



Blockchain Venture Capital

Interim Condensed Financial Statements
Unaudited - See Notice to Reader
March 31, 2024 and 2023
(Presented in Canadian Dollars)

BLOCKCHAIN VENTURE CAPITAL INC.

March 31, 2024 and 2023

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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, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash		\$ 73,850	\$ 7,018
Term deposit		350,000	-
Prepays and deposits		65,772	21,772
Total Current Assets		489,622	28,790
Non-Current Assets			
Computer equipment		5,268	2,966
Total Assets		\$ 494,890	\$ 31,756
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 569,354	\$ 607,821
Advances from shareholder	3	1,426,099	1,239,498
Term loan payable	4	740,000	750,000
Total Current Liabilities		2,735,453	2,597,319
Non-Current Liabilities			
Government loan payable	5	60,600	60,000
Total Liabilities		2,796,053	2,657,319
Equity			
Share capital	6	12,443,529	12,443,529
Shares to be issued	6	1,578,000	350,000
Reserves	6	862,915	853,475
Deficit		(17,185,607)	(16,272,567)
Total Equity		(2,301,163)	(2,625,563)
Total Liabilities and Equity		\$ 494,890	\$ 31,756

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, 2024 and 2023

(Presented in Canadian Dollars)

	Notes	2024	2023
Expenses			
Professional fees		\$ 328,903	\$ 115,532
Office and general		251,018	1,011,464
Salaries and wages		110,106	123,496
Blockchain costs		95,957	98,123
Trustee fees		70,343	70,343
Interest expense		47,273	6,630
Share-based payments	6 (e)	9,440	2,314
Blockchain service fees		-	20,000
Accretion expense	5, 4	-	16,772
Total Expenses		913,040	1,464,674
Net Loss and Comprehensive Loss		\$ (913,040)	\$ (1,464,674)
Weighted Average Number of Shares			
Outstanding	6 (h)	30,186,219	26,552,219
Loss Per Share - Basic and Diluted	6 (h)	\$ (0.03)	\$ (0.06)

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, 2024 and 2023

(Presented in Canadian Dollars)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2022		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)

	Notes	Number of Common Shares	Share Capital	Shares to be Issued	Reserves	Deficit	Total Equity
Balance as at December 31, 2023		30,186,219	\$12,443,529	\$ 350,000	\$ 853,475	\$ (16,272,567)	\$(2,625,563)
Shares to be issued	6	-	-	1,228,000	-	-	1,228,000
Share-based payments		-	-	-	9,440	-	9,440
Net loss		-	-	-	-	(913,040)	(913,040)
Balance as at March 31, 2024		30,186,219	\$12,443,529	\$ 1,578,000	\$ 862,915	\$ (17,185,607)	\$(2,301,163)

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, 2024 and 2023

(Presented in Canadian Dollars)

	2024	2023
Operating Activities		
Net loss	\$ (913,040)	\$ (1,464,674)
Item not requiring an outlay of cash:		
Accretion expense	-	16,772
Share-based payments	9,440	2,314
Depreciation expense	381	184
Interest accrued	47,273	6,630
Changes in non-cash working capital:		
Term deposit	(350,000)	-
Prepays and deposits	(44,000)	31,683
Accounts payable and accrued liabilities	(38,467)	(272,386)
Cash Used In Operating Activities	(1,288,413)	(1,679,477)
Financing Activities		
Receipt of advances from shareholder	139,928	8,000
Repayment of term loan payable	(10,000)	-
Shares to be issued	1,228,000	1,765,000
Cash Provided By Financing Activities	1,357,928	1,773,000
Investing Activities		
Acquisition of computer equipment	(2,683)	-
Net Increase in Cash	66,832	93,523
Cash, Beginning of Period	7,018	48,512
Cash, End of Period	\$ 73,850	\$ 142,035

Supplemental Cash Flow Information

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

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

BLOCKCHAIN VENTURE CAPITAL INC.

Notes to the Interim Condensed Financial Statements

Unaudited - See Notice to Reader

March 31, 2024 and 2023

(Presented in Canadian Dollars)

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 100 King Street West, Suite 56093, Toronto, ON M5X 1C9. 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 24, 2024.

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, 2024 should be read together with the annual financial statements as at and for the year ended December 31, 2023. 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.

BLOCKCHAIN VENTURE CAPITAL INC.

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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

The Company has received advances from its President for general working capital purposes. These advances are unsecured, interest-bearing at 15% per annum, and are due June 30, 2024.

The following is a continuity of advances from shareholder:

	2024
Balance - beginning of period	\$ 1,239,498
Advances received	250,589
Advances repaid	(110,661)
Interest accrued	46,673
Balance - end of period	\$ 1,426,099

4. TERM LOAN PAYABLE

Term loan payable is due to Jiangsu Hengwell Information Technology Co., Ltd. ("Hengwell"), a blockchain development company located in Wuxi, China. The loan is unsecured, non-interest bearing and was due November 10, 2023. As at March 31, 2024 and December 31, 2023, the loan remains outstanding and has not been renewed or repaid.

Subsequent to March 31, 2024, the Company and Hengwell agreed to extend the due date of the term loan by three years to December 31, 2026. See note 10.

5. GOVERNMENT 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. Under the terms of the CEBA program, the loan was non-interest bearing and was due January 18, 2024. BVCI did not repay the loan by the due date, and accordingly, the loan has renewed for a further two years to December 31, 2025 and has become interest-bearing at 5% per annum during the extended term.

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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, 2024 and 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, 2024, the Company received \$1,228,000 in respect of common shares to be issued. Subsequent to March 31, 2024, the Company closed its private placement and issued these common shares. See note 10.

(d) Shares in Escrow

In connection with the Company's listing on the CSE in August 2022, all common shares held by directors were placed into escrow and are to be released over 36 months. Of those shares, 10% were released on August 12, 2022 when the Company's shares began trading on the CSE, and 15% are to be released every six months thereafter.

As at March 31, 2024, there are 6,791,931 common shares remaining in escrow pursuant to this agreement.

(e) 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, 2024	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	820,000	\$ 0.88
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	820,000	\$ 0.88
Exercisable, end of period	745,000	\$ 0.82

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6. EQUITY (Continued)

(e) Stock Options (Continued)

The Company had the following stock options outstanding as at March 31, 2024:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
520,000	520,000	\$0.53	October 1, 2025	1.50 years
300,000	225,000	\$1.50	June 30, 2025	1.25 years
820,000	745,000			1.41 years

(f) Warrants

The following table reflects the continuity of warrants:

	March 31, 2024	
	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	1,493,858	\$ 1.19
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding, end of period	1,493,858	\$ 1.19

The Company had the following warrants outstanding as at March 31, 2024:

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
100,000	\$1.50	November 16, 2026	2.63 years
57,143	\$2.00	July 15, 2024	0.29 years
85,715	\$2.00	July 27, 2024	0.32 years
540,000	\$1.50	May 25, 2025	1.15 years
711,000	\$0.75	December 5, 2025	1.68 years
1,493,858			1.42 years

(g) Reserves

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

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(Presented in Canadian Dollars)

6. EQUITY (Continued)

(h) Loss Per Share

	2024	2023
Numerator:		
Net loss	\$ (913,040)	\$ (1,464,674)
Denominator:		
Weighted average number of shares outstanding	30,186,219	26,552,219
Loss Per Share:		
Basic and diluted	\$ (0.03)	\$ (0.06)

(i) 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, 2024	March 31, 2023
Common shares outstanding	30,186,219	26,552,219
Stock options outstanding	745,000	679,214
Warrants outstanding	1,493,858	242,858
Fully diluted common shares outstanding	32,425,077	27,474,291

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:

	2024	2023
Salaries and benefits	\$ 36,000	\$ 36,000

- (b) Advances from the President of the Company are described in note 3. Interest incurred on these advances totaled \$46,673 for the three months ended March 31, 2024 (2023 - \$6,630).
- (c) During the three months ended March 31, 2024, the Company incurred advertising expenses of \$Nil (2023 - \$10,000) to The Justin Poy Agency, which is a company controlled by a director.

BLOCKCHAIN VENTURE CAPITAL INC.

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8. MANAGEMENT OF CAPITAL

The Company includes the following in its managed capital:

	March 31, 2024	December 31, 2023
Share capital	\$ 12,443,529	\$ 12,443,529
Shares to be issued	1,578,000	350,000
Reserves	862,915	853,475
Deficit	(17,185,607)	(16,272,567)
	<u>\$ (2,301,163)</u>	<u>\$ (2,625,563)</u>

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.

9. FINANCIAL RISK MANAGEMENT

Fair Values

The Company's financial instruments consist of cash, term deposits, accounts payable and accrued liabilities, advances from shareholder, government loan payable, and term loan payable. The fair values of these instruments, except for the government loan payable, approximate their carrying values due to the short-term nature of these instruments.

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(Presented in Canadian Dollars)

9. 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, 2024, the Company has liabilities of \$2,735,453 due within twelve months and has cash of \$73,850 and term deposits of \$350,000 to meet its current obligations (December 31, 2023 - current liabilities of \$2,597,319 and cash of \$7,018). 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, 2024				
Accounts payable	\$ 569,354	\$ -	\$ -	\$ 569,354
Advances to shareholder	1,426,099	-	-	1,426,099
Government loan payable	-	60,600	-	60,600
Term loan payable	740,000	-	-	740,000
	\$ 2,735,453	\$ 60,600	\$ -	\$ 2,796,053
December 31, 2023				
Accounts payable	\$ 607,821	\$ -	\$ -	\$ 607,821
Advances to shareholder	1,239,498	-	-	1,239,498
Government loan payable	-	60,000	-	60,000
Term loan payable	750,000	-	-	750,000
	\$ 2,597,319	\$ 60,000	\$ -	\$ 2,657,319

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, 2024, the Company's maximum exposure to credit risk is \$73,850 and is comprised of cash (December 31, 2023 - \$7,018). 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

On May 9, 2024, the due date of the term loan payable in note 4 was extended by an additional three years to December 31, 2026.

On May 10, 2024, the Company issued 2,397,330 units at \$0.75 per unit in private placements for gross proceeds of \$1,798,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into common shares at \$0.92 per warrant for two years.

Included in the proceeds of these private placements is \$1,578,000 which were collected prior to March 31, 2024, and are stated in note 6 (c).