



**BLOCKMINT**

**BLOCKMINT TECHNOLOGIES INC. (FORMERLY SMC VENTURES INC.)**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**JUNE 30, 2020**  
**(EXPRESSED IN UNITED STATES DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed consolidated interim financial statements of Blockmint Technologies Inc. (formerly SMC Ventures Inc.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in United States Dollars)  
Unaudited

	As at June 30, 2020	As at December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,754,022	\$ 2,957,158
Receivables	3,901	10,557
Prepaid expenses	1,000	1,000
Digital currency (note 5)	760	533
<b>Total current assets</b>	<b>2,759,683</b>	<b>2,969,248</b>
Intangible asset (note 7)	17,500	17,500
<b>Total assets</b>	<b>\$ 2,777,183</b>	<b>\$ 2,986,748</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 10)	\$ 23,854	\$ 24,397
<b>Total current liabilities</b>	<b>23,854</b>	<b>24,397</b>
<b>Equity</b>		
Share capital (note 8)	8,884,433	8,884,433
Warrant reserve (note 9)	17,500	17,500
Contributed surplus (note 9)	30,300	30,300
Accumulated other comprehensive income (loss)	(9,851)	6,485
Deficit	(6,169,053)	(5,976,367)
<b>Total equity</b>	<b>2,753,329</b>	<b>2,962,351</b>
<b>Total equity and liabilities</b>	<b>\$ 2,777,183</b>	<b>\$ 2,986,748</b>

Nature of operations and going concern (note 1)

"Nelson Ijih", Director \_\_\_\_\_

"Colin Watt", Director \_\_\_\_\_

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in United States Dollars)  
**Unaudited**

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
<b>Operating expenses</b>				
Business development and promotion	\$ 4,491	\$ 13,242	\$ 8,488	\$ 18,429
Consulting (note 10)	87,277	93,802	100,256	183,103
Depreciation (note 6)	-	2,051	-	4,103
Management fees and salaries (note 10)	24,834	73,247	49,209	148,247
Office and miscellaneous	6,852	33,450	16,783	76,499
Professional fees (note 10)	7,008	34,989	10,758	67,423
Salaries and wages	3,759	13,512	9,038	37,646
<b>Total operating expenses</b>	<b>134,221</b>	<b>264,293</b>	<b>194,532</b>	<b>535,450</b>
Loss before other items	(134,221)	(264,293)	(194,532)	(535,450)
Foreign exchange gain (loss)	(3,270)	1,933	1,619	1,595
Revaluation of digital currency	189	381	227	497
Transaction cost (note 4)	-	-	-	(3,458,765)
<b>Net loss for the period</b>	<b>\$ (137,302)</b>	<b>\$ (261,979)</b>	<b>\$ (192,686)</b>	<b>\$ (3,992,123)</b>
<b>Other comprehensive income (loss)</b>				
Gain on currency translation	13,074	7,026	(16,336)	3,456
<b>Total comprehensive loss for the period</b>	<b>\$ (124,228)</b>	<b>\$ (254,953)</b>	<b>\$ (209,022)</b>	<b>\$ (3,988,667)</b>
<b>Basic and diluted net loss per share</b> (note 11)	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding</b>	<b>44,269,068</b>	<b>44,269,068</b>	<b>44,269,068</b>	<b>39,291,878</b>

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Expressed in United States Dollars)  
Unaudited

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
<b>Operating activities</b>		
Net loss for the period	\$ (192,686)	\$ (3,992,123)
Adjustments for:		
Depreciation	-	4,103
Revaluation of digital currency	(227)	(497)
Unrealised foreign exchange (gain) loss	(16,336)	3,531
Transaction cost	-	3,458,765
Changes in non-cash working capital items:		
Receivables and prepaid expenses	6,656	50,032
Accounts payable and accrued liabilities	(543)	(52,285)
<b>Net cash used in operating activities</b>	<b>(203,136)</b>	<b>(528,474)</b>
<b>Investing activities</b>		
Cash from Arrangement Agreement	-	408,219
<b>Net cash provided by investing activity</b>	<b>-</b>	<b>408,219</b>
<b>Net change in cash</b>	<b>(203,136)</b>	<b>(120,255)</b>
<b>Cash, beginning of period</b>	<b>2,957,158</b>	<b>3,232,402</b>
<b>Cash, end of period</b>	<b>\$ 2,754,022</b>	<b>\$ 3,112,147</b>

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**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
(Expressed in United States Dollars)  
Unaudited

	Share capital	Warrant reserve	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total
<b>Balance, December 31, 2018</b>	<b>\$ 5,049,154</b>	<b>\$ 47,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,827,303)</b>	<b>\$ 3,269,651</b>
Shares issued pursuant to Arrangement Agreement (note 4)	3,835,279	-	-	-	-	3,835,279
Warrants expired	-	(30,300)	30,300	-	-	-
Currency translation	-	-	-	(3,381)	-	(3,381)
Net loss for the period	-	-	-	-	(3,992,123)	(3,992,123)
<b>Balance, June 30, 2019</b>	<b>\$ 8,884,433</b>	<b>\$ 17,500</b>	<b>\$ 30,300</b>	<b>\$ (3,381)</b>	<b>\$ (5,819,426)</b>	<b>\$ 3,109,426</b>
<b>Balance, December 31, 2019</b>	<b>\$ 8,884,433</b>	<b>\$ 17,500</b>	<b>\$ 30,300</b>	<b>\$ 6,485</b>	<b>\$ (5,976,367)</b>	<b>\$ 2,962,351</b>
Currency translation	-	-	-	(16,336)	-	(16,336)
Net loss for the period	-	-	-	-	(192,686)	(192,686)
<b>Balance, June 30, 2020</b>	<b>\$ 8,884,433</b>	<b>\$ 17,500</b>	<b>\$ 30,300</b>	<b>\$ (9,851)</b>	<b>\$ (6,169,053)</b>	<b>\$ 2,753,329</b>

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

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**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Three and Six Months Ended June 30, 2020**  
**(Expressed in United States Dollars)**  
**Unaudited**

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**1. Nature of operations and going concern**

BlockMint Technologies Inc. (formerly SMC Ventures Inc. ("SMC")) or the "Company") is a publicly traded company whose shares are listed on the TSX-V under the trading symbol BKMT. BlockMint (Canada) Technologies Inc. (formerly BlockMint Technologies Inc.) ("BlockMint-Canada"), a wholly owned subsidiary of the Company, was incorporated on December 22, 2017 pursuant to the British Columbia Business Corporations Act. BlockMint-Canada and its subsidiary, BlockMint (USA) Technologies Inc. ("BlockMint-USA") are in the business of developing distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining. BlockMint-USA was incorporated under the laws of the State of Delaware on March 6, 2018.

On February 19, 2019, the Company completed a triangular amalgamation whereby BlockMint-Canada shares were exchanged for SMC shares on the basis of 1.33 post-consolidated SMC share for each one (1) BlockMint-Canada share (the "Amalgamation") (see note 4). The Amalgamation was accounted for as a reverse takeover ("RTO") whereby BlockMint-Canada was identified as the acquirer for accounting purposes and the resulting unaudited condensed consolidated interim financial statements are presented as a continuance of BlockMint-Canada and the comparative figures presented in the unaudited condensed consolidated interim financial statements prior to the RTO are those of BlockMint-Canada.

The Company's registered office address is located at 29<sup>th</sup> Floor, 595 Burrard Street, Vancouver, British Columbia, V7X 1J5.

**Going concern**

The Company does not generate material revenue from operations. The Company incurred a net loss for the six months ended June 30, 2020 of \$192,686 and had an accumulated deficit of \$6,169,053 at June 30, 2020 (December 31, 2019 - \$5,976,367). These conditions indicate material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. As at June 30, 2020, the Company had a working capital balance of \$2,735,829 (December 31, 2019 - \$2,944,851).

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. Accordingly they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those presented in these unaudited condensed consolidated interim financial statements.

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**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Three and Six Months Ended June 30, 2020**  
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**2. Basis of presentation**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS's issued and outstanding as of August 28, 2020, the date the Board of Directors approved the statements. Except as disclosed in note 3, the same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the period ending December 31, 2020 could result in restatement of these unaudited condensed consolidated interim financial statements.

**3. Significant accounting policies**

**Changes in accounting policies**

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

There are no other relevant IFRS's or IFRS interpretations that are not yet effective that would be expected to have a material impact on the unaudited condensed consolidated interim financial statements.

**4. Arrangement agreement**

On July 10, 2018, BlockMint-Canada, SMC and 1166066 B.C. Ltd. ("SMC Subco"), a wholly-owned subsidiary of SMC, entered into an Arrangement Agreement whereby BlockMint-Canada agreed to amalgamate with SMC Subco, which would result in BlockMint-Canada and BlockMint-USA becoming wholly-owned subsidiaries of SMC. The Arrangement Agreement was amended on September 28, 2018 and on November 30, 2018.

On February 19, 2019, the Company closed its reverse takeover acquisition of BlockMint-Canada, whereby:

- ◆ SMC consolidated its 18,708,678 common shares on a two for one basis resulting in 9,354,387 post consolidation shares outstanding;
- ◆ BlockMint Technologies Inc. changed its name to Blockmint (Canada) Technologies Inc. and SMC changed its name to BlockMint Technologies Inc.;
- ◆ The Company issued 34,914,681 post-consolidation shares to the shareholders of BlockMint-Canada (1.33 post consolidation shares of the Company for each share of BlockMint-Canada);
- ◆ The Company issued 6,650,000 performance warrants in replacement of the 5,000,000 performance warrants outstanding in the capital of BlockMint-Canada and 152,498 finder's fee warrants in replacement of the 114,660 finder's fee warrants outstanding in the capital of BlockMint-Canada, each share purchase warrant entitling the holder to acquire one post consolidation share of the Company at the exercise price in the underlying BlockMint-Canada warrant.

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**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Three and Six Months Ended June 30, 2020**  
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**4. Arrangement agreement (continued)**

In accordance with IFRS 3, Business Combinations, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as SMC does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with BlockMint-Canada being identified as the acquirer and the equity consideration being measured at fair value. The resulting unaudited condensed consolidated interim statement of financial position is presented as a continuance of BlockMint-Canada and comparative figures presented in the unaudited condensed consolidated interim financial statements prior to the reverse takeover are those of BlockMint-Canada.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because BlockMint-Canada issued shares with a value in excess of the assets received, the difference is recognized in profit or loss as a transaction cost. The amount assigned to the transaction cost of \$3,458,765 is the difference between the fair value of the consideration and the net identifiable assets of SMC acquired by BlockMint-Canada.

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Consideration - Shares: SMC shareholders	\$ 3,835,279
Total consideration	\$ 3,835,279
<b>Identifiable assets acquired</b>	
Cash	\$ 408,219
Other receivables and prepaid expenses	6,657
Accounts payable and accrued liabilities	(38,362)
Net assets acquired	\$ 376,514
<b>Transaction cost</b>	<b>\$ 3,458,765</b>

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**5. Digital currency**

Digital currency is measured at fair value using the quoted price on [www.coinmarketcap.com](http://www.coinmarketcap.com). Management considers this fair value to be a Level 2 input under the IFRS 13 *Fair Value Measurement* fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The Company is relying on the data available at [www.coinmarketcap.com](http://www.coinmarketcap.com) to be an accurate representation of the closing price for the digital currency.

As at June 30, 2020, the Company's digital currency consisted of Monero with a fair value of \$760 (December 31, 2019 - \$533). Digital currencies are recorded at their fair value on the date that they were received as revenues and are revalued to their current market value at each reporting date based on the closing price obtained from [www.coinmarketcap.com](http://www.coinmarketcap.com).



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**6. Equipment**

<b>Cost</b>	<b>Computer and mining equipment</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Balance, December 31, 2018, December 31, 2019 and June 30, 2020</b>	<b>\$ 150,660</b>	<b>\$ 2,900</b>	<b>\$ 153,560</b>
<b>Accumulated depreciation</b>	<b>Computer and mining equipment</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Balance, December 31, 2018</b>	<b>\$ 134,370</b>	<b>\$ 724</b>	<b>\$ 135,094</b>
Depreciation for the year	7,240	967	8,207
Impairment	9,050	1,209	10,259
<b>Balance, December 31, 2019 and June 30, 2020</b>	<b>\$ 150,660</b>	<b>\$ 2,900</b>	<b>\$ 153,560</b>
<b>Carrying amount</b>	<b>Computer and mining equipment</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Balance, December 31, 2019 and June 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Digital currencies have a limited history and pricing has been very volatile. Historical performance of digital currencies are not indicative of their future price performance. The Company had undertaken a conservative approach and had no immediate plans to deploy additional blockchain based applications based on digital currency prices at the time. As a result the Company has taken an impairment charge equal to the carrying amount of equipment.

**7. Intangible assets**

	<b>As at December 31, 2018</b>	<b>Additions</b>	<b>As at December 31, 2019</b>	<b>Additions</b>	<b>As at June 30, 2020</b>
Patent pending	<b>\$ 17,500</b>	<b>\$ -</b>	<b>\$ 17,500</b>	<b>\$ -</b>	<b>\$ 17,500</b>

**8. Share capital**

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

**BlockMint Technologies Inc. (formerly SMC Ventures Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Three and Six Months Ended June 30, 2020**  
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**8. Share capital (continued)**

b) Common shares issued

	Number of common shares	Amount
<b>Balance, December 31, 2018</b>	<b>26,251,640</b>	<b>\$ 5,049,154</b>
Elimination of BlockMint-Canada (i)	(26,251,640)	-
Conversion of BlockMint-Canada (i)	34,914,681	-
Conversion of shares and consideration for RTO (note 4)	9,354,387	3,835,279
<b>Balance, June 30, 2019, December 31, 2019 and June 30, 2020</b>	<b>44,269,068</b>	<b>\$ 8,884,433</b>

(i) On February 19, 2019, BlockMint-Canada, BlockMint-USA, SMC and 1166066 B.C. Ltd. ("SMC Subco"), a wholly-owned subsidiary of SMC, completed the Arrangement Agreement whereby SMC issued 34,914,681 post-consolidation shares to the shareholders of BlockMint-Canada (1.33 post consolidation shares for each share of BlockMint-Canada).

The Amalgamation was accounted for as a RTO whereby BlockMint-Canada, was identified as the acquirer for accounting purposes (see note 4).

**9. Warrant reserve**

	Number of warrants	Weighted average exercise price
<b>Balance, December 31, 2018</b>	<b>6,802,498</b>	<b>\$ 0.03</b>
Expired	(152,498)	0.37
<b>Balance, June 30, 2019, December 31, 2019 and June 30, 2020</b>	<b>6,650,000</b>	<b>\$ 0.03</b>

The following table reflects the warrants issued and outstanding as of June 30, 2020:

Expiry date	Number of warrants	Grant date fair value	Exercise price
February 1, 2023	6,650,000	17,500	CDN 0.05

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**10. Related party transactions**

Key management personnel includes the Board of Directors of the Company, officers, and close family members and enterprises which are controlled by these individuals, as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

		Three Months		Six Months Ended	
		June 30,		June 30,	
		2020	2019	2020	2019
Owen Bird Law Corporation	(i)	\$ 1,376	\$ 1,511	\$ 1,376	\$ 30,952
Bayswater Consulting Ltd.	(ii)	2,176	2,248	4,384	3,762
Marrelli Support Services Inc.	(iii)	8,638	7,652	17,364	15,772

(i) For the three and six months ended June 30, 2020, the Company expensed \$1,376 and \$1,376, respectively (three and six months ended June 30, 2019 - \$1,511 and \$30,952, respectively) for legal services to Owen Bird Law Corporation, a legal firm of which Jeff Lightfoot is a shareholder. As at June 30, 2020, \$675 (December 31, 2019 - \$500) was payable to this party and the amount is included in accounts payable and accrued liabilities.

(ii) For the three and six months ended June 30, 2020, the Company expensed \$2,176 and \$4,384, respectively (three and six months ended June 30, 2019 - \$2,248 and \$3,762, respectively) to a private company controlled by Erin Walmsley, the Company's corporate secretary, for corporate services.

(iii) For the three and six months ended June 30, 2020, the Company expensed \$8,638 and \$17,364, respectively (three and six months ended June 30, 2019 - \$7,652 and \$15,772, respectively) to Marrelli Support Services Inc. ("Marrelli") for: Victor Hugo to act as the Chief Financial Officer of the Company; and for bookkeeping services. Victor Hugo is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at June 30, 2020, Marrelli was owed \$1,288 (December 31, 2019 - \$6,364), and the amount is included in accounts payable and accrued liabilities.

(b) Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	Three Months		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Management salaries	\$ 18,000	\$ 65,000	\$ 36,000	\$ 140,000
Directors fees	6,834	6,771	13,209	6,771
	\$ 24,834	\$ 71,771	\$ 49,209	\$ 146,771

**11. Loss per share**

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2020, was based on the loss attributable to common shareholders of \$137,302 and \$192,686, respectively (three and six months ended June 30, 2019 - \$261,979 and \$3,992,123, respectively) and the weighted average number of common shares outstanding of 44,269,068 and 44,269,068, respectively (three and six months ended June 30, 2019 - 44,269,068 and 39,291,878, respectively). Diluted loss per share did not include the effect of 6,650,000 warrants for the three and six months ended June 30, 2020 (three and six months ended June 30, 2019 - 6,650,000) as their effect is anti-dilutive.