

**BLOCKMATE VENTURES INC.  
(FORMERLY MIDPOINT HOLDINGS LTD.)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)**

**FOR THREE MONTHS ENDED SEPTEMBER 30, 2022**

## **INDEX TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>PAGE 1</b>
<b>CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS</b>	<b>PAGE 2</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>PAGE 3</b>
<b>CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY</b>	<b>PAGE 4</b>
<b>NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b>	<b>PAGES 5 - 10</b>

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2022 AND JUNE 30, 2022**  
**(Expressed in Canadian dollars)**

	Notes	September 30, 2022	June 30, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash	3	394,863	740,389
Accounts receivables	4	13,834	11,504
Prepaid expenses		27,615	19,460
		<u>436,312</u>	<u>771,353</u>
<b>Non-current</b>			
Equipment	5	22,368	22,866
<b>TOTAL ASSETS</b>		<u>458,680</u>	<u>794,219</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	463,040	378,927
Due to directors	9	31,250	6,250
Loan payable		85,793	-
		<u>580,083</u>	<u>385,177</u>
<b>Shareholders' equity</b>			
Share capital	7	18,072,791	18,072,791
Contributed surplus		1,408,873	1,408,873
Warrants and options reserves	8	1,260,800	1,260,800
Accumulated deficit		(20,296,753)	(19,767,398)
Accumulative other comprehensive loss		(567,114)	(566,024)
Total shareholders' equity (deficit)		<u>(121,403)</u>	<u>409,042</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>458,680</u>	<u>794,219</u>

Commitments and Contingent Liabilities (note 12)

Subsequent Events (note 13)

Approved on behalf of the Board on November 28, 2022:

**Signed: "Georg Hochwimmer"**

Director

**Signed: "Domenic Carosa"**

Director

*The accompanying notes are an integral part of the consolidated interim financial statements*

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in Canadian dollars)

	Notes	2022	2021
		\$	\$
<b>REVENUE</b>		<b>80,359</b>	<b>107,591</b>
<b>COST OF SALES</b>		<b>(51,513)</b>	<b>(47,575)</b>
<b>GROSS MARGIN</b>		<b>28,846</b>	<b>60,016</b>
<b>EXPENSES</b>			
Amortization and depreciation	5,6	5,625	4,474
Filing fees and transfer fees		30,952	1,216
General and administrative		71,578	24,819
Marketing		23,888	38,030
Professional and consulting fees	9	88,175	130,932
Rent		16,120	5,227
Software development and website		28,899	46,492
Value added tax repaid		-	
Wages	9	291,395	102,685
		<b>(556,632)</b>	<b>(353,875)</b>
<b>NET LOSS FOR THE YEAR BEFORE OTHER INCOME</b>		<b>(527,786)</b>	<b>(293,859)</b>
<b>OTHER ITEMS</b>			
Foreign exchange loss		(1,850)	(3,377)
Grant income		-	28,282
Interest income		281	711
Total other (loss) income		<b>(1,569)</b>	<b>25,616</b>
<b>NET LOSS FOR THE YEAR</b>		<b>(518,527)</b>	<b>(268,243)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Foreign currency translation		(1,090)	2,405
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(530,445)</b>	<b>(265,838)</b>
Basic weighted average shares outstanding		63,501,660	53,501,660
Basic net loss per share		(0.01)	(0.00)
Diluted weighted average shares outstanding		63,501,660	53,501,660
Diluted net loss per share		(0.01)	(0.00)

*The accompanying notes are an integral part of the consolidated interim financial statements*

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(Expressed in Canadian dollars)**

	Notes	2022	2021
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		(529,355)	(268,243)
Items not affecting cash:			
Amortization and depreciation	5,6	5,625	4,474
		(523,730)	(263,769)
Changes in non-cash working capital items:			
Accounts receivable and prepaid expenses		(10,485)	(7,024)
Accounts payable, accrued liabilities and due to directors		109,113	15,145
Net cash used in operating activities		(425,102)	(255,648)
<b>FINANCING ACTIVITIES</b>			
Proceeds from notes payable		85,793	-
Net cash provided by financing activities		85,793	-
<b>INVESTING ACTIVITIES</b>			
Acquisitions of equipment	5	(3,895)	(26,617)
Net cash used by investing activities		(3,895)	(26,617)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(343,204)</b>	<b>(282,265)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>		<b>740,389</b>	<b>2,984,005</b>
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES</b>		<b>(2,322)</b>	<b>2,392</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>		<b>394,863</b>	<b>2,704,132</b>

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**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Warrants and Options Reserve	Accumulated Deficit	Accumulated Other Comprehensive Profit/(Loss)	Total Shareholders' Equity
		\$		\$	\$	\$	\$
<b>Balance, June 30, 2021</b>	<b>53,501,660</b>	<b>15,856,930</b>	<b>1,408,873</b>	<b>1,260,800</b>	<b>(15,128,510)</b>	<b>(486,970)</b>	<b>2,911,123</b>
Net loss and comprehensive loss for the period	-	-	-	-	(268,243)	2,405	(265,838)
<b>Balance, September 30, 2021</b>	<b>53,501,660</b>	<b>15,856,930</b>	<b>1,408,873</b>	<b>1,260,800</b>	<b>(15,396,753)</b>	<b>(484,565)</b>	<b>2,645,285</b>
<b>Balance, June 30, 2022</b>	<b>63,501,660</b>	<b>18,072,791</b>	<b>1,408,873</b>	<b>1,260,800</b>	<b>(19,767,398)</b>	<b>(566,024)</b>	<b>409,042</b>
Net loss and comprehensive loss for the period	-	-	-	-	(529,355)	(1,090)	(530,445)
<b>Balance, September 30, 2022</b>	<b>63,501,660</b>	<b>18,072,791</b>	<b>1,408,873</b>	<b>1,260,800</b>	<b>(20,296,753)</b>	<b>(567,114)</b>	<b>(121,403)</b>

*The accompanying notes are an integral part of the consolidated interim financial statements*

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(Expressed in Canadian dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Blockmate Ventures Inc. (Formerly Midpoint Holdings Ltd.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 15, 2010 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company was to negotiate an acquisition or participation in a business subject to acceptance by regulatory authorities and, in certain cases, shareholder approval (the "Qualifying Transaction") which it completed on April 11, 2013.

The Company now operates through its wholly owned subsidiaries in the United Kingdom and Hong Kong, Blockchain World Ltd. ("BWL"), Midpoint & Transfer Ltd. ("MPNT") and Midpoint Hong Kong Limited. ("MPHK"). BWL owns the premium domain names Blockchain.eu (Europe), Blockchain.com.au (Australia) and Hivello.com. MPNT is a web-based enterprise that matches buyers and sellers of foreign currency and transfers the funds to their desired location through an intermediary third-party payment provider. The Company receives fees from all parties for matching the currency exchanges and transferring the funds.

The Company's head office is 505 Kootenay Street, Nelson British Columbia, V1L 1K9.

There is no assurance that the Company's business will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company currently has cash available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned growth, reduction of operating expenses, and future cashflow from the Company's business.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

These consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. On September 30, 2022, the Company had working deficit of \$143,771 (June 30, 2022 – working capital of \$386,176). On September 30, 2022, the Company also had an accumulated deficit of \$20,296,753 (June 30, 2022 - \$19,767,398).

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance and principles of consolidation**

These consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2022, which have been prepared in accordance with IFRS

**New standards not yet adopted interpretations issued but not yet effective**

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent audited financial statements as at and for the year ended June 30, 2022.

These consolidated interim financial statements were approved and authorized by the Board of Directors of the Company on November 28, 2022.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
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**3. CASH**

At September 30, 2022, the Company had cash of \$394,863 (June 30, 2022 - \$740,389). The Company maintains cash in various banks in Canada, the United Kingdom and Hong Kong.

**4. ACCOUNTS RECEIVABLE**

During the year, the Company filed claims with HM Revenue and Customs for value added taxes ("VAT"). The Company had a VAT balance of \$13,834 as at September 30, 2022 (June 30, 2022 - \$11,504).

**5. EQUIPMENT**

	<b>September 30, 2022</b>	<b>June 30, 2022</b>
	\$	\$
<b>Cost</b>		
Balance, beginning of the period / year	142,303	108,826
Additions	3,895	358,936
Impairment		(308,390)
Effect of changes in foreign exchange rates	(5,241)	(17,069)
Balance, end of the period / year	140,957	142,303
<b>Accumulated Depreciation</b>		
Balance, beginning of the period / year	119,437	100,240
Depreciation for the period / year	5,625	91,047
Impairment during the period / year	-	(55,233)
Effect of changes in foreign exchange rates	(6,473)	(16,617)
Balance, at end of the period / year	118,589	427,827
<b>Net Book Value</b>	<b>22,368</b>	<b>22,866</b>
<b>Comprised as follows:</b>		
Computer and office equipment	22,368	22,866

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
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**(Expressed in Canadian dollars)**

**6. INTANGIBLES**

	September 30, 2022	June 30, 2022
	\$	\$
<b>Cost</b>		
Balance, beginning of the period / year	120,280	41,357
Additions	-	78,041
Effect of changes in foreign exchange rates	-	882
Balance, end of the period / year	120,280	120,280
<b>Accumulated Depreciation</b>		
Balance, beginning of the period / year	120,280	13,785
Depreciation for the period / year	-	17,862
Impairment during the period / year	-	(88,633)
Balance, at end of the period / year	120,280	120,280
<b>Net Book Value</b>	-	-

**7. SHARE CAPITAL**

**Authorized**

As at September 30, 2022 and June 30, 2022, the Company had authorized unlimited common shares.

**Equity Activity**

A summary of share transactions is as follows:

- i) On March 25, 2021, the Company completed a private placement for a total of 12,000,000 units at a price of \$0.25 per unit for total proceeds of \$3,000,000. Each unit comprises one common share and one half of one common share purchase warrant exercisable at \$0.35 for 24 months from closing and share issue costs of \$67,392 were incurred. The net proceeds from the financing were allocated proportionally based on the fair value of one common share (73%) and the fair value of one half of one common share purchase warrant (27%).

The fair value of the March 25, 2021 common share purchase warrants was estimated using the Black Scholes option pricing model and the following weighted average assumptions: share price - \$0.355; exercise price - \$0.35; expected life – 24 months; annualized volatility – 157%; quarterly dividend yield – 0%; risk-free rate – 0.230%.

- ii) On March 15, 2022, the company completed an acquisition of Blockchain World Ltd. In consideration for the transaction the Company issued 10,000,000 common shares with a fair value of \$2,250,000 to the existing shareholders of Blockchain World Ltd (note 10) and paid issuance costs of \$34,139. The consideration shares are subject to restrictions on resale until September 14, 2022.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
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**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(Expressed in Canadian dollars)**

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**8. WARRANTS AND OPTIONS RESERVES**

**Warrants**

There were no additional warrants granted during the three months ended September 30, 2022. The following table summarizes the Company's warrant activity:

	Number	Weighted Average Exercise Price
		\$
<b>Outstanding, June 30, 2021</b>	<b>20,275,000</b>	<b>0.24</b>
Granted	-	-
Exercised	-	-
<b>Outstanding, June 30, 2022</b>	<b>20,275,000</b>	<b>0.24</b>
Granted	-	-
Exercised	-	-
<b>Outstanding, September 30, 2022</b>	<b>20,275,000</b>	<b>0.24</b>

**Options**

The Company has a stock option plan (the "Plan") in place under which it is authorized to grant options to acquire common shares of the Company to directors, officers, consultants and other key employees of the Company. The number of common shares subject to options granted under the Plan are limited to 10% in the aggregate, and 5% with respect to any one optionee, of the number of issued and outstanding common shares of the Company at the date of the grant of the option.

There were no options granted and the Company recognized \$nil stock-based compensation expense for the three months ended September 30, 2022 (2021 - \$nil).

**9. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(Expressed in Canadian dollars)**

**9. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS (Continued)**

Remuneration attributed to key management personnel can be summarized as follows:

	For the three months ended September 30, 2022	For the three months ended September 30, 2022
	\$	\$
Salaries and benefits (Included in professional & consulting fees, and wages)	39,394	70,324
Consulting fees (Included in professional & consulting fees)	72,703	26,250
<b>Total</b>	<b>122,097</b>	<b>96,574</b>

Accounts payable to directors in the statement of financial position is \$163,176 as of September 30, 2022.

**10. ACQUISITION OF SUBSIDIARY**

On March 15, 2022, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding Blockchain World Ltd. shares. The Company issued a total of 10,000,000 common shares. As a result of the transaction, the Company obtained 100% of the common shares of the entity. Only the assets, liabilities, and the results of operations of Blockchain World Ltd. after March 15, 2022 are included in these consolidated interim financial statements.

Since the Company issued shares to Blockchain World Ltd. shareholders with a value in excess of the assets received, the difference is assigned to premium on acquisition of subsidiary of \$2,250,000 which is the difference between fair value of the consideration and the net identifiable assets at the time of acquisition.

The acquisition of BWL does not constitute a business combination because the entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire this entity.

The purchase price was determined based on IFRS 2 – Share Based Payments.

The fair value of the consideration is determined based on the fair value of the shares that the accounting parent would have had to issue. The fair value of these shares, based on the consideration received for the common shares issued is \$2,250,000.

Fair value of shares issued by Blockmate Ventures Inc. (Formerly Midpoint Holdings Ltd.)	\$ 2,250,000
Net assets of Blockchain World Ltd.	-
<b>Premium on acquisition of subsidiary</b>	<b>2,250,000</b>

At the date of issuance of the equity instruments, a synergy was obtained through the acquisition of executive leadership from BWL, which did not qualify for recognition as an asset, therefore was immediately recognized as an expense. The \$2,250,000 attributed to the executive leadership was recorded as consideration paid in excess of net assets acquired from acquisition in the consolidated statement of net loss and comprehensive net loss during the year ended June 30, 2022 (September 30, 2022 - \$nil)

The premium of acquisition of subsidiary of \$2,250,000 are a non-cash expense item that represents the excess fair value associated with the shares issued on Closing of the Qualifying Transaction over the fair value of the net assets acquired by the accounting acquirer. Prior to Closing the net asset value of the Company was \$nil.

**BLOCKMATE VENTURES INC. (FORMERLY MIDPOINT HOLDINGS LTD.)**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
**(Expressed in Canadian dollars)**

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**10. ACQUISITION OF SUBSIDIARY (Continued)**

The fair value of the net assets of Blockchain World Ltd. prior to closing was as follows:

	\$
Accounts receivable	5,896
Intangible assets (Domains)	71,659
Accounts payable and accrued liabilities	(77,555)
<u>Total</u>	<u>-</u>

**11. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and development of its intangible assets. The capital of the Company consists of shareholders' equity. 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.

The Company has not generated significant revenues and is in the process of executing and developing its marketing plan; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned budget, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended September 30, 2022, and the year ended June 30, 2022. The Company is not subject to externally imposed capital requirements.

MPNT is subject to FCA regulatory capital adequacy requirements under which it is required to maintain a share capital balance in excess of accumulated deficit plus 10% of fixed operating costs from the previous year. As at September 30, 2022 and June 30, 2022, the Company met this requirement.

**12. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company's lease arrangement for office space in London, United Kingdom ends September 30, 2023 and the remaining lease commitment is approximately \$48,012.

**13. SUBSEQUENT EVENTS**

On November 17, 2022, the Company announced that it has completed a non-brokered private placement for gross proceeds of \$814,667 for general working capital. In connection with completion of the offering, the Company issued 16,293,337 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant exercisable to acquire a further common share at a price of \$0.075 until November 17, 2025.

On November 17, 2022, the Company issued 10,000,000 at a price of \$0.05 per share in connection with performance shares the Company agreed to issue upon the official launch of the website domains, blockchain.com.au and blockchain.eu.