

**Flexwork Properties Ltd.**  
**Financial Statements**  
**For the Six Months Ended**  
**June 30, 2022 and June 30, 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.

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying Financial Statements of 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 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.

### ***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  
August 3, 2022

*"Peter W. Hogg"*  
Chief Financial Officer  
August 3, 2022

# Flexwork Properties Ltd.

## Condensed Interim Statements of Financial Position

(Canadian dollars)

As at	June 30, 2022 \$	December 31, 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	22,643	27,446
HST receivable	2,711	405
Prepaid expenses and deposits	-	520
<b>Total Assets</b>	<b>25,354</b>	<b>28,371</b>
<b>Current liabilities</b>		
Trade and other payables	8,921	101,295
<b>Total Liabilities</b>	<b>8,921</b>	<b>101,295</b>
<b>Shareholders' equity (deficit)</b>		
Share capital and reserves (note 2)	1,871,687	1,769,135
Deficit	(1,855,254)	(1,842,059)
<b>Total shareholders' equity (deficit)</b>	<b>16,433</b>	<b>(72,924)</b>
<b>Total liabilities and shareholders' equity (deficit)</b>	<b>25,354</b>	<b>28,371</b>

Going concern (note 1)

Contingencies (note 7)

Subsequent events (note 9)

Approved by the Board of Directors on August 3, 2022.

*"Kabir Ahmed"*

Director

*"Michael Boyd"*

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		For the six months ended	
	June 30	June 30	June 30	June 30
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Expenses</b>				
Corporate administration (note 4)	2,745	6,289	13,195	23,465
<b>Net loss and comprehensive loss for the period</b>	<b>(2,745)</b>	<b>(6 289)</b>	<b>(13,195)</b>	<b>(23,465)</b>
Net loss per share				
-basic and diluted	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
Weighted average number of shares outstanding				
-basic and diluted	<b>27,309,915</b>	25,258,869	<b>27,309,915</b>	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
	#	\$	\$	\$	\$	\$
<b>Balance at December 31, 2021</b>	<b>25,258,869</b>	<b>1,758,441</b>	<b>10,694</b>	<b>1,769,135</b>	<b>(1,842,059)</b>	<b>(72,924)</b>
<b>Capital stock issued</b>	<b>2,051,046</b>	<b>102,552</b>	<b>-</b>	<b>102,552</b>	<b>-</b>	<b>102,552</b>
<b>Net loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,195)</b>	<b>(13,195)</b>
<b>Balance at June 30, 2022</b>	<b>27,309,915</b>	<b>1,860,993</b>	<b>10,694</b>	<b>1,871,687</b>	<b>(1,855,254)</b>	<b>16,433</b>
<b>Balance at December 31, 2020</b>	<b>25,258,869</b>	<b>1,758,441</b>	<b>34,258</b>	<b>1,792,699</b>	<b>(1,882,738)</b>	<b>(90,039)</b>
<b>Expiry of stock options</b>	<b>-</b>	<b>-</b>	<b>(8,764)</b>	<b>(8,764)</b>	<b>8,764</b>	<b>-</b>
<b>Expiry of warrants</b>	<b>-</b>	<b>-</b>	<b>(14,800)</b>	<b>(14,800)</b>	<b>14,800</b>	<b>-</b>
<b>Net loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,465)</b>	<b>(23,465)</b>
<b>Balance at June 30, 2021</b>	<b>25,258,869</b>	<b>1,758,441</b>	<b>10,694</b>	<b>1,769,135</b>	<b>(1,882,639)</b>	<b>(113,504)</b>

The accompanying notes are an integral part of these financial statements

# Flexwork Properties Ltd.

## Condensed Interim Statements of Cash Flows

(Canadian dollars)

	For the six months ended	
	June 30, 2022	June 30, 2021
	\$	\$
<b>Operations</b>		
Net loss for the period	(13,195)	(23,465)
Net change in non-cash working capital items:		
HST receivable	(2,306)	(186)
Prepaid expenses and deposits	520	-
Trade and other payables	(92,374)	4,615
Advances payable	-	25,000
<b>Cash flows (used in) provided operating activities</b>	<b>(107,355)</b>	<b>5,964</b>
<b>Financing</b>		
Shares issued	102,552	-
<b>Cash flows from financing activities</b>	<b>102,552</b>	<b>-</b>
<b>Net (decrease) increase in cash</b>	<b>(4,803)</b>	<b>5,964</b>
<b>Cash at beginning of period</b>	<b>27,446</b>	<b>935</b>
<b>Cash at end of period</b>	<b>22,643</b>	<b>6,899</b>

The accompanying notes are an integral part of these financial statements

# Flexwork Properties Ltd.

Notes to the condensed interim financial statements  
For the six months ended June 30, 2022  
(Canadian dollars)

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## 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. (See Note 9)

### 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.

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".

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. Subsequently, the Company pursued a proposed reverse takeover (RTO) with Blockchain Venture Capital Inc., which was completed on August 3, 2022. Refer to Note 9 and the Company's press releases dated March 16, 2021, July 15, 2022 and August 4, 2022 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 had a net loss of \$13,195 for the six months ended June 30, 2022 and had an accumulated deficit of \$1,855,254. In addition, the Company had working capital of \$16,433 at June 30, 2022. The Company will require further financing beyond the current level of cash to maintain its overhead charges.

### 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.

# Flexwork Properties Ltd.

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## 2. Share capital

### (a) Common shares

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

As at June 30, 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 June 30, 2022, 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 June 30, 2022, there were 550,000 stock options outstanding and exercisable and 2,180,991 left unallocated.

The following summary sets out the activity in the Plan over the period ended June 30, 2022 and December 31, 2021:

	Options #	Weighted average exercise price \$
Outstanding, December 31, 2021	550,000	0.05
Expired	-	-
<b>Options exercisable, June 30, 2022</b>	<b>550,000</b>	<b>0.05</b>

The following table sets out the details of the stock options granted and outstanding as at June 30, 2022:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
550,000	550,000	0.17 years	\$0.05	September 1, 2022
<b>550,000</b>	<b>550,000</b>	<b>0.17 years</b>		

## 3. Corporate administration and general

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Wages and director fees	13,400	500	15,400	3,500
Office	136	66	202	150
Non-refundable advance	(29,141)	-	(29,141)	-
Audit and legal fees	4,295	1,250	5,545	3,8530
Reporting issuer costs	14,055	4,473	21,189	15,985
	<b>2,745</b>	<b>6,289</b>	<b>13,195</b>	<b>23,465</b>



# Flexwork Properties Ltd.

Notes to the condensed interim financial statements  
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## 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		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Share based compensation	-	-	-	-
Fees, wages and directors fees	13,400	500	15,400	3,500
	13,400	500	15,400	3,500

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 June 30, 2022, \$nil (December 31, 2021 - \$95,550) was owing to directors or officers. This amount was 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 June 30, 2022, totaled \$16,433 (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 six months ended June 30, 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.

# Flexwork Properties Ltd.

Notes to the condensed interim financial statements  
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## 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 June 30, 2022, the Company had cash of \$22,643 (December 31, 2021 - \$27,446) to settle current liabilities of \$8,921 (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.

#### 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.

# Flexwork Properties Ltd.

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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. Subsequent Events and 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 was completed on August 3, 2022.

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

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quarter, the Company received a \$29,211 non-refundable advance from BVCI.

As of July 18, 2022, 550,000 stock options, exercisable at \$0.05 per common share until July 18, 2023, were granted to certain offices and directors of the Company.

Pursuant to a Certificate and Articles of Amendment, effective July 28, 2022, the issued and outstanding common shares of Flexwork were consolidated on the basis of one (1) post-consolidated common share for every 21.25353 pre-consolidated common shares (the "Consolidation"). As a result of the Consolidation, the issued and outstanding number of common shares of Flexwork was reduced to approximately 1,284,960 common shares. Also, as a result of the Consolidation, the number and exercise price of the issued and outstanding options of Flexwork were adjusted accordingly, as of July 28, 2022.