



# Blockchain Venture Capital

**Financial Statements  
December 31, 2025 and 2024  
(Presented in Canadian  
Dollars)**

# BLOCKCHAIN VENTURE CAPITAL INC.

December 31, 2025 and 2024

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of **Blockchain Venture Capital Inc.**

Report on the Audit of the Financial Statements

### *Opinion*

We have audited the statements of Blockchain Venture Capital Inc. (the "Company") which comprise the statement of financial position as at December 31, 2025, the statements of comprehensive loss, changes in equity, and statement of cash flows for the year then ended, and the 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, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International accounting Standards Board (IASB).

### *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, and 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.

### *Other Matter*

The financial statements of the Company for the year ended December 31, 2024, were audited by another CPA firm, who expressed unmodified opinions on those financial statements on April 30, 2025.

### *Key Audit Matter*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company has limited operating revenues from crypto asset sales, has not yet commenced its CADT stablecoin business, and its ability to operate as a going concern is dependent upon successfully raising additional financing and commencing profitable operations. As stated in Note 1, these events or conditions, along with other matters

as set forth in Note 1, indicate that a material uncertainty exists that may 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 the Management's Discussion and Analysis for the year ended December 31, 2025 filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express an opinion or 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 the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 IFRSs as issued by the IASB, 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 to 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 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 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.
- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tracy Zhang, CPA, CA.

*MSLL CPA LLP*

**Chartered Professional Accountants**

Vancouver, Canada

May 11, 2026

# BLOCKCHAIN VENTURE CAPITAL INC.

## Statements of Financial Position

As at December 31, 2025 and 2024

(Presented in Canadian dollars)

	Notes	December 31, 2025	December 31, 2024
<b>Assets</b>			
Current assets			
Cash		59,105	929
Cash held in trust	4	39,030	31,578
Crypto asset inventory		3,112	-
Prepaid expenses		8,286	24,055
Total current assets		109,533	56,562
Computer equipment		809	3,230
Total assets		110,342	59,792
<b>Liabilities</b>			
Current liabilities			
Bank indebtedness		21,931	9,750
Accounts payable and accrued liabilities	9	1,809,647	1,454,444
Token liability	4	15,965	31,578
Loan payable	7	653,555	-
Advances from shareholder	5	53,805	1,957,045
Government loan payable	6	61,005	-
Total current liabilities		2,615,908	3,452,817
Government loan payable	6	-	53,094
Shareholder loan payable	5	2,571,768	-
Loan payable	7	-	560,003
Total liabilities		5,187,676	4,065,914
<b>Shareholders' Deficit</b>			
Share capital	8	14,765,384	13,205,339
Reserves	8	2,498,899	1,797,163
Deficit	8	(22,341,617)	(19,008,624)
Total shareholders' deficit		(5,077,334)	(4,006,122)
Total liabilities and equity		110,342	59,792

Nature of operations and going concern (Note 1)

Basis of presentation (note 2)

Subsequent event (Note 13)

### Approved on Behalf of the Board

Signed - Xin Zhou  
Director

Signed -  
Director

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

# BLOCKCHAIN VENTURE CAPITAL INC.

## Statements of Loss and Comprehensive Loss For the years ended December 31, 2025 and 2024

(Presented in Canadian dollars)

	2025	2024
	\$	\$
Sales	887,736	-
Cost of sales	(880,195)	-
Gross profit	7,541	-
<b>Expenses</b>		
Office and general	410,439	765,006
Professional and consulting fees	703,281	975,518
Blockchain costs	-	259,479
Salaries and wages	-	396,970
Trustee fees	116,298	281,370
Interest expenses	5, 6	312,850
Accretion and amortization	6, 7	100,883
Share-based payments	8	-
Loss from crypto assets trading		14,808
Loss on settlement of accounts payable	8	1,221,062
	2,879,621	2,996,442
<b>Operating loss</b>	(2,872,080)	(2,996,442)
Loss from investment	1	(483,913)
Other income		23,000
Gain on term loan extension		-
Gain on government loan extension		246,873
		13,512
<b>Net loss and comprehensive loss</b>	(3,332,993)	(2,736,057)
Net loss per share, basic and diluted	(0.10)	(0.09)
Weighted average number of shares outstanding		
Basic and diluted	33,745,789	31,725,488

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

# BLOCKCHAIN VENTURE CAPITAL INC.

## Statements of Changes in Shareholders' Deficit

(Presented in Canadian dollars, except for shares)

		Number of issued and outstanding	Share capital	Shares to be issued	Reserves	Deficit	Total Shareholders Equity
		Shares	\$	\$	\$	\$	\$
<b>Balance at December 31, 2023</b>		<b>30,186,219</b>	<b>12,443,529</b>	<b>350,000</b>	<b>853,475</b>	<b>(16,272,567)</b>	<b>(2,625,563)</b>
Private placements	8	2,397,330	867,810	(350,000)	930,190	-	1,448,000
Share issue costs	8	-	(106,000)	-	-	-	(106,000)
Share-based payments		-	-	-	13,498	-	13,498
Comprehensive loss		-	-	-	-	(2,736,057)	(2,736,057)
<b>Balance at December 31, 2024</b>		<b>32,583,549</b>	<b>13,205,339</b>	<b>-</b>	<b>1,797,163</b>	<b>(19,008,624)</b>	<b>(4,006,122)</b>
<b>Balance at December 31, 2024</b>		<b>32,583,549</b>	<b>13,205,339</b>	<b>-</b>	<b>1,797,163</b>	<b>(19,008,624)</b>	<b>(4,006,122)</b>
Private placements	8	1,566,667	366,063	-	103,937	-	470,000
Shares issued for debt	8	1,849,097	811,482	-	597,799	-	1,409,281
Shares issued for investment	8	765,000	382,500	-	-	-	382,500
Comprehensive loss		-	-	-	-	(3,332,993)	(3,332,993)
<b>Balance at December 31, 2025</b>		<b>36,764,313</b>	<b>14,765,384</b>	<b>-</b>	<b>2,498,899</b>	<b>(22,341,617)</b>	<b>(5,077,334)</b>

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

# BLOCKCHAIN VENTURE CAPITAL INC.

## Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Presented in Canadian dollars)

	Notes	2025	2024
<b>Operating activities</b>			
Net loss		(3,332,993)	(2,736,057)
Items not involving cash			
Accretion		98,463	70,633
Share-based payments		-	13,498
Depreciation		2,421	2,419
Interest accrued		312,850	233,968
Loss on settlement of accounts payable		1,221,062	-
Gain on term loan extension		-	(260,385)
Loss on investment		483,913	-
		<u>(1,214,284)</u>	<u>(2,675,924)</u>
Change in working capital			
Prepaid expenses		15,769	(2,283)
Inventory		(3,112)	-
Accounts payable and accrued liabilities		543,422	846,623
Cash paid for purchase of crypto asset for trading		(59,414)	-
Cash received for crypto asset for trading		44,606	-
Loss on crypto assets trading		14,808	-
Cash held in trust		(7,452)	(31,578)
Token liability		(15,613)	31,578
		<u>(681,270)</u>	<u>(1,831,584)</u>
<b>Investing activities</b>			
Acquisition of computer equipment		-	(2,683)
Acquisition of investment		(101,413)	-
		<u>(101,413)</u>	<u>(2,683)</u>
<b>Financing activities</b>			
Proceeds from share issuances	8	470,000	1,448,000
Advances from shareholder, net	5	358,678	486,428
Repayment of term loan	7	-	(10,000)
Proceeds from bank indebtedness		12,181	9,750
Share issue costs	8	-	(106,000)
		<u>840,859</u>	<u>1,828,178</u>
Net change in cash		58,176	(6,089)
Cash, beginning of year		929	7,018
<b>Cash, end of year</b>		<u>59,105</u>	<u>929</u>
<b>Supplemental cash flow information</b>			
Income taxes paid		-	-
Interests paid		-	-

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

**BLOCKCHAIN VENTURE CAPITAL INC.**  
**Notes to the financial statements**  
**For the years ended December 31, 2025 and 2024**  
**(Presented in Canadian dollars)**

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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 January 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.

On July 4, 2025 the Company announced the closing of acquisition of 51% issued and outstanding common shares of LuminusFX Corporation pursuant to a Share Purchase Agreement dated June 1, 2025. The consideration of the 51% interest in LuminusFX Corporation is a total of 1,530,000 common shares of the Company. 765,000 common shares were issued on the closing of the acquisition valued at \$382,500. The issuance of 765,000 additional common shares is subject to an earn-out provision contingent upon LuminusFX Corporation generating at least \$120,000 in net income for the Company within a six-month period following the closing of the acquisition. LuminusFX did not start the operation in the period ended September 30, 2025 and subsequent to September 30, 2025 the Company has terminated the agreement with LuminusFX and has instead acquired 19% of the shares of LuminusFX. The Company has determined to have no value and has written off the investment to \$nil value and recorded a loss of \$382,500 from the investment. LuminusFX was dissolved on February 9, 2026.

On August 6, 2025, the Company announced that it had entered into a definitive asset purchase agreement dated July 24, 2025 with 2687375 Ontario Inc., doing business as The Coin Shack. The Company will acquire substantially all the operating assets of The Coin Shack for a total purchase price of \$400,000, comprising a non-refundable deposit of \$10,000 (paid) on signing, and \$390,000 payable on closing. The acquired assets include:

- The Coin Shack's trademarks, trade name, branding, website, client list, and other intellectual property;
- Tangible assets such as computers, equipment, and furniture;
- Goodwill and all assignable customer and vendor agreements, including the commercial lease.

The Company has paid \$320,000 for the acquisition in the year ended December 31, 2025. Then later in the year the Company has agreed with Coin Shack to terminate the acquisition of the Coin Shack, and received a refund of \$218,577 and recorded a loss on the investment of \$101,413.

Starting from the last quarter of 2025 the Company has a business of crypto asset retail business where it facilitates retail customers to have access to trading crypto assets by primarily selling crypto assets to retail customers.

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 limited operating revenues from crypto assets sales but not yet from CADT stablecoin business 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.

**BLOCKCHAIN VENTURE CAPITAL INC.**  
**Notes to the financial statements**  
**For the years ended December 31, 2025 and 2024**  
**(Presented in Canadian dollars)**

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## **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 May 11, 2026.

### **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.

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 exists 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.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material 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**

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identify the contract with the customer.
2. Identify the performance obligation in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligation; and
5. Recognize revenue when or as performance obligations are satisfied.

In accordance with IFRS 15, Revenue from Contracts with Customers, the Company recognizes revenue when control of promised goods or services is transferred to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has one stream of revenue.

The Company acts as a principal instead of an agent for the sales of crypto assets to customers as per IFRS 15.B34-B38 as it controls the crypto asset prior to transfer and bears economic risk. The Company recognizes the gross sales proceeds of selling crypto asset to retail customers as revenue at the point the crypto asset is transferred to the customer or the platform and the proceeds received from the customer or the platform, at which time the performance obligation is satisfied and control of the crypto asset has passed to the customer or to the platform.

#### **Loss From Crypto Assets Trading**

The Company accounts for crypto asset trading activities as the purchase from a platform and then resale through the platform. The net gain or loss arising from such transactions is recognized as "Loss from crypto assets trading" in the statements of operations.

Cash flows related to the purchase and sale of crypto assets are presented within operating activities in the statements of cash flows.

#### **Crypto Asset Inventory**

Crypto asset inventory is stated at the lower of cost and net realizable value. Cost of inventory is determined on a weighted average cost method. Net realizable value represents the estimated selling price for inventory less costs necessary to make the sale.

#### **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. MATERIAL ACCOUNTING POLICY INFORMATION (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 is classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, advances from shareholder, government loan payable, and term loan payable 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 instrument 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.

#### **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. From time to time, the Company may issue Units as a means of raising capital. Ordinarily, each Unit contains one common share of the Company and a share purchase warrant. The Company allocates the proceeds from each unit to the common share and warrant components based on their relative fair value using the Black-Scholes pricing model.

#### **Debt Settlement**

When the Company issues shares and warrants to settle a debt, such shares and warrants will be recorded as the fair value of the shares and warrants on the issuance date, which if different than the carrying amount of debt settled, the difference is recorded as gain or loss on settlement of debt.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **Share-based Payments**

The Company has a stock option plan that is described in note 8 (e). 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 measured 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.

**BLOCKCHAIN VENTURE CAPITAL INC.**  
**Notes to the financial statements**  
**For the years ended December 31, 2025 and 2024**  
**(Presented in Canadian dollars)**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**Recent Accounting Pronouncements**

The Company has reviewed recent accounting pronouncements which are not yet effective and notes none that are expected to have a material impact on the Company's financial statements.

**4. CASH HELD IN TRUST AND TOKEN LIABILITY**

The Company has issued CADT stablecoins which are exchangeable into Canadian dollars at any time for the fixed amount of 1 CADT for \$1. In order to settle its liabilities in respect of outstanding tokens, the Company holds Canadian dollars in trust equal to the amount of CADT outstanding. Funds are held in trust by Concentra Trust, a division of Equitable Bank.

As at December 31, 2025, the Company has recorded a token liability of \$15,965 (2024 - \$31,578) representing 15,965 (2024 - 31,578) CADT tokens outstanding and holds \$15,965 (2024 - \$31,578) in its trust account.

Also included in the cash held in trust as of December 31, 2025 was \$23,065 (2024 - \$nil) fund held in the trust account of the Company's legal counsel from private placement.

**5. ADVANCES FROM AND LOAN PAYABLE TO 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 were initially due on June 30, 2024 that was extended to June 30, 2025. On January 6, 2025, the Company and the Lender (the President of the Company) entered into a Loan Agreement pursuant to which the lender made available to the Company an unsecured revolving promissory note (the "Revolving Credit Facility") maximum principal amount of \$2,000,000. The Revolving Credit Facility is for a period of three years ("Maturity Date") shall be automatically renewed for a period of 364 days unless one of the parties has provided a notice to terminate the facility. The facility bears an interest rate of 15% annually on the outstanding principal. All outstanding advances and unpaid accrued interest shall be payable in full on the Maturity Date. Voluntary prepayment of the whole or any part of the Revolving Credit Facility will be permitted without penalty or premium, at the option of the Company. As of December 31, 2025 the total of principal amount and accrued interests has exceeded the maximum amount of \$2,000,000. On April 28, 2026 the Loan Agreement was amended to a maximum principal amount of \$4,000,000.

The following is a continuity of advances from and loan payable to the shareholder:

	December 31, 2025		December 31, 2024	
Balance - beginning of year	\$	1,957,045	\$	1,239,498
Advances received		830,217		1,125,089
Advances repaid		(525,344)		(638,661)
Interest accrued		309,850		231,119
<b>Balance - end of year</b>	<b>\$</b>	<b>2,571,768</b>	<b>\$</b>	<b>1,957,045</b>

In addition, the Company has had an advance payable of \$53,805 as of December 31, 2025 that is due on demand, unsecured and non-interest bearing.

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**6. 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 been renewed for a further two years to December 31, 2026 and has become interest-bearing at 5% per annum during the extended term. The following is a continuity of term loan payable:

	December 31, 2025		December 31, 2024	
	Principal	Carrying value	Principal	Carrying value
Balance - beginning of period	\$ 60,000	53,094	\$ 60,000	60,000
Gain on extension	-	-	-	(13,512)
Interest expense	-	3,000	-	2,849
Accretion expense	-	4,911	-	3,757
<b>Balance - end of period</b>	<b>\$ 60,000</b>	<b>61,005</b>	<b>\$ 60,000</b>	<b>53,094</b>

**7. 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 originally due November 10, 2023. On February 5, 2024 the Company and Hengwell agreed to extend the term of the loan to November 10, 2026. A gain on the extension of the loan was recognized in the amount of \$246,873, to record the debt at its present value utilizing a discount rate of 15% per annum. The following is a continuity of term loan payable:

	12 months ended December 31, 2025		12 months ended December 31, 2024	
	Principal	Carrying value	Principal	Carrying value
Balance - beginning of period	\$ 740,000	560,003	\$ 750,000	750,000
Repayment	-	-	(10,000)	(10,000)
Gain on extension	-	-	-	(246,873)
Accretion expense	-	93,552	-	66,876
<b>Balance - end of period</b>	<b>\$ 740,000</b>	<b>653,555</b>	<b>\$ 740,000</b>	<b>560,003</b>

**8. EQUITY**

**(a) Authorized**

Unlimited common shares, no par value

**(b) Issued and Outstanding**

During the year ended December 31, 2024, the Company transacted in its issued and outstanding common shares as follows:

- (i) Issued 2,397,330 units at \$0.75 per unit in private placements for gross proceeds of \$1,798,000. Each unit consists of one common share and one warrant. Each warrant is exercisable at a price of \$0.92 per share for two years from the date of issuance. Included in these share issuances were proceeds of \$350,000 that had been collected prior to December 31, 2023.

## **8. EQUITY (Continued)**

### **(b) Issued and Outstanding (Continued)**

- (ii) Paid referral fees of \$106,000 which are categorized as share issuance costs.

During the year ended December 31, 2025, the Company transacted in its issued and outstanding common shares as follows:

- (iii) On July 4, 2025, pursuant to a Debt Settlement Agreement the Company issued 1,495,764 units to a service provider to settle \$134,619 owed to the service provider. Each unit comprises one common share of the Company and one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.12 for a period of twenty four months. The Company records the shares issued having a fair value of \$747,882 as of July 4, 2025 which is the date the debt was extinguished and the value of the warrants be \$597,799, and records a loss on settlement of \$1,211,062.
- (iv) On July 4, 2025 the Company issued 765,000 common shares valued at \$382,500 for the acquisition of LuminusFX that is controlled by a director of the Company.
- (v) On December 22, 2025 the Company closed a private placement and issued 1,566,667 units to the subscribers for \$470,000. Each unit comprises one common share of the Company and one common share purchase warrant entitling the holder to acquire one common share at a price of \$0.35 for a period of 2 years. The proceeds are allocated \$103,937 to warrants and \$366,063 to common shares.
- (vi) On December 22, 2025 the Company issued 333,333 common shares to settle a debt of \$50,000. The 333,333 common shares are valued at \$60,000 and the company reported a loss on debt settlement of \$10,000.
- (vii) On December 22, 2025 the Company issued 20,000 common shares for consulting services valued at \$3,600.

### **(c) 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 December 31, 2025, there are nil (2024 - 4,527,953) common shares remaining in escrow pursuant to this agreement.

### **(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.

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**8. EQUITY (Continued)**

**(e) Stock Options (Continued)**

On June 26, 2023, the Company granted 300,000 options to consultants for services rendered. The options are exercisable at \$1.50 per share and expire June 30, 2025. One quarter of the options vest on September 30, 2023, one quarter vest on December 31, 2023, one quarter vest on March 31, 2024, and the final quarter vest on June 30, 2024. The fair value of stock options granted during the year ended December 31, 2023 was calculated as \$0.17 per option, based on the Black-Scholes option pricing model. Share-based payments expense for options vested during the year ended December 31, 2024 was \$13,498.

The following table reflects the continuity of stock options:

	December 31, 2025		December 31, 2024	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Balance - beginning of year	820,000	\$ 0.88	820,000	\$ 0.88
Expired	(820,000)	0.88	-	-
Balance - end of year	-	\$ -	820,000	\$ 0.88

**(f) Warrants**

The following table reflects the continuity of warrants:

	2025		2024	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Balance - beginning of year	3,748,330	\$ 0.99	1,493,858	\$ 1.19
Issued	3,062,431	0.24	2,397,330	0.92
Expired	(1,251,000)	1.07	(142,858)	2.00
Balance - end of year	5,559,761	\$ 0.55	3,748,330	\$ 0.99

On May 10, 2024, the Company issued 2,397,330 warrants in a unit private placement, which are exercisable at \$0.92 and expire May 10, 2026.

(i) On July 15 and 27, 2024, 142,858 warrants expired unexercised.

The fair value of warrants issued during the year ended December 31, 2024 was calculated as \$0.37 per warrant, based on the Black-Scholes option pricing model. The value assigned to warrants issued during the year ended December 31, 2024 was \$930,190.

(ii) On July 4, 2025, pursuant to a Debt Settlement Agreement described in Note 8(b) the Company issued 1,495,764 common share purchase warrants entitling the holder to acquire an additional common share at a price of \$0.12 for a period of 2 years.

The fair value of warrants issued was calculated as \$597,799 based on the Black-Scholes option pricing model.

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**8. EQUITY (Continued)**

**(f) Warrants (Continued)**

- (iii) On December 22, 2025, pursuant to a private placement financing described in Note 8(b) the Company issued 1,566,667 common share purchase warrants entitling the holder to acquire an additional common share at a price of \$0.35 for a period of 2 years.

The fair value of warrants issued was calculated as \$103,937, based on the Black-Scholes option pricing model.

The fair value of the warrants issued was estimated at the issue date using the following weighted average assumptions:

	<b>2025</b>	<b>2024</b>
Share price	\$ 0.18 – 0.50	\$ 0.60
Expected volatility	85%	146%
Dividend yield	0%	0%
Risk-free interest rate	2.57% - 2.68%	4.39%
Expected life	2 years	2 years

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, 2025:

Number of warrants outstanding	Exercise price	Expiry date	Weighted Average Remaining Contual Life
100,000	1.5	16-Nov-26	0.88
2,397,330	0.92	10-May-26	0.36
1,495,764	0.12	4-Jul-27	1.51
1,566,667	0.35	22-Dec-27	1.98
5,559,761	0.55		1.13

**(g) Reserves**

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

**(h) Loss Per Share**

	<b>2025</b>	<b>2024</b>
<b>Numerator</b>		
:		
Net loss	\$ (3,332,993)	\$ (2,736,057)
<b>Denominator:</b>		
Weighted average number of shares outstanding	33,745,789	31,725,488
<b>Loss Per Share:</b>		
Basic and diluted	\$ (0.10)	\$ (0.09)

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**8. EQUITY (Continued)**

**(i) Maximum Share Dilution**

The following table presents the maximum number of common shares that would be outstanding if all dilutive instruments were exercised:

	<b>2025</b>	<b>2024</b>
Common shares outstanding	36,764,313	32,583,549
Stock options outstanding	-	820,000
Warrants outstanding	5,559,761	3,748,330
Fully diluted common shares outstanding	42,324,074	37,151,879

**9. 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, its CFO, directors, former directors, and vice president to be the members 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:

	<b>2025</b>	<b>2024</b>
Salaries and consulting fees	\$ 279,000	\$ 380,600
	\$ 279,000	\$ 380,600

As of December 31, 2025, there were \$506,326 (2024 - \$237,700) accrued fees and salaries payable to officers and former officers Steven Olsthoorn and Ming Yeung who resigned in the year 2025. \$144,000 (2024 - \$144,000) compensation was recorded for the President and \$nil was paid in the year 2025 (2024 - \$36,000)

- (b) Advances from the President of the Company are described in note 5. Interest incurred on these advances totaled \$309,850 for the year ended December 31, 2025 (2024 - \$231,119).
- (c) During the year ended December 31, 2025, the Company incurred anti-money laundering consulting fees of \$11,178 (2024 - \$8,423) to The AML Shop, which is a company controlled by a former director Monika Cywinska who resigned in June 2024 and no longer a related party.
- (d) See Note 8(b) the transaction with LuminusFX.

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**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:

	<b>2025</b>	<b>2024</b>
Loss before taxes	\$ (3,332,993)	\$ (2,736,057)
Corporate tax rate	26.50 %	26.50 %
Expected recovery at statutory rates	(883,243)	(725,055)
Tax effect of non-deductible expenses	461,436	116,881
Tax effect of items charged directly to equity	-	(28,090)
Deferred tax asset not recognized	421,807	636,264
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:

	<b>2025</b>	<b>2024</b>
Non-capital losses available for carry-forward	\$ 4,584,985	\$ 4,098,158
Share issuance costs	58,206	71,114
Loans payable	25,437	49,529
Amount not recognized	(4,668,628)	(4,218,802)
Deferred tax asset	\$ -	\$ -

The Company has non-capital losses of approximately \$17,301,830, which are available to be carried forward and used against future taxable income. These losses expire on December 31 of the years as follows:

2039	\$ 315,685
2040	1,289,626
2041	2,157,593
2042	4,499,077
2043	4,385,873
2044	2,898,708
2045	1,755,268
	<b>\$ 17,301,830</b>

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**11. MANAGEMENT OF CAPITAL**

The Company includes the following in its managed capital:

	<b>2025</b>	<b>2024</b>
Share capital	\$ 14,765,384	\$ 13,205,339
Reserves	2,498,899	1,797,163
Deficit	(22,341,617)	(19,008,624)
	(5,077,334)	\$ (4,006,122)

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 is 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.

**12. FINANCIAL RISK MANAGEMENT**

**Fair Values**

The Company's financial instruments consist of cash, cash held in trusts, bank indebtedness, accounts payable and accrued liabilities, advances from shareholder, shareholder loan payable, government loan payable, and term loan payable. The fair values of these instruments, except for the government loan payable, shareholder loan payable, and term loan payable, approximate their carrying values due to the short-term nature of these instruments. The government loan payable and term loan payable 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, 2025, the Company has liabilities of \$2,615,908 due within twelve months and has cash of \$59,105 to meet its current obligations (December 31, 2024 - current liabilities of \$3,452,817 and cash of \$929). The company 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.

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**12. FINANCIAL RISK MANAGEMENT (Continued)**

**Liquidity Risk (Continued)**

The following are the Company's financial obligations based on their due dates:

	Payments due by years			Total
	Less than 1 year	1 - 3 years	4 - 5 Years	
December 31, 2025				
Bank indebtedness	\$ 21,931	\$ -	\$ -	\$ 21,931
Accounts payable	1,809,647	-	-	1,809,647
Token liability	15,965	-	-	15,965
Advances to shareholder	53,805	2,571,768	-	2,625,573
Government loan payable	65,878	-	-	65,878
Term loan payable	740,000	-	-	740,000
	\$ 2,707,226	\$ 2,571,768	\$ -	\$ 5,278,994

	Payments due by years			Total
	Less than 1 year	1 - 3 years	4 - 5 years	
December 31, 2024				
Bank indebtedness	\$ 9,750	\$ -	\$ -	\$ 9,750
Accounts payable	1,454,444	-	-	1,454,444
Token liability	31,578	-	-	31,578
Advances to shareholder	1,957,045	-	-	1,957,045
Government loan payable	-	62,878	-	62,878
Term loan payable	-	740,000	-	740,000
	\$ 3,452,817	\$ 802,878	\$ -	\$ 4,255,695

**Credit Risk**

As at December 31, 2025, the Company's maximum exposure to credit risk is \$98,135 and is comprised of cash of \$59,105 (December 31, 2024 - \$929 cash) and cash held in trust of \$39,030 (December 31, 2024 - \$31,578 cash). The Company's cash is mostly held at chartered banks in Canada and third-party financial institutions. Cash held in trust is maintained with a legal firm and a trust company. Management has judged credit risk to be low. Excluded from the above is the Company's token liability of \$15,965 as at December 31, 2025, for which there is a separate trust account having a balance of \$15,965, which is to be used to settle this liability.

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**13. SUBSEQUENT EVENTS**

On January 18, 2026 the Company granted 1,800,000 stock options to directors, officers and employees each entitles the holder to purchase one common share of the Company at an exercise price of \$0.20 per share until January 18, 2028. Half of the options granted vested immediately on the grant date, and half are vesting on January 18, 2027.

On March 9, 2026 the Company issued 508,500 common shares to one officer to settle \$101,700 payables to him for services provided, and 400,000 common shares for \$80,000 amounts owed to a shareholder.

On March 30, 2026 the Company closed a private placement and issued 2,750,000 common shares for cash proceeds of \$550,000.

On March 30, 2026 the Company issued 800,000 common shares to two service providers for services.

On May 4, 2026 the Company has announced that it has entered into a letter of intent (the "LOI") with CBDC Reserve Bank (a U.S.-based private equity firm) and PB Nobel Sustainability Capital Group Limited (a company incorporated in Hong Kong) (collectively, the "Parties") to explore the formation of a strategic joint venture in Hong Kong focused on the development of a next-generation, AI-driven real world asset ("RWA") financial services platform. The Joint Venture is proposed to have registered capital of 10 million Hong Kong dollar and the Company is to subscribe for 3 million Hong Kong dollars capital. The Company is also evaluating a potential financing to support the closing of the transaction and the initial capitalization of the joint venture company.