, 2018
Total assets	108,522	118,575	1,000
Total liabilities	1,052,936	748,867	–
Total equity	(944,414)	(630,292)	1,000
Net loss and comprehensive loss	(1,116,129)	(578,857)	–
Loss per share – basic and diluted	(0.05)	(0.03)	0.00

Total assets were $108,522 as at December 31, 2020, a decrease of $10,053 from $118,575 as at December 31, 2019. Assets are comprised of cash of $62,774, grant receivable of $19,845, and prepaids and deposits of $23,976.

Total liabilities were $1,052,936 as at December 31, 2020, an increase of $304,069 from $748,867 as at December 31, 2019. Current liabilities are comprised of trade payables due in respect of legal, audit, and accounting fees. Non–current liabilities are comprised of a loan payable of $40,000 to the Government of Canada on December 31, 2022 and long-term debt of $1,000,000 due to the vendor of the Company's core blockchain technology on November 10, 2023. These non-current liabilities are carried at their present value of $1,052,936 on the statement of financial position.

Total equity was ($944,414) as at December 31, 2020 compared to ($630,292) as at December 31, 2019. Equity is comprised of share capital of $1,154,914, shares to be issued of $264,403, reserves of $118,296, and an accumulated deficit of $2,482,027 as at December 31, 2020. Share capital increased from $710,809 to $1,154,914 as a result of private placements of $435,616 during the year, and net of share issuance costs of $16,308.

Discussion of Operations

The Company is in a very early stage of development and as of the date hereof has no revenue. As a result, there are no costs of sales or gross profits to report. This year, the Company has been focused on building a relationship with a schedule 1 Canadian bank and trust company, building a relationship with a payment service provider, and raising funds pursuant to various private placements in order to cover the cost of operating expenses. In the near future, the Company plans to organize and conduct a marketing campaign in an effort to bring users onto the Company's platform. Effective July 20, 2020, the Company entered into a custodial agreement ("Custodial Agreement") with Concentra Trust, a federal trust company incorporated pursuant to the laws of Canada. Users who purchase the Company's stablecoin CADT will deposit Canadian dollar funds with the Company, who is holding funds in trust for the benefit of the users. Under the terms of the Custodial Agreement, the Company has nominated Concentra Trust as its agent to hold the Canadian dollar funds representing corresponding CADT issued to users.

To date there have been no unusual or infrequent events or transactions.

Summary of Quarterly Results

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows. The Company was incorporated on June 18, 2018, and accordingly, there are no fiscal periods prior to this date.

Quarter **Fiscal Year**	**Q4** **2020**	**Q3** **2020**	**Q2** **2020**	**Q1** **2020**	**Q4** **2019**	**Q3** **2019**	**Q2** **2019**	**Q1** **2019**
Net loss	(245,066)[(1)]	(271,754)[(2)]	(495,300)[(3)]	(104,009)[(4)]	(285,112)[(5)]	(91,578)[(6)]	(65,836)[(7)]	(136,331)[(8)]
Loss per share	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.00)	(0.00)	(0.01)

(1) Decrease from prior quarter was $26,688 and was primarily comprised of a decrease in share-based payments of $61,752 due to options vesting in Q3 and an increase in legal fees of $13,669 and an increase in office and general of $28,512.

(2) Decrease from prior quarter was $223,546 and was primarily comprised of a decline in legal fees of $178,905 and a decline in system development service charges from Jiangsu Hengwei of $90,000.

(3) Increase from prior quarter was $391,291 and was primarily comprised of increased legal fees of $316,090 and an increase in system development service charges from Jiangsu Hengwei of $59,000.

(4) Decrease from prior quarter was $181,103 and was primarily comprised of decreased legal fees of $133,586 as well as the non-recurrence of the loss on debt settlement in the previous quarter of $63,397.

(5) Increase from prior quarter was $193,534, of which $63,397 was a one-time, non-cash loss on debt settlement related to the issuance of common shares for partial settlement of the Company's long-term debt and an increase in professional fees expense of $103,240.

(6) Increase from prior quarter was $25,742 and was primarily comprised of increased blockchain costs of $36,287 including anti-money laundering and API fees.

(7) Decrease from prior quarter was $70,495 and was primarily comprised of decreased professional fees of $83,543 related to the prospectus and business plan development.

(8) Increase from prior quarter was $650,710 and was a result of the purchase of the Company's core blockchain technology, for $754,106, as well as other blockchain consulting costs of $78,256 for developing anti-money laundering procedures.

Liquidity and Capital Resources

As at December 31, 2020, the Company has cash of $62,774 available to settle current liabilities of $257,832 (2019 – cash of $112,493 to settle current liabilities of $56,252). The Company also has a non–current liabilities of $1,000,000 due November 10, 2023 and $40,000 due December 31, 2022, which are presented at their present value of $795,104 on the statement of financial position as at December 31, 2020.

The Company does not currently have a recurring source of revenue and has incurred negative cash flows from operations since inception. As at December 31, 2020, the Company has negative working capital of $151,237 consisting of cash, less trade payables and advances from a shareholder. All cash is held at a chartered bank in Canada and is unrestricted.

Management intends to finance operations through continued equity financings until the Company's blockchain platform is ready to operate, at which time it can begin earning revenue.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

The Company has a contractual commitment to pay $24,000 per year to the vendor of its underlying blockchain technology for software maintenance and support, for the 5–year term ending November 10, 2023. The Company recognizes an expense when invoices are received in respect of this maintenance and support.

Outstanding Share Data

During the year ended December 31, 2020, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Issued 822,548 common shares in private placements at a price of $0.53 per share for gross proceeds of $435,616. In connection with private placements, the Company paid share issuance costs of $16,308.

(ii) Exchanged 4,959,398 preference shares for 4,959,398 common shares on January 10, 2020. The stated capital of the exchanged shares was $24,797.

During the year ended December 31, 2019, the Company transacted in its issued and outstanding common and preference shares as follows:

(i) Exchanged 17,999,820 common shares for 199,998 preference shares on October 17, 2019. The stated capital of the exchanged shares was $1,000.

(ii) Exchanged 4,759,400 preference shares for the extinguishment of advances from shareholder of $23,797 on October 17, 2019.

(iii) Exchanged 13,040,460 common shares for the extinguishment of advances from shareholder of $260,809 on October 25, 2019.

(iv) Issued 1,350,000 common shares in private placements at a price of $0.11 per share for gross proceeds of $150,000.

(v) Issued 567,000 common shares in private placements at a price of $0.53 per share for gross proceeds of $300,000. As described in note 6, 378,000 of these shares were issued directly to the creditor for the long-term debt as a partial debt settlement.

On December 23, 2019, the Company authorized a stock dividend of 14,874,542 common shares to effect an increase in the number of shares issued and outstanding, on the basis of 180 new common shares for each existing common share as at that date. All quantities of common shares in these financial statements are stated on a post–dividend basis.

On January 10, 2020, the Company amended its articles of incorporation to redesignate the preference shares as common shares effective as at that date.

As at December 31, 2020, the Company has 20,739,586 common shares issued and outstanding.

As at July 14, 2021, the Company has 21,810,663 common shares issued and outstanding.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at December 31, 2020.

Transactions with Related Parties

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

		2020		**2019**
Salaries and benefits	$	31,900	$	-
Share-based payments		15,905		-
	$	47,805	$	-

(b) During the year ended December 31, 2020, the President made advances to the Company for working capital purposes, totaling $142,756. As at December 31, 2020, there remains a balance payable to the President totaling $142,570, which is unsecured, non–interest bearing, and is due on demand.

Key Risks and Uncertainties

Management has identified the following risks and uncertainties:

Absence of Operating History

The Company has a limited operating history on which an investor might evaluate its performance. It is therefore subject to many of the risks common to early–stage enterprises, including under–capitalization, cash shortages, limitations with respect to personnel and financing sources and lack of revenues, any of which could have a material adverse effect on the Company and may force it to reduce or curtail its operations. The Company is not currently profitable and has incurred operating losses since its inception. There is no assurance that the Company will generate profits in the future, or that profitability will be sustained, and the likelihood of success must be considered in light of the early stage of its operations. Even if the Company accomplishes its objectives, it may not generate positive cash flows or profits.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. Because the Company's business lines are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of third–party service providers, counterparties or other third parties, failed or inadequate processes, design flaws and technology or system failures and malfunctions.

Operational errors or significant operational delays could materially negatively impact the Company's ability to conduct its business or service its clients, which could adversely affect results of operations due to potentially higher expenses and lower revenues, create liability for the Company or its clients or negatively impact its reputation. Recurring operational issues may also raise concerns among regulators regarding the Company's governance and control environment.

Future Capital Needs and Uncertainty of Additional Financing

The Company currently anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the Company may need to raise additional funds in order to support expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of other shares in the capital of the Company. If adequate funds are not available on acceptable terms the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Digital Assets and distributed ledger technology may not be widely adopted

Digital Currency is a new asset class that, as of yet, have not been widely adopted. The majority of the Company's business relies, and will rely, on the acceptance and use of CADT at a scale to create demand sufficient to make the Company's business lines commercially viable. Though the Company believes that the anticipated benefits of Digital Currencies will create such demand, there can be no assurance that this will occur, or if it does occur that it will be in the near term.

Unproven Market

CADT is a novel application of technology to the use of Canadian currency as a storage of value and a medium of exchange which aims to facilitate everyday transactions. There is currently no proven market for a service of this kind, and there can be no assurance that a market will develop in the near future, or at all. BVCI is relying on its ability to convince customers that its services are an attractive alternative to other forms of transaction–accessible accounts (such as bank accounts, and competitor virtual payment solutions), and other stores of monetary value (such as currencies, commodities, equities, debt instruments, and ETFs). BVCI believes that its assumptions and projections are reasonable, based on the proven markets for Canadian currency, and for internet–based payment settlement services, but there can be no assurance that this will be the case. Any failure to develop and sustain a market for BVCI's services could adversely affect BVCI's business, operations, and financial condition.

Interest in Canadian Dollars

The development of BVCI's business depends on the interest of the public wishing to hold and transact in Canadian dollars. Accordingly, BVCI's ability to establish its business and become profitable depends on the public's perception of Canadian dollars and on its future foreign exchange rate with other currencies, and will be significantly affected by changes in such foreign exchange rates. Foreign exchange rates can be subject to volatile price movements which can be material and occur over short periods of time, and which are affected by numerous factors, all of which are beyond BVCI's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, speculative trading, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the Canadian dollar, and political developments. The effect of these factors on the value of the Canadian dollar (and hence the CADT), and therefore the economic viability of any of BVCI's business, cannot be accurately determined.

Lack of Regulation and Customer Protection

BVCI's business is designed to be in full compliance with all legal and regulatory requirements of its users, including anti–money laundering legislation and banking department recordkeeping requirements, as well as being fully integrated with the ability to check various worldwide watch lists for wanted criminals and terrorists. Nevertheless, the fact that BVCI is not a bank, investment dealer or trust company, may result in the business of BVCI not being subject to a regulatory environment which is as extensive and robust as the regulatory environment for financial institutions. Furthermore, BVCI does not have insurance through government sponsored programs or deposit insurance and has no private insurance coverage. Although Canadian money is held by the Escrow Agent there can be no assurance that a third party will not claim an interest in such property in a legal proceeding or claim against BVCI, the Trustee, or any of their respective affiliates.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company's ability to continue as a going concern.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-term Debt

Long-term debt is measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest–bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of long-term debt and accretion expense recognized

Financial Risk Management

Fair Values

The Company's financial instruments consist of cash, grant receivable, advances to shareholder, accounts payable and accrued liabilities, and long-term debt. The fair values of these instruments, except for long-term debt, approximate their carrying values due to the short–term nature of these instruments. The long-term debt is carried at its present value, which is the discounted value of the cash flows required to settle the obligation.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at December 31, 2020, the Company has liabilities of $257,832 due within twelve months and has cash of $82,619 to meet its current obligations (2019 – liabilities of $56,252 and cash of $112,493). As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	1 - 3 years	4 - 5 years	Total
December 31, 2020				
Accounts payable	$ 115,262	$ -	$ -	$ 115,262
Advances to shareholder	142,570	-	-	142,570
Loan payable	-	40,000	-	40,000
Long-term debt	-	1,00,000	-	1,000,000
	$ 257,832	$ 1,040,000	$ -	$ 1,297,832
December 31, 2019				
Accounts payable	$ 56,252	$ -	$ -	$ 56,252
Long-term debt	-	-	1,000,000	1,000,000
	$ 56,252	$ -	$ 1,000,000	$ 1,056,252

Credit Risk

Credit risk is the risk of loss associated with a counter–party's inability to fulfil its payment obligations. As at December 31, 2020, the Company's maximum exposure to credit risk is $82,619 and is comprised of cash and grant receivable (2019 – $112,493). All of the Company's cash is held in a chartered bank in Canada and grant receivable is due from the Government of Canada, which are both considered of high credit quality. Management has judged credit risk to be low.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website at https://bvcinc.ca/.

Management's Discussion and Analysis
Three Months Ended March 31, 2022

The following discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for review of the disclosure principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors. The management's discussion and analysis (MD&A) is prepared to conform to National Instrument 51–102F1 and has been approved by the Board of Directors. This MD&A should be read in conjunction with Blockchain Venture Capital Inc.'s ("BVCI" or the "Company") interim condensed financial statements for the three months ended March 31, 2022 together with the accompanying notes. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, fair value measurements of shares–based payments and contingent liabilities.

This MD&A is prepared as of July 8, 2022.

Forward Looking Statements

Certain statements contained in the report constitute forward–looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to BVCI or its management, are intended to identify forward–looking statements. Such statements reflect current views of BVCI with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in legislation governing digital currency and blockchain technology, market demand for blockchain and distributed ledger technology, uncertainties relating to the availability and costs of financing needed in the future, the capital and operating costs varying significantly from estimates, delays in the development of projects, as well as those risk factors discussed or referred to herein, including those set forth under the heading "Risks and Uncertainties". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Unless required by law, the Company undertakes no obligation to update forward–looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward–looking statements.

Description of Business

Blockchain Venture Capital Inc. ("BVCI") is a provider of an innovative technology infrastructure to participants in the emerging blockchain and ledger technology industry. Instrumental to BVCI's business and growth strategy is BVC Chain, a proprietary blockchain platform and ledger technology which serves as a platform and infrastructure for BvcPay and CADT, as well as the potential future development of a multitude of blockchain platform–based solutions, products and services. Collectively, BVC Chain, BvcPay and CADT strategically position BVCI to capture the full value chain resulting from the transitioning of data and other financial assets to a blockchain platform and ledger, and the new paradigm of conducting business that utilize such technologies.

BVCI was incorporated on June 18, 2018 under the *Business Corporations Act* (Ontario), and has its head office at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Overall Performance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near–term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business. These circumstances create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

As at March 31, 2022, the Company has negative working capital of $85,703, compared to working capital of $202,618 as at December 31, 2021. Working capital was reduced during the three months ended March 31, 2022 by cash used in operating activities of $497,587. Working capital increased by cash provided by financing activities of $382,984, which were comprised of $160,999 proceeds from issuing common shares, $266,750 received for shares to be issued, less $44,765 paid for share issuance costs.

Commercial operations in respect of the blockchain platform have not yet commenced, and the Company has not yet begun to generate revenue from the platform. During the first quarter, no revenue was earned.

Management intends to continue financing operations through equity financings until such time as the blockchain platform commences operating.

Proposed Amalgamation

On March 15, 2021, the Company entered into a definitive agreement with Flexwork Properties Ltd. ("Flexwork"), a company incorporated in Ontario and listed on the Canadian Securities Exchange under the symbol "RNG". BVCI and Flexwork intend to complete a reverse takeover ("RTO") which will continue and carry on the business of BVCI.

The RTO is proposed to be completed by way of an amalgamation of BVCI and Flexwork on the basis of one common share of the resulting issuer for each issued and outstanding common share of BVCI and Flexwork. Prior to completing the amalgamation, Flexwork will consolidate its common shares on the basis of 19.1057626 common shares for one new common share. All outstanding options and warrants of Flexwork will be reissued by the amalgamated corporation based on the above consolidation ratio.

Concurrent with the proposed RTO, BVCI intends to complete a private placement aggregating up to a maximum of 2,000,000 common shares at an issue price of $1.75 per share for the purposes of funding its working capital requirements and carrying on the business of the resulting issuer.

It is anticipated that upon completion of the proposed RTO, 95% of the resulting issuer's shares will be allocated to the shareholders of BVCI and the remaining 5% of the resulting issuer's shares will be allocated to the current shareholders of Flexwork.

Results of Operations

Three Months Ended March 31, 2022 compared to 2021

During the three months ended March 31, 2022, net loss was $697,532, compared to $389,941 for the three months ended March 31, 2021.

Net loss for the quarter is primarily comprised of the following:

- Professional fees of $218,582 were incurred in the three months ended March 31, 2022 (2021 – $262,542), which are legal fees for preparing the prospectus, work on potential reverse takeover transactions, and corporate record keeping and review of agreement totaling $203,157 (2021 - $235,987) and accounting and audit fees of $15,425 (2021 - $26,555) related to the CFO’s services.

- Share-based payments totaled $9,672 (2021 - $28,272) for the three months ended March 31, 2022, which represent the value of options granted to officers, directors, and consultants under the company’s incentive stock option plan, which was adopted on August 31, 2022. The decrease relates to fewer options remaining to vest under the graded vesting schedule.

- Office and general expenses of $141,357 were incurred for the three months ended March 31, 2022 (2021 – $24,137), which is comprised of adverting and promotion of $38,718 (2021 - $2,000), investor relations of $33,900 (2021 - $nil), rent of $24,032 (2021 – $7,917), and other items such as insurance, office supplies, travel, meals, and promotional expenses totaling $44,707 (2021 – $14,220).

- Trustee fees of $70,343 (2021 - $23,448) were incurred to Concentra Trust for the three months ended March 31, 2022 for administration of custodial funds for the Company’s CADT stablecoin. Monthly fees of $23,448 began being charged on March 1, 2021. The increase relates to three months of fees paid in 2022 versus one month paid in 2021.

- Blockchain costs of $118,986 were incurred for the three months ended March 31, 2022 compared to $22,687 for the three months ended March 31, 2021. Blockchain costs include consulting fees of $115,150 (2021 – $5,300), API fees of $2,543 (2021 – $nil), and anti–money laundering fees of $1,293 (2021 – $17,387).

- Accretion expense of $16,116 was incurred for the three months ended March 31, 2022 (2021 – $19,350), in respect of the Company's long-term debt due to the vendor of its core blockchain technology. Accretion is accrued at the rate of 10% per annum until the maturity of the long-term debt, which is due November 10, 2023. The decrease relates to the amortization of debt and reduction of the discount of present value versus principal value.

- Salaries and wages expense of $92,476 was incurred for the three months ended March 31, 2022 (2021 – $30,291) which includes salaries for the President of $24,000 (2021 – $11,000) and for other part–time staff. As at March 31, 2022, the company has 4 full-time staff members, compared to 2 full-time staff members as at March 31, 2021.

Loss per share was $0.03 for the three months ended March 31, 2022, compared to $0.02 for the three months ended March 31, 2021.

Discussion of Operations

The Company is in a very early stage of development and as of the date hereof has no revenue. As a result, there are no costs of sales or gross profits to report. This year, the Company has been focused on building a relationship with a schedule 1 Canadian bank and trust company, building a relationship with a payment service provider, and raising funds pursuant to various private placements in order to cover the cost of operating expenses. In the near future, the Company plans to organize and conduct a marketing campaign in an effort to bring users onto the Company's platform. Effective July 20, 2020, the Company entered into a custodial agreement ("Custodial Agreement") with Concentra Trust, a federal trust company incorporated pursuant to the laws of Canada. Users who purchase the Company's stablecoin CADT will deposit Canadian dollar funds with the Company, who is holding funds in trust for the benefit of the users. Under the terms of the Custodial Agreement, the Company has nominated Concentra Trust as its agent to hold the Canadian dollar funds representing corresponding CADT issued to users.

To date there have been no unusual or infrequent events or transactions.

Outstanding Debts

Outstanding debts are comprised of a loan payable of $40,000 and long-term debt of $750,000 as at March 31, 2022. Both the loan payable and long-term debt are unsecured and are stated at the present value of the principal amounts, utilizing a discount rate of 10% per annum, and are presented as non-current liabilities on the statement of financial position.

Loan Payable

The loan payable was received from to the Government of Canada under the Canadian Emergency Business Account ("CEBA") program and is due December 31, 2023. Under the CEBA program, the Government of Canada will forgive $20,000 of the original principal of $60,000, assuming that the loan is repaid before its due date of December 31, 2023.

At the time the CEBA loan was received, the due date was December 31, 2022, however on January 12, 2022, the Government of Canada announced an automatic extension of 1 further year, such that the loans would not be due until December 31, 2023.

The Company recognized income of $27,867 in its financial statements during the year ended December 31, 2020, representing the forgivable portion of $20,000, as well as $7,867 as the present value of the interest-free portion. The Company intends to settle the debt before the due date in order to ensure it receives the forgivable amount.

Accretion expense was $868 for the three months ended March 31, 2022 and 2021 in respect of this loan payable.

The carrying value of the remaining principal of $40,000 as at March 31, 2022 is $37,398.

Long-Term Debt

The long-term debt is an amount payable on the purchase of the Company's core blockchain technology, to the vendor Jiangsu Hengwell Information Technology Co. Ltd. ("Hengwell"), and is due November 10, 2023. The long-term debt was recognized as a liability of $745,106 at the time of purchase, on November 10, 2018, for the present value of the purchase price of $1,200,000 over a 5-year term.

On November 7, 2019, the Company settled $200,000 of the principal of the debt by way of a set-off agreement, whereby 378,000 common shares of the Company were issued to Hengwell. The Company recognized a loss on early settlement of $63,397 in its financial statements for the year ended December 31, 2019, being the difference between the carrying value of $136,603 and the settled principal amount of $200,000.

On September 29, 2021, the Company repaid $250,000 of the principal of the debt, and recognized a loss on early settlement of $45,642 in its financial statements for the year ended December 31, 2021, being the difference between the carrying value of $204,358 and the settled principal amount of $250,000.

Accretion expense was $15,248 for the three months ended March 31, 2022, and $18,482 for the three months ended March 31, 2021 in respect of this long-term debt.

The carrying value of the remaining principal of $750,000 as at March 31, 2022 is $643,964.

Summary of Quarterly Results

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows.

Quarter Fiscal Year	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**
Net loss	(697,532)(1)	(1,026,614)(2)	(497,159)(3)	(350,327)(4)	(389,941)(5)	(245,066)(6)	(271,754)(7)	(495,300)(8)
Loss per share	(0.03)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)

(1) Decrease from prior quarter was $329,082 and was primarily comprised of a decrease in stock-based compensation of $111,000 since no warrants were issued in Q1, a decrease in professional fees of $78,604, a decrease in office and general expenses of $67,439, and a decrease in blockchain service fees of $65,000 since fewer legal services, blockchain service fees and other activities occurred during this quarter.

(2) Increase from prior quarter was $529,455 and was primarily comprised of an increase in professional fees of $116,281 due to additional work on the company's prospectus and year-end audit fees, an increase of $145,636 in office and general related to advertising, an increase of $59,850 in salaries and wages due to hiring of 2 new staff members, and an increase of $95,000 for blockchain service fees due to the vendor of the core technologies.

(3) Increase from prior quarter was $146,832 and was primarily comprised of an increase in professional fees of $40,080, an increase in salaries and wages of $23,368, an increase in insurance expense of $24,300, and a loss on debt settlement of $45,642. The debt settlement was a one-time payment of $250,000, which reduced the carrying value of long-term debt by $204,358.

(4) Decrease from prior quarter was $39,614 and was primarily comprised of a decrease in professional fees of $121,717, an increase in trustee fees of $46,894, an increase in office and general expenses of $41,165, and an increase in salaries and wages by $23,588. Legal fees are incurred in regard to the company's prospectus.

(5) Increase from prior quarter was $144,875 and was primarily comprised of an increase in professional fees of $111,688 and an increase in blockchain costs of $18,732. Legal fees are incurred in regards to the company's prospectus.

(6) Decrease from prior quarter was $26,688 and was primarily comprised of a decrease in share-based payments of $61,752 due to options vesting in Q3 and an increase in legal fees of $13,669 and an increase in office and general of $28,512.

(7) Decrease from prior quarter was $223,546 and was primarily comprised of a decline in legal fees of $178,905 and a decline in system development service charges from Hengwell of $90,000.

(8) Increase from prior quarter was $391,291 and was primarily comprised of increased legal fees of $316,090 and an increase in system development service charges from Hengwell of $59,000.

Liquidity and Capital Resources

As at March 31, 2022, the Company has cash of $114,859 available to settle current liabilities of $234,663 (December 31, 2021 – cash of $229,462 to settle current liabilities of $72,661). The Company also has a non–current liabilities of $750,000 due November 10, 2023 and $40,000 due December 31, 2023, which are presented at their present value of $681,362 on the statement of financial position as at March 31, 2022 (December 31, 2021 – non-current liabilities have a present value of $665,246).

The Company does not currently have a recurring source of revenue and has incurred negative cash flows from operations since inception. As at March 31, 2022, the Company has negative working capital of $85,703 consisting of cash plus prepaids and deposits, less trade payables. All cash is held at a chartered bank in Canada and is unrestricted.

Management intends to finance operations through continued equity financings until the Company's blockchain platform is ready to operate, at which time it can begin earning revenue.

The Company does not have bank debt or banking credit facilities in place as at the date of this report.

The Company has a contractual commitment to pay $24,000 per year to the vendor of its underlying blockchain technology for software maintenance and support, for the 5–year term ending November 10, 2023. The Company recognizes an expense when invoices are received in respect of this maintenance and support.

Outstanding Share Data

During the three months ended March 31, 2022, the Company transacted in its issued and outstanding common shares as follows:

(i) Issued 233,868 common shares at $1.50 per share and 40,750 common shares at $2.00 per share in private placements for gross proceeds of $432,302. Included in these share issuances were proceeds of $271,303 that had been collected prior to December 31, 2021.

(ii) Paid referral fees of $44,765 which are categorized as share issuance costs.

As at March 31, 2022, the Company has 23,219,878 common shares issued and outstanding.

As at July 8, 2022, the Company has 23,259,878 common shares issued and outstanding.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at March 31, 2022.

Transactions with Related Parties

All transactions with related parties have occurred in the normal course of operations. The Company's related party transactions are as follows:

(a) Key management personnel are those individuals having responsibility for planning, directing, and controlling the activities of the Company. BVCI considers its President to be the sole member of key management. The President is also a significant shareholder and is a director of the Company. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

		2022		2021
Salaries and benefits	$	24,000	$	11,000
Share-based payments		1,300		3,801
	$	25,300	$	14,801

Key Risks and Uncertainties

Management has identified the following risks and uncertainties:

Absence of Operating History

The Company has a limited operating history on which an investor might evaluate its performance. It is therefore subject to many of the risks common to early–stage enterprises, including under–capitalization, cash shortages, limitations with respect to personnel and financing sources and lack of revenues, any of which could have a material adverse effect on the Company and may force it to reduce or curtail its operations. The Company is not currently profitable and has incurred operating losses since its inception. There is no assurance that the Company will generate profits in the future, or that profitability will be sustained, and the likelihood of success must be considered in light of the early stage of its operations. Even if the Company accomplishes its objectives, it may not generate positive cash flows or profits.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. Because the Company's business lines are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of third–party service providers, counterparties or other third parties, failed or inadequate processes, design flaws and technology or system failures and malfunctions.

Operational errors or significant operational delays could materially negatively impact the Company's ability to conduct its business or service its clients, which could adversely affect results of operations due to potentially higher expenses and lower revenues, create liability for the Company or its clients or negatively impact its reputation. Recurring operational issues may also raise concerns among regulators regarding the Company's governance and control environment.

Future Capital Needs and Uncertainty of Additional Financing

The Company currently anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the Company may need to raise additional funds in order to support expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of other shares in the capital of the Company. If adequate funds are not available on acceptable terms the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Digital Assets and distributed ledger technology may not be widely adopted

Digital Currency is a new asset class that, as of yet, have not been widely adopted. The majority of the Company's business relies, and will rely, on the acceptance and use of CADT at a scale to create demand sufficient to make the Company's business lines commercially viable. Though the Company believes that the anticipated benefits of Digital Currencies will create such demand, there can be no assurance that this will occur, or if it does occur that it will be in the near term.

Unproven Market

CADT is a novel application of technology to the use of Canadian currency as a storage of value and a medium of exchange which aims to facilitate everyday transactions. There is currently no proven market for a service of this kind, and there can be no assurance that a market will develop in the near future, or at all. BVCI is relying on its ability to convince customers that its services are an attractive alternative to other forms of transaction–accessible accounts (such as bank accounts, and competitor virtual payment solutions), and other stores of monetary value (such as currencies, commodities, equities, debt instruments, and ETFs). BVCI believes that its assumptions and projections are reasonable, based on the proven markets for Canadian currency, and for internet–based payment settlement services, but there can be no assurance that this will be the case. Any failure to develop and sustain a market for BVCI's services could adversely affect BVCI's business, operations, and financial condition.

Interest in Canadian Dollars

The development of BVCI's business depends on the interest of the public wishing to hold and transact in Canadian dollars. Accordingly, BVCI's ability to establish its business and become profitable depends on the public's perception of Canadian dollars and on its future foreign exchange rate with other currencies, and will be significantly affected by changes in such foreign exchange rates. Foreign exchange rates can be subject to volatile price movements which can be material and occur over short periods of time, and which are affected by numerous factors, all of which are beyond BVCI's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, speculative trading, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the Canadian dollar, and political developments. The effect of these factors on the value of the Canadian dollar (and hence the CADT), and therefore the economic viability of any of BVCI's business, cannot be accurately determined.

Lack of Regulation and Customer Protection

BVCI's business is designed to be in full compliance with all legal and regulatory requirements of its users, including anti–money laundering legislation and banking department recordkeeping requirements, as well as being fully integrated with the ability to check various worldwide watch lists for wanted criminals and terrorists. Nevertheless, the fact that BVCI is not a bank, investment dealer or trust company, may result in the business of BVCI not being subject to a regulatory environment which is as extensive and robust as the regulatory environment for financial institutions. Furthermore, BVCI does not have insurance through government sponsored programs or deposit insurance and has no private insurance coverage. Although Canadian money is held by the Escrow Agent there can be no assurance that a third party will not claim an interest in such property in a legal proceeding or claim against BVCI, the Trustee, or any of their respective affiliates.

Critical Accounting Judgments, Estimates, and Assumptions

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Going Concern

Management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. However, material uncertainty exits that casts significant doubt upon the Company’s ability to continue as a going concern.

Share-based Payments Expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense. The Black-Scholes model involves six key inputs to determine fair value of an option or warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company’s control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Recognition of Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

Measurement of Long-term Debt and Loan Payable

Long-term debt and loan payable are measured at the present value of the principal amount of the debt, using a discount rate which is an estimate of the Company's marginal borrowing rate. This estimate is highly subjective, given that the Company does not presently have any interest–bearing debt, and its actual borrowing rate may change over the period to maturity, given the nature of the Company's business and the market in which it operates. These estimates will impact the carrying value of the liabilities and accretion expense recognized.

Financial Risk Management

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, loan payable, and long-term debt. The fair values of these instruments, except for loan payable and long-term debt, approximate their carrying values due to the short–term nature of these instruments. The loan payable and long-term debt are carried at their present value, which is the discounted value of the cash flows required to settle the obligation.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at March 31, 2022, the Company has liabilities of $234,663 due within twelve months and has cash of $114,859 to meet its current obligations (December 31, 2021 – liabilities of $72,661 and cash of $229,462). The Company is a pre-revenue business and is dependent on raising money through equity financing to continue as a going concern. As a result, management has judged liquidity risk to be high.

The following are the Company's financial obligations based on their due dates:

	Payments due by period			
	Less than 1 year	**1 - 3 years**	**4 - 5 years**	**Total**
March 31, 2022				
Accounts payable	$ 234,663	$ -	$ -	$ 234,663
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 234,663	$ 790,000	$ -	$ 1,024,663
December 31, 2021				
Accounts payable	$ 72,661	$ -	$ -	$ 72,661
Loan payable	-	40,000	-	40,000
Long-term debt	-	750,000	-	750,000
	$ 72,661	$ 790,000	$ -	$ 862,661

Credit Risk

Credit risk is the risk of loss associated with a counter–party's inability to fulfil its payment obligations. As at March 31, 2022, the Company's maximum exposure to credit risk is $114,859 and is comprised of cash (December 31, 2021 – $229,462). All of the Company's cash is held in a chartered bank in Canada and grant receivable is due from the Government of Canada, which are both considered of high credit quality. Management has judged credit risk to be low.

Management of Capital

The Company includes the following in its managed capital:

	2022	**2021**
Share capital	$ 4,079,015	$ 3,691,478
Shares to be issued	266,750	271,303
Reserves	333,456	323,784
Deficit	(5,443,600)	(4,746,068)
	$ (764,379)	$ (459,503)

The Company's objectives in managing capital are to:

(a) Ensure the Company maintains the minimum level of capital required to effectively operate its business;
(b) Ensure the Company's ability to provide capital growth to its shareholders; and
(c) Maintain a flexible structure that optimizes the cost of capital at acceptable levels of risk.

To maintain its capital structure, the Company keeps all of its assets in very liquid form. The Company's primary sources of capital were proceeds from the issuance of shares. There were no changes in the Company's approach to capital management during the periods presented. The Company are not subject to externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Segmented Information

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

All of the Company’s revenues are earned in Canada and all of the Company’s assets are located in Canada and accordingly, the Company has no segmented information to disclose.

Significant Accounting Policies

The same accounting policies and methods of computation were followed in the preparation of the interim financial statements for the three months ended March 31, 2022 as were followed and are described in the audited financial statements as at December 31, 2021.

Additional Information

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company’s website at https://www.bvcadt.com/

Pro Forma Consolidated Statement of Financial Position

Blockchain Venture Capital

As at March 31, 2022
(Unaudited - prepared in Canadian dollars)

Contents

Pro Forma Consolidated Financial Statement

BLOCKCHAIN VENTURE CAPITAL INC.
Pro Forma Consolidated Statement of Financial Position
As at March 31, 2022
(Unaudited - Prepared in Canadian dollars)

Assets	BVCI	Flexwork	Pro Forma Adjustments and Elimination Entries	Notes	Pro Forma Consolidated
Current					
Cash	114,859	13,437	1,500,101	4 (a)	1,628,397
Prepaids and deposits	34,101	520	-		34,621
HST recoverable	-	9,207	-		9,207
	148,960	23,164	1,500,101		1,672,225
Non-current					
Computer equipment	2,686	-	-		2,686
	151,646	23,164	1,500,101		1,674,911

Liabilities and Shareholders' Equity

	BVCI	Flexwork	Pro Forma Adjustments and Elimination Entries	Notes	Pro Forma Consolidated
Current					
Accounts payable and accrued liabilities	234,663	3,986	270,000	4 (b)	508,649
	234,663	3,986	270,000		508,649
Non-current					
Loan payable	37,398	-	-		37,398
Long-term debt	643,964	-	-		643,964
	681,362	-	-		681,362
Equity					
Share capital	4,079,015	1,860,993	(1,860,993)	4 (c)	8,039,033
			2,569,918	3	
			1,410,100	4 (a)	
			(20,000)	4 (b)	
Shares to be issued	266,750	-	-		266,750
Reserves	333,456	10,694	(10,694)	4 (c)	449,853
			26,396	4 (d)	
			90,001	4 (a)	
Deficit	(5,443,600)	(1,852,509)	1,852,509	4 (c)	(8,270,736)
			(2,577,136)	3	
			(250,000)	4 (b)	
	(764,379)	19,178	1,230,101		484,900
	151,646	23,164	1,500,101		1,674,911

See accompanying notes to the pro forma consolidated financial statements

1. Basis of preparation:

The unaudited pro forma consolidated statement of financial position has been prepared by management of Blockchain Venture Capital Inc. ("BVCI") for inclusion in the Listing Statement of Flexwork Properties Ltd. ("Flexwork") dated August 8, 2022 after giving effect to the combination of Flexwork and BVCI and the related transactions on the basis of the assumptions described in Note 2 below. The pro forma consolidated financial statement of financial position of BVCI have been compiled from the following:

- the interim financial statements of BVCI as at March 31, 2022; and
- the interim financial statements of Flexwork as at March 31, 2022.

This pro forma statement of financial position should be read in conjunction with the financial statements of Flexwork and BVCI for the applicable periods noted, including the notes thereto and the related Listing Statement of August 8, 2022 filed with the Canadian Securities Exchange ("CSE"). Accounting policies used in the preparation of the pro forma statement of financial position are in accordance with those disclosed in the audited financial statements of the companies mentioned above which were all prepared in accordance with International Financial Reporting Standards ("IFRS").

In the opinion of the management of BVCI, this unaudited pro forma consolidated statement of financial position include all adjustments necessary for a fair presentation of the transactions described in Note 2 below. The unaudited pro forma consolidated statement of financial position are not necessarily indicative of the results that actually would have been achieved if the transactions reflected therein had been completed on the dates indicated or the results which may be obtained in the future. In preparing this unaudited pro forma consolidated statement of financial position, no adjustments have been made to reflect transactions which have occurred since the dates indicated. Furthermore, the pro forma statement of financial position is not necessarily indicative of the financial position and results that may be achieved in the future. The pro forma consolidated statement of financial position gives effect to the proposed transaction described above as if it occurred on March 31, 2022.

2. Transaction:

Flexwork has proposed an acquisition of BVCI to be completed under a plan of acquisition by amalgamating BVCI with Flexwork. Under the proposed amalgamation, existing common shares of BVCI would be exchanged for common shares of Flexwork on the basis of one Flexwork common share for every one BVCI common share.

2. Transaction (continued):

Flexwork has also agreed to issue stock options to replace the existing BVCI stock options. Each BVCI stock option will allow the holder to purchase the number of common shares and for an exercise price at the Exchange Ratio with an expiry date and vesting provisions identical to those of the previously outstanding BVCI stock options.

The resulting issuer will change its name to "Blockchain Venture Capital Inc.", or such other name as the parties may agree. The acquisition by Flexwork of BVCI is subject to, among other things, regulatory and shareholder approvals of both companies.

3. Reverse take over:

The transaction has been accounted for in accordance with IFRS 2, *Share-based payments*. The transaction is considered to be a reverse takeover of Flexwork by BVCI. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based transaction rather than a business combination. The Transaction is equivalent to the issuance of common shares by the non-public operating entity, BVCI, for the net assets and the listing status of the non-operating public company, Flexwork. The fair value of the common shares issued was determined based on the fair value of the common shares issued by Flexwork. For financial reporting purposes, the Company is considered a continuation of BVCI, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Flexwork, the legal parent.

Purchase Price	
Fair value of common shares	**$ 2,569,918**
Fair value of stock options	**26,396**
Total purchase price	**2,596,314**
Net Assets Acquired	
Cash	**13,437**
HST receivable	**9,207**
Prepaids and deposits	**520**
Accounts payable and accrued liabilities	**(3,986)**
Net assets acquired	**19,178**
Listing expense	**$ 2,577,136**

(Unaudited – Prepared in Canadian dollars)

3. Reverse take over (continued):

Fair Value of Flexwork Shares

Number of pre-consolidation Flexwork shares	**27,309,915**
Consolidation of Flexwork shares	**21.25353**
Number of post-consolidation Flexwork shares	**1,284,959**
Share value as determined	**$ 2.00**
Value of BVCI shares that would have been issued to obtain the same ownership percentage	**$ 2,569,918**

The Flexwork warrants were assigned a grant date value of $26,396 as estimated by using the Black-Scholes valuation model with the following assumptions: exercise price of $1.06, share price of $2.00, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 0.95%, and an expected maturity of 0.42 years.

The excess of fair value of net assets assumed over purchase price is considered an expense of acquiring a public listing and as a result the listing fee expense is $2,577,136.

The fair value of the net assets of Flexwork deemed to be acquired will ultimately be determined at the date of closing of the transaction and the actual costs of acquisition may vary from those estimates. Therefore, the allocation of the consideration among the assets and liabilities of Flexwork may vary from those shown above and such differences may be material.

4. Pro forma assumptions and adjustments:

This unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments as if they had occurred on March 31, 2022.

The following adjustments were made with respect to the pro forma consolidated statement of financial position:

(a) In connection with the amalgamation, BVCI will complete concurrent financings as follows:

1. Issue 85,715 units at $1.75 per unit for gross proceeds of $150,001. Units are to be comprised of one common share and one warrant, which is exercisable into common shares at $2.00 per share for 2 years from the date of issuance.

   The BVCI warrants were assigned a grant date value of $90,001 as estimated using the Black-Scholes valuation model with the following assumptions: exercise price of $2.00, share price of $2.00, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 0.95%, and an expected maturity of 2 years.

2. Issue 675,050 common shares at $2.00 per share for gross proceeds of $1,350,100.

(Unaudited – Prepared in Canadian dollars)

4. Pro forma assumptions and adjustments (continued):

(b) The accrual of the estimated share issuance costs of $270,000 related to the issue of the new Flexwork shares on the CSE and legal fees to complete the RTO.

(c) Book values of Flexwork's share capital and deficit are eliminated upon closing.

(d) Replacement warrants are issued for all existing Flexwork warrants outstanding.

(e) The tax provision does not take into account the tax consequences of the amalgamation and is therefore the same as the provision when the companies were accounted for as separate entities. The pro forma effective statutory income tax rate of the combined companies will be 26.5%.

The unaudited pro forma consolidated financial statements incorporate pro forma assumptions as follows:

(i) Completion of the transactions contemplated in the definitive agreement between Flexwork and BVCI dated March 15, 2021;

(ii) Exchange of each of the issued and outstanding shares of BVCI for shares of Flexwork;

(iii) Implementation by the directors of Flexwork of the consolidation of Flexwork common shares on the basis of 1 new common share for every 21.25353 existing common shares; and

(iv) Approval of the transactions by regulatory authorities and shareholders of Flexwork and BVCI.

5. Pro forma share capital:

The following table summarizes the pro-forma share capital:

	Number of shares	**Amount**
Common Shares:		
Flexwork shares, balance at March 31, 2022	27,309,915	$ 1,860,993
Elimination of Flexwork share capital upon RTO (4(d))	-	(1,860,993)
Fair value of Flexwork shares assumed (3)	-	2,569,918
Common shares before share consolidation	27,309,915	2,569,918
Share consolidation (1:21.25353) (accounting for rounding) (3)	1,284,959	-
Shares issued to BVCI shareholders	23,219,878	4,079,015
Concurrent financings (4(a))	760,765	1,500,101
Warrants (4(a))	-	(90,001)
Legal fees on listing	-	(20,000)
Balance after giving effect to pro forma adjustments	25,265,602	$ 8,039,033