



Blockchain Venture Capital

Interim Condensed Financial Statements
Unaudited - See Notice to Reader
March 31, 2023 and 2022
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.

March 31, 2023 and 2022

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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, 2023	December 31, 2022
ASSETS			
Current Assets			
Cash		\$ 142,035	\$ 48,512
Prepays and deposits		68,445	100,128
Total Current Assets		210,480	148,640
Non-Current Assets			
Computer equipment		1,292	1,476
Total Assets		\$ 211,772	\$ 150,116
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 573,111	\$ 845,497
Advances from shareholder	3	179,225	164,595
Loan payable	4	40,000	40,000
Long-term debt	5	708,361	691,589
Total Current Liabilities		1,500,697	1,741,681
Equity			
Share capital	6	9,696,689	9,696,689
Shares to be issued	6	1,765,000	-
Reserves	6	558,653	556,339
Deficit		(13,309,267)	(11,844,593)
Total Equity		(1,288,925)	(1,591,565)
Total Liabilities and Equity		\$ 211,772	\$ 150,116

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

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Three Months Ended March 31, 2023 and 2022

(Presented in Canadian Dollars)

	Notes	2023	2022
Expenses			
Office and general		\$ 1,011,464	\$ 141,357
Salaries and wages		123,496	92,476
Professional fees		115,532	218,582
Blockchain costs		98,123	118,986
Trustee fees		70,343	70,343
Blockchain service fees		20,000	30,000
Accretion expense	4, 5	16,772	16,116
Interest expense		6,630	-
Share-based payments	6 (d)	2,314	9,672
Total Expenses		1,464,674	697,532
Net Loss and Comprehensive Loss		\$ (1,464,674)	\$ (697,532)
Weighted Average Number of Shares			
Outstanding	6 (g)	26,552,219	23,149,032
Loss Per Share - Basic and Diluted	6 (g)	\$ (0.06)	\$ (0.03)

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, 2023 and 2022

(Presented in Canadian Dollars)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2021		22,945,260	\$ 3,691,478	\$ 271,303	\$ 323,784	\$ (4,746,068)	\$ (459,503)
Private placements	6	274,618	432,302	(271,303)	-	-	160,999
Share issuance costs	6	-	(44,765)	-	-	-	(44,765)
Shares to be issued	6	-	-	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)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2022	6	26,552,219	\$ 9,696,689	\$ -	\$ 556,339	\$ (11,844,593)	\$ (1,591,565)
Shares to be issued	6	-	-	1,765,000	-	-	1,765,000
Share-based payments		-	-	-	2,314	-	2,314
Net loss		-	-	-	-	(1,464,674)	(1,464,674)
Balance as at March 31, 2023		26,552,219	\$ 9,696,689	\$ 1,765,000	\$ 558,653	\$ (13,309,267)	\$ (1,288,925)

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, 2023 and 2022

(Presented in Canadian Dollars)

	2023	2022
Operating Activities		
Net loss	\$ (1,464,674)	\$ (697,532)
Item not requiring an outlay of cash:		
Accretion expense	16,772	16,116
Share-based payments	2,314	9,672
Depreciation expense	184	439
Interest accrued	6,630	-
Changes in non-cash working capital:		
Prepays and deposits	31,683	11,716
Accounts payable and accrued liabilities	(272,386)	162,002
Cash Used In Operating Activities	(1,679,477)	(497,587)
Financing Activities		
Proceeds from issuance of common shares	-	160,999
Repayment of advances from shareholder	8,000	-
Share issuance costs	-	(44,765)
Shares to be issued	1,765,000	266,750
Cash Provided By Financing Activities	1,773,000	382,984
Net Increase (Decrease) in Cash	93,523	(114,603)
Cash, Beginning of Period	48,512	229,462
Cash, End of Period	\$ 142,035	\$ 114,859

Supplemental Cash Flow Information

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

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

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Notes to the Interim Condensed Financial Statements

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1. NATURE OF THE BUSINESS AND GOING CONCERN

Blockchain Venture Capital Inc. ("BVCI" or the "Company") is a proprietary blockchain platform and ledger technology company which owns a stablecoin CADT and related BvcPay applications. The Company was incorporated in Ontario on June 18, 2018 and performed a reverse takeover and amalgamation with Flexwork Properties Ltd. on August 3, 2022. BVCI is domiciled in the Province of Ontario and has its registered office at 130 King Street West, Suite 1800, Toronto, ON M5X 1E3. The Company is publicly-traded on the Canadian Securities Exchange ("CSE") under the ticker symbol "BVCI".

As at the date hereof, the Company is not currently offering its CADT stablecoin for sale or offering the use of applications such as BvcPay, as such services will require its registration as a securities dealer in accordance with applicable securities laws, and such registration has not yet been granted.

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 May 29, 2023.

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, 2023 should be read together with the annual financial statements as at and for the year ended December 31, 2022. 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.

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2. BASIS OF PREPARATION (Continued)

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.

3. ADVANCES FROM SHAREHOLDER

As at March 31, 2023, advances of \$179,225 are due to the President of the Company (December 31, 2022 - \$164,595). These advances are unsecured, interest-bearing at 15% per annum, and are due June 29, 2023. The advances were made for general working capital purposes.

4. 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 two years to December 31, 2025 and will become interest bearing at 5% per annum during the extended term. As at March 31, 2023 and December 31, 2022, this loan is presented at a carrying value of \$40,000.

5. 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:

	2023	
	Principal	Carrying Value
Balance - beginning of period	\$ 750,000	\$ 691,589
Accretion expense	-	16,772
Balance - end of period	\$ 750,000	\$ 708,361

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6. EQUITY

(a) Authorized

Unlimited common shares, no par value

(b) Issued and Outstanding

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.

During the three months ended March 31, 2023, the Company did not transact in its issued and outstanding common shares.

(c) Shares to be Issued

During the three months ended March 31, 2023, the Company received \$1,765,000 in respect of common shares to be issued. Subsequent to March 31, 2023, the Company closed its private placement and issued these common shares. See note 11.

(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:

	March 31, 2023	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	695,880	\$ 0.62
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	695,880	\$ 0.62
Exercisable, end of period	679,214	\$ 0.62

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6. EQUITY (Continued)

(d) Stock Options (Continued)

The Company had the following stock options outstanding as at March 31, 2023:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
620,000	620,000	\$0.53	October 1, 2025	2.51 years
25,880	25,880	\$1.06	July 18, 2023	0.30 years
50,000	33,334	\$1.50	April 12, 2023	0.03 years
695,880	679,214			2.25 years

(e) Warrants

The following table reflects the continuity of warrants:

	March 31, 2023	
	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	242,858	\$ 1.79
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	242,858	\$ 1.79

The Company had the following warrants outstanding as at March 31, 2023:

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
100,000	\$1.50	November 16, 2026	3.63 years
57,143	\$2.00	July 15, 2024	1.29 years
85,715	\$2.00	July 27, 2024	1.33 years
242,858			2.27 years

(f) Reserves

Reserves are comprised of the initial fair value of stock options granted and warrants issued.

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6. EQUITY (Continued)

(g) Loss Per Share

	2023	2022
Numerator:		
Net loss	\$ (1,464,674)	\$ (697,532)
Denominator:		
Weighted average number of shares outstanding	26,552,219	23,149,032
Loss Per Share:		
Basic and diluted	\$ (0.055)	\$ (0.030)

(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, 2023	March 31, 2022
Common shares outstanding	26,552,219	23,219,878
Stock options outstanding	679,214	-
Warrants outstanding	242,858	-
Fully diluted common shares outstanding	27,474,291	23,219,878

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. Compensation paid to key management was expensed as follows in the statement of comprehensive loss:

	2023	2022
Salaries and benefits	\$ 36,000	\$ 24,000
Share-based payments	-	1,300
	\$ 36,000	\$ 25,300

- (b) Advances from the President of the Company are described in note 3. Interest incurred on these advances totaled \$6,630 for the three months ended March 31, 2023 (2022 - \$Nil).
- (c) During the three months ended March 31, 2023, the Company incurred advertising expenses of \$10,000 (2022 - \$44,070) to The Justin Poy Agency, which is a company controlled by a director.

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8. COMMITMENTS

In connection with the sale of the underlying blockchain technology mentioned in note 5, 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.

9. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	March 31, 2023	December 31, 2022
Share capital	\$ 9,696,689	\$ 9,696,689
Shares to be issued	1,765,000	-
Reserves	558,653	556,339
Deficit	(13,309,267)	(11,844,593)
	\$ (1,288,925)	\$ (1,591,565)

The Company's objectives in managing capital are to:

- Ensure the Company maintains the minimum level of capital required to effectively operate its business;
- Ensure the Company's ability to provide capital growth to its shareholders; and
- 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.

10. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, 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.

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(Presented in Canadian Dollars)

10. 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 March 31, 2023, the Company has liabilities of \$1,500,697 due within twelve months and has cash of \$142,035 to meet its current obligations (December 31, 2022 - liabilities of \$1,741,681 and cash of \$48,512). 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			Total
	Less than 1 year	1 - 3 years	4 - 5 years	
March 31, 2023				
Accounts payable	\$ 573,111	\$ -	\$ -	\$ 573,111
Advances to shareholder	179,225	-	-	179,225
Loan payable	40,000	-	-	40,000
Long-term debt	750,000	-	-	750,000
	\$ 1,542,336	\$ -	\$ -	\$ 1,542,336
December 31, 2022				
Accounts payable	\$ 845,497	\$ -	\$ -	\$ 845,497
Advances to shareholder	164,595	-	-	164,595
Loan payable	40,000	-	-	40,000
Long-term debt	750,000	-	-	750,000
	\$ 1,800,092	\$ -	\$ -	\$ 1,800,092

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, 2023, the Company's maximum exposure to credit risk is \$142,035 and is comprised of cash (December 31, 2022 - \$48,512). All of the Company's cash is held at a chartered bank in Canada. Management has judged credit risk to be low.

11. SUBSEQUENT EVENTS

On April 12, 2023, 50,000 stock options expired unexercised.

On May 4, 2023, the Company issued 492,000 common shares at \$1.25 per share in private placements for gross proceeds of \$615,000.

On May 25, 2023, the Company issued 1,080,000 units at \$1.25 per unit in private placements for gross proceeds of \$1,350,000. Each unit is comprised of one share and one-half warrant. Each warrant is exercisable into common shares at \$1.50 per warrant for 2 years.

Included in the proceeds of these private placements is \$1,765,000 which were collected prior to March 31, 2023, and are stated in note 6 (c).