



BITCOIN WELL

TSX.V:**BTCW** OTCQB:**BCNWF**

Unaudited Condensed Consolidated Interim Financial Statements

For the Three Months ended March 31, 2025 and 2024

As at	Note	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		\$ 1,655,099	\$ 2,875,766
Accounts receivable		716,802	576,463
Digital assets	3	17,265,393	22,374,404
Inventory	6	1,226,053	1,378,640
Deposits and prepaid expenses		396,703	225,903
		21,260,050	27,431,176
Non-current assets			
Property and equipment		296,038	379,671
Right of use assets		80,969	38,672
Intangible assets		63,292	69,553
Goodwill		105,427	105,427
		545,726	593,723
Total assets		\$ 21,805,776	\$ 28,024,499
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 659,649	\$ 562,134
Deferred revenue		139,041	734,893
Lease liability - current		49,219	32,403
Acquisition consideration payable		163,077	167,260
Convertible debt - current	7	1,410,862	243,698
Line of credit	8	9,942,978	9,643,793
Loans payable - cryptocurrency	5	7,722,683	-
		20,087,509	11,384,181
Non-current liabilities			
Lease liability - long term		32,758	8,884
Convertible debt	7	6,280,712	7,397,069
Loans payable - cryptocurrency	5	9,505,278	22,187,896
Loans payable - long term		40,000	40,000
		15,858,748	30,627,849
Total liabilities		35,946,257	41,018,030
Shareholders' deficit			
Share capital	12	15,607,259	15,365,507
Contributed surplus	12	3,959,723	3,912,707
Convertible debt - equity		316,881	316,881
Warrants	12	873,240	872,520
Accumulated deficit		(49,201,712)	(52,495,210)
Accumulated other comprehensive income		14,304,128	19,034,064
Total shareholders' deficit		(14,140,481)	(12,993,531)
Total liabilities and shareholders' deficit		\$ 21,805,776	\$ 28,024,499

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

Condensed Consolidated Interim Statements of Income and Comprehensive Loss
(Expressed in Canadian dollars, except for number of and earnings per share)

Three months ended March 31	Note	2025	2024
Revenue			
Sales revenue	13	\$ 31,802,012	\$ 16,181,120
Cost of coins		(30,717,562)	(15,378,309)
Gross profit		1,084,450	802,811
Expenses			
General and administration	14	630,652	736,410
Salaries and wages		247,602	194,360
Depreciation		106,636	262,453
Financing fees	5, 7	705,152	644,147
Marketing and advertising		349,566	149,815
Professional fees		104,365	104,194
Software		106,958	48,112
		2,250,931	2,139,491
Loss before other items		(1,166,481)	(1,336,680)
Other items			
Fair value change – cryptocurrency loans	5	2,253,103	(7,876,112)
Share based compensation		(104,318)	(67,583)
Foreign exchange gain (loss)		16,894	(121,512)
Gain on debt settlement		-	20,000
Fair value change – cryptocurrency inventory		(156,586)	404,615
Fair value change – convertible debt		(27,557)	-
Realized gain on digital assets		2,478,443	852,579
Net income (loss)		3,293,498	(8,124,693)
Other comprehensive income			
Revaluation (loss) gain on digital assets	3	(4,729,936)	6,582,955
Total comprehensive loss		\$ (1,436,438)	\$ (1,541,738)
Net income (loss) per common share			
Basic		\$ 0.01	\$ (0.04)
Diluted		\$ 0.01	\$ (0.04)
Weighted average common shares outstanding:			
Basic		219,812,080	201,538,615
Diluted		263,186,871	201,538,615

The accompanying notes are an integral part of these consolidated financial statement

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

Three months ended March 31	2025	2024
Cash provided by (used in):		
Operating activities		
Net income (loss)	\$ 3,293,498	\$ (8,124,693)
Adjustments for:		
Depreciation	106,636	262,453
Fair value change - cryptocurrency loans	(2,253,103)	7,876,112
Fair value change - cryptocurrency inventory	156,586	(404,615)
Fair value change - convertible debenture	27,557	-
Accretion expense - convertible debenture	23,831	-
Realized gain on digital assets	(2,478,443)	(852,579)
Foreign exchange (gain) loss	(16,894)	121,512
Share based compensation	104,318	67,583
Gain on debt settlement	-	(20,000)
	(1,036,014)	(1,074,227)
Changes in non-cash working capital items:		
Accounts receivable	(140,339)	1,848
Deposits and prepaid expenses	(170,800)	(58,637)
Inventory	(3,999)	(92,640)
Accounts payable and accrued liabilities	230,223	5,029
Deferred revenue	(595,852)	735,000
Cash used in operating activities	(1,716,781)	(483,627)
Investing activities		
Purchase of property and equipment	(7,578)	-
Proceeds on disposal of digital assets	2,943,459	1,154,250
Purchase of digital assets	(85,940)	(151,890)
Cash provided by investing activities	2,849,941	1,002,360
Financing activities		
Net repayment of cryptocurrency loans	(2,706,833)	(950,750)
Payments of acquisition consideration payable	(4,182)	(5,870)
Repayment of loans	-	(40,000)
Proceeds from (repayments of) line of credit	316,079	(78,049)
Repayment of lease liability	(10,772)	(11,299)
Shares issued pursuant to exercise of options and warrants	51,881	-
Shares issued pursuant to private placement	-	1,983,369
Cash (used in) provided by financing activities	(2,353,827)	897,401
Change in cash	(1,220,667)	1,416,134
Cash, beginning of period	2,875,766	1,668,922
Cash, end of period	\$ 1,655,099	\$ 3,085,056

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except for number of shares)

	Note	Share Capital		Contributed Surplus	Convertible Debt - Equity	Warrants	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
		Number of Common Shares	Amount						
Balance at December 31, 2023		200,160,478	\$ 13,246,686	\$ 3,332,772	\$ -	\$ 620,948	\$ (34,718,093)	\$ 8,367,101	\$ (9,150,586)
Shares issued - services received	12	2,540,887	246,339	-	-	-	-	-	246,339
Shares and warrants issued - private placement	12	13,781,368	1,618,035	156,556	-	208,779	-	-	1,983,370
Shares issued - warrants exercised	12	860,000	76,364	-	-	(33,364)	-	-	43,000
Shares issued - options exercised	12	1,071,629	129,300	(81,399)	-	-	-	-	47,901
Share based compensation	12	-	-	467,952	-	-	-	-	467,952
Net loss for the period		-	-	-	-	-	(17,777,117)	-	(17,777,117)
Revaluation gain on digital assets		-	-	-	-	-	-	10,666,963	10,666,963
Issuance of convertible debt	7	286,956	48,783	36,826	316,881	76,157	-	-	478,647
Balance at December 31, 2024		218,701,318	\$ 15,365,507	\$ 3,912,707	\$ 316,881	\$ 872,520	\$ (52,495,210)	\$ 19,034,064	\$ (12,993,531)
Shares issued - options exercised	12	701,619	103,583	(54,502)	-	-	-	-	49,081
Shares issued - broker warrants exercised	12	16,000	4,880	(2,800)	-	720	-	-	2,800
Shares issued - debt settlement	12	742,789	133,289	-	-	-	-	-	133,289
Share based compensation	12	-	-	104,318	-	-	-	-	104,318
Net income for the period		-	-	-	-	-	3,293,498	-	3,293,498
Revaluation loss on digital assets		-	-	-	-	-	-	(4,729,936)	(4,729,936)
Balance at March 31, 2025		220,161,726	\$ 15,607,259	\$ 3,959,723	\$ 316,881	\$ 873,240	\$ (49,201,712)	\$ 14,304,128	\$ (14,140,481)

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

1. NATURE OF OPERATIONS

Operating businesses

Bitcoin Well Inc. ("Bitcoin Well" or the "Company") is on a mission to enable independence. The Company does this by making bitcoin useful to everyday people to give them the convenience of modern banking and the benefits of bitcoin.

The Company operates three business units, consisting of (i) Bitcoin ATMs, (ii) the Online Bitcoin Portal, and (iii) Bitcoin Well Infinite. The Bitcoin ATM business unit operates 165 Bitcoin ATM machines placed and operating throughout Canada. The Online Bitcoin Portal platform offers customers a fast and safe way to buy, sell and use bitcoin online in Canada and the USA. This business unit is designed to offer bank-like functionality coupled with the benefits of bitcoin. The Bitcoin Well Infinite business unit facilitates large bitcoin transactions (\$50,000 and above) for high net worth individuals and businesses.

Corporate administration

The address of the Company's registered office is 1700 Enbridge Centre, 10175 – 101 Street NW, Edmonton, Alberta. The Company's common shares are traded on the TSX Venture Exchange (the "TSXV") under the ticker symbol "**BTCW**" and on the OTCQB under the ticker symbol "**BCNWF**".

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 5, 2025.

2. BASIS OF PRESENTATION

a) Statement of compliance and basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's audited consolidated financial statements for the year ended December 31, 2024 and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024. These consolidated financial statements have been prepared using the accrual basis of accounting, and fair value accounting where appropriate, except for cash flow information. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of March 31, 2025.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements are disclosed in note 2 of the Company's 2024 consolidated annual financial statements.

The functional currency for the Company and its subsidiaries is the Canadian dollar. The presentation currency for the Company is the Canadian dollar.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. For the three months ended March 31, 2025, the Company incurred a comprehensive loss of \$1,436,438 (Q1 2024 - loss \$1,541,738) and reported a shareholders' deficit of \$14,140,481 at March 31, 2025 (December 31, 2024 - deficit of \$12,993,531).

Operations have been financed using a combination of cryptocurrency loans (Note 5) and convertible debt (Note 7) which had balances of \$17,227,961 and \$7,691,574, respectively, at March 31, 2025 with no financial covenants attached. In addition, the Company has raised capital through equity issuances. Management applied judgements in preparing forecasts to support the going concern assumption, including the expected demand for the Company's current and future products, as well as expected operating expenses.

These estimations may raise doubt about whether the Company will continue to operate as a going concern, and therefore, whether it will realize its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial statements. Should the Company be unable to meet its obligations as they become due, the preparation of these consolidated financial statements on a going concern basis may not be appropriate.

b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, the Company's current active subsidiaries include Bitcoin Well Canada Ltd., Ghostlab Inc. and Independent Well USA Corp. All intercompany transactions and balances have been eliminated on consolidation.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

c) Reclassifications

Certain comparative amounts in the statement of income for the period ended March 31, 2024 have been reclassified to better reflect the nature of the expenditures reported. This included the reclassification of \$404,615 related to the change in fair value of cryptocurrency inventory into a separate line that was previously included in cost of coins in the comparative quarter ended March 31, 2024. The reclassification better reflects and separately reports the nature of this income (expense).

In addition, certain comparative amounts in the statement of cash flows for the period ended March 31, 2024 have been reclassified to better reflect the nature of the transactions. Cash proceeds or disbursements from the sale or purchase of digital assets, which are accounted for as intangible assets under IAS 38, have been reclassified from cash flows from operating activities to cash flow from investing activities.

The reclassification caused a \$1,002,360 decrease in cash flows from operating activities and a \$1,002,360 increase in cash flows from investing activities for the comparative quarter ended March 31, 2024.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

3. DIGITAL ASSETS

The Company classifies bitcoin holdings in excess of the inventory required for operations as digital assets. As at March 31, 2025, the price of bitcoin was \$118,811 which reflected an decrease from its price of \$134,469 on December 31, 2024. The Company recognized an unrealized revaluation loss of \$4,729,936 during the three months ended March 31, 2025 (Q1 2024 - unrealized gain of \$6,582,955).

	Bitcoin	CAD \$ Value
Balance at December 31, 2023	183 \$	10,224,666
Additions	22	2,354,888
Disposals	(39)	(3,402,805)
Realized gain on sale of digital assets		2,530,692
Revaluation	-	10,666,963
Balance at December 31, 2024	166 \$	22,374,404
Additions	1	85,940
Disposals	(22)	(2,943,459)
Realized gain on sale of digital assets	-	2,478,444
Revaluation	-	(4,729,936)
Balance at March 31, 2025	145 \$	17,265,393

The Company recognizes realized gains and losses arising from the disposal of digital assets. Accordingly, for the three ended March 31, 2025, a realized gain of \$2,478,443 (Q1 2024 - gain of \$852,579) was recognized.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

4. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management includes members of the Board of Directors and its executive officers. The aggregate value of compensation relating to key management personnel and entities over which they have control or significant influence were as follows.

Three months ended March 31	2025	2024
Salary, fees, and other short-term benefits	\$ 166,559	\$ 158,263
Share based payments (Note 12)	15,000	17,847
Total	181,559	\$ 176,110

Other related party transactions

During the three months ended March 31, 2025, the Company incurred \$215,065 (Q1 2024 - \$265,754) of interest on crypto currency loans and convertible debentures owing to directors and officers of the company (see Notes 5 and 7 for additional information related to these loans).

During the three months ended March 31, 2025, a director and officer of the company purchased \$42,000 of cryptocurrency through the Company's online platform.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

5. LOANS PAYABLE – CRYPTOCURRENCY

The Company has secured loans of bitcoin from various lenders through Use of Coin Agreements. These agreements were established to fulfill customer demand for cryptocurrency and to serve as security for the Company's Line of Credit (Note 8).

	Bitcoin	CAD \$ Value
Balance at December 31, 2023	195 \$	10,920,226
Repayments	(30)	(2,706,782)
Revaluation	-	13,974,453
Balance at December 31, 2024	165 \$	22,187,897
Repayments	(20)	(2,706,833)
Revaluation	-	(2,253,103)
Balance at March 31, 2025	145 \$	17,227,961
Less: Current portion	\$	7,722,683
Non-current portion	\$	9,505,278

As at March 31, 2025, the Company's cryptocurrency loans consisted of 145 bitcoins with a fair value of \$17,227,961 (December 31, 2024 – 165 bitcoins valued at \$22,187,897).

Of this amount, 40 bitcoins, valued at \$4,752,857 (December 2024 – 40 bitcoins valued at \$5,379,259) was owing to the Chief Executive Officer of the Company and 10 bitcoins, valued at \$1,188,105 (December 2024 – \$1,344,691) was owing to a director of the Company. The changes in fair value were a result of the fluctuating prices of cryptocurrency.

In the three months ended March 31, 2025, the company repaid 20 bitcoin cryptocurrency loans totaling \$2,706,833 (Q1 2024 – \$950,750).

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The loans are unsecured and bear interest at fixed monthly fees ranging from 6.0% to 10.0% per annum, based on the value of the loans at the time of issuance or at a variable rate equal to bank prime plus 5% per annum based on the current value of the loan.

Of the 145 bitcoins owing, 65 bitcoins, valued at \$7,722,683 are currently redeemable by the holders in March 2025. The remaining 80 bitcoins, valued at \$9,505,278, are redeemable by the holder with 12 months advance notice and, therefore, have been classified as long-term liabilities.

The total interest incurred under these agreements for the three months ended March 31, 2025 was \$184,501 (Q1 2024 - \$224,386), of which \$43,200 (Q1 2024 - \$54,000) was incurred with an officer and director of the Company and \$37,015 (Q1 2024 - \$24,951) was incurred with a director of the Company. This expense has been recorded within Finance fees.

At each reporting period, the Company revalues the outstanding loans based on current market price of the cryptocurrencies, using CoinMarketCap. For the three months ended March 31, 2025, the Company recognized an unrealized fair value gain of \$2,253,103 (Q1 2024 - loss of \$7,876,112), as a result of changes in the price of the cryptocurrencies.

Whenever any borrowed cryptocurrencies are used in operations or to secure borrowings under the line of credit (Note 8), an equal amount of cryptocurrency is purchased, which effectively allows the Company to eliminate any price exposure to those borrowed coins once they have been used. Therefore, the \$2,253,103 in unrealized gain for the three months ended March 31, 2025 (Q1 2024 - loss \$7,876,112) was mostly offset by the net of (i) a \$4,729,936 unrealized loss (Q1 2024 - gain \$6,582,955) recorded in Other Comprehensive Income, and (ii) a \$2,478,443 realized gain (Q1 2024 - \$852,579), that were recognized related to cryptocurrencies held by the Company in digital assets.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

6. INVENTORY

As at	March 31, 2025		December 31, 2024	
	Value	Units	Value	Units
Bitcoin	\$ 1,188,105	10	\$ 1,344,691	10
Ethereum	9,746	4	22,174	5
Other	28,202		11,775	
Total	\$ 1,226,053		\$ 1,378,640	

For the three months ended March 31, 2025, a fair value loss of \$156,586 (Q1 2024 – gain of \$404,615) was recognized due to changes in the market value of The Company's inventory balances.

7. CONVERTIBLE DEBT

As at	March 31, 2025	December 31, 2024
Debenture A	\$ 4,100,000	\$ 4,100,000
Debenture A - Royalty liability	1,222,193	1,194,636
Debentures B	1,120,735	1,121,316
Debentures C	1,248,646	1,224,815
Total	7,691,574	7,640,767
Less: current portion	(1,410,862)	(243,698)
	\$ 6,280,712	\$ 7,397,069

Debenture A

As at March 31, 2025, the Company had an outstanding secured convertible debenture ("Debenture A") in the principal amount of \$4,100,000 owing to Beyond the Rhode Corp ("BTR"), a company controlled by a director of Bitcoin Well. The convertible Debenture incurs interest at Prime + 6.2% per annum, matures on May 1, 2028, and is convertible into common shares of the Company at a price of \$0.25 per share at the election of the holder at any time.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The Company has the right to force conversion of the principal amount if the volume weighted average trading price of the common shares for ten trading days equals or exceeds \$0.50 per common share. The Company also has the option to repay any amounts of the Debenture A with no penalty, at any time.

The Debenture A also provides for the payment of a monthly royalty to the holder equal to between 12% and 20% of the gross profit, defined as revenue less the cost of coins, generated from the Online Bitcoin Portal, until the latter of three months after the most recent conversion date or the maturity date. No royalty payments shall be made if the aggregate amount of all interest payments, future interest payments and royalty payments would exceed 24% per annum. During the three months ended March 31, 2025, the lender agreed to waive all royalty payments otherwise due in exchange for an extension of the royalty for an additional period of 3 months. The royalty payment period now expires on October 31, 2028.

During the three months ended March 31, 2025, the Company incurred interest of \$116,850 (Q1 2024 - \$167,500) and paid no royalties (Q1 2024 - \$9,899) related to Debenture A.

Debenture A - Royalty liability

The Company has determined that the royalty payments, which are required by Debenture A, constitute an embedded derivative liability that needs to be measured at fair value every reporting period. The calculated fair value was \$1,222,193 as of March 31, 2025, and the resulting change in fair value of \$27,557 during the three months ended March 31, 2025 was recognized in profit and loss. This fair value was determined by discounting the revised expected future gross profit from the Bitcoin Online Portal at an annual rate of 15%.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Debentures B

The Company has outstanding secured convertible debentures in the principal amount of \$1,120,735 owing to various arm's length parties (the "Debentures B"). The convertible debentures incur interest at the Bank of Canada policy interest rate + 8% per annum and mature between February 16, 2026 and March 28, 2026, subject to two automatic one year extensions. The Debentures B are convertible into common shares of the Company at a price of \$0.15 per share at the election of the holder at any time.

The Company has the right to force conversion of the principal amount of the Debentures B if the volume weighted average trading price of the common shares for ten trading days equals or exceeds \$0.30 per common share. The Company also has the option to repay any amounts of these debentures with no penalty, with 30 days notice.

During the three months ended March 31, 2025, the Company recognized \$29,167 (Q1 2024 - \$29,861) in interest related to the Debentures B.

Debentures C

The Company has outstanding unsecured convertible debentures in the principal amount of \$2,000,000 owing to various arm's length parties (the "Debentures C"). The Debentures C bear interest of 8% per annum, payable semi-annually in arrears, on the first business day in July and January of each year (the "Interest Payment Date") and mature on December 30, 2029 (the "Maturity Date"). The Company shall pay, on each Interest Payment Date, all interest in the form of common shares of the Company (the "PIK Interest Payment") or in cash, at the sole discretion of the Company. In the event the Company elects to make a PIK Interest Payment, it shall deliver such number of common shares, within 10 business days of the Interest Payment Date, as is determined by dividing the accrued and unpaid interest due and payable on the Interest Payment Date by the 10 day volume weighted average trading price ("VWAP") of the Common Shares on the TSXV, immediately preceding the Interest Payment Date.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Each \$1,000 principal amount of the Debentures C is convertible into 4,347 common shares of the Company at the option of the holder thereof, at a conversion price of \$0.23 per share.

If the VWAP of the common shares on the TSXV is greater than \$0.32 for a period of 10 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, force the conversion of the Debentures C by giving notice (the "Debenture Conversion Notice") to the holders of the Debentures C, and issuing a concurrent press release, and, in such case, the conversion date of the Debentures C shall be the date specified by the Company in the Debenture Conversion Notice, provided such date shall not be less than 30 trading days following delivery of the Debenture Conversion Notice.

The Debentures C are classified as a liability in the consolidated statement of financial position with an equity component representing the conversion feature as well as the warrants issued in conjunction with the issuance. The liability component was initially recognized at fair value, calculated as the present value of future cash flows discounted at a market rate of interest of 15.0% for similar non-convertible instruments. The residual amount was allocated to the equity components and recorded within equity. The effective interest rate method is being used to amortize the liability component over the term of the Debentures.

During the three months ended March 31, 2025, the Company recognized \$63,831 (Q1 2024 - \$nil) in interest related to the Debentures C, including \$23,831 in accretion.

At March 31, 2025, BTR held \$900,000 principal amount of the Debentures C, representing 45% of the total outstanding,

8. LINE OF CREDIT

The Company has a line of credit with Ledn, a lending firm that provides bitcoin-backed loans. The line of credit accrues interest at 13.4% per annum and matures in various tranches from October 2025 to December 2025. These tranches can be extended for additional 12-month terms, subject to mutual agreement.

The line of credit requires the Company to hold a mix of cryptocurrency assets and cash (collectively the "Collateral") with the lender such that the debt outstanding will not exceed 70% of the Collateral (the "Loan to Value"). If the Loan to Value exceeds 70%, the lender may require the Company to deposit additional collateral with the lender to reduce the Loan to Value to 50%. If the Loan to Value exceeds 80%, the Company will be in default and the lender will be able to immediately demand repayment of the line of credit and exercise all of its rights and remedies available to collect on the outstanding balance, including liquidating the collateral held.

On March 31, 2025, the lender held 142 Bitcoin as security over the line of credit, with a fair value of \$16.9 million, representing a Loan to Value of 59%.

In the three months ended March 31, 2025, the Company recognized \$312,915 in interest related to the line of credit (Q1 2024 - \$200,398).

9. SEGMENTED INFORMATION

The Company reports three operating business segments: (i) Bitcoin ATMs, (ii) Online Bitcoin Portal and (iii) Bitcoin Well Infinite, as well as a head office segment that includes overhead and administrative expenditures applicable to the whole business. These segments have been identified by management based on components of the business containing similar economic characteristics. Management reviews the financial information for each of these segments separately when making business decisions.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The Bitcoin ATM segment comprises sales and expenses related to the Company's Bitcoin ATMs placed and operating throughout Canada. The Online Bitcoin Portal segment includes sales and expenses related to the Company's online bitcoin platform. The Bitcoin Well Infinite segment includes sales and expenses related to large bitcoin transactions (\$50,000 and above) for high net worth individuals and businesses. Management reviews the financial information for each of these segments separately when making business decisions.

Management has identified Bitcoin Well Infinite as a separate business segment starting in the first quarter of 2025, due to its significant growth and development in recent months. Previously, it was part of the Online Bitcoin Portal segment. The comparative period for the three months ended March 31, 2024, has been adjusted to reflect this change in segmentation.

Three months ended March 31, 2025	ATMs	Online	Infinite	Head office	Total
Sales	\$ 4,898,386	\$ 15,215,463	\$ 11,688,163	\$ -	\$ 31,802,012
Cost of coins	(4,261,073)	(14,980,018)	(11,476,471)	-	(30,717,562)
Gross profit	637,313	235,445	211,692	-	1,084,450
Gross profit margin %	13.0%	1.5%	1.8%		3.4%
Expenses					
General and administration	343,263	45,797	15,909	225,683	630,652
Salaries and wages	61,901	123,801	24,760	37,140	247,602
Depreciation and accretion	93,840	-	-	12,796	106,636
Financing fees	-	-	-	705,152	705,152
Marketing and advertising	-	123,510	36,195	189,861	349,566
Professional fees	-	-	-	104,365	104,365
Software	25,799	38,699	29,560	12,900	106,958
Other items	-	-	239	(4,460,218)	(4,459,979)
Segment income (loss)	112,510	(96,362)	105,029	3,172,321	3,293,498
Total assets	\$ 2,674,379	\$ 420,593	\$ 316,428	\$ 18,394,376	\$ 21,805,776
Total liabilities	-	13,714	20,056	35,912,487	35,946,257

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Three months ended March 31, 2024	ATMs	Online	Infinite	Head office	Total
Sales	\$ 6,512,285	\$ 7,201,057	\$ 2,467,778	\$ -	\$ 16,181,120
Cost of coins	(5,798,369)	(7,152,886)	(2,427,054)	-	(15,378,309)
Gross profit	713,916	48,171	40,724	-	802,811
Gross profit margin %	11.0%	0.7%	1.7%		5.0%
Expenses					
General and administration	439,904	61,116	20,517	214,873	736,410
Salaries and wages	48,590	97,180	19,436	29,154	194,360
Depreciation and accretion	183,469	-	-	78,984	262,453
Financing fees	-	-	-	644,147	644,147
Marketing and advertising	-	34,449	8,847	106,519	149,815
Professional fees	-	3,388	3,388	97,418	104,194
Software	14,434	21,651	4,811	7,216	48,112
Other items	-	-	-	6,788,013	6,788,013
Segment income (loss)	27,519	(169,613)	(16,275)	(7,966,324)	(8,124,693)
Total assets	\$ 2,357,131	\$ 917,268	\$ 96,463	\$ 19,691,779	\$ 23,062,641
Total liabilities	-	-	-	31,704,013	31,704,013

Included in the Online and Infinite segments for the three months ended March 31, 2025 was fee revenue of \$15,688 and \$94,344 (Q1 2024 - \$nil and \$nil), respectively, generated from customers located in the United States. All of the Company's property and equipment, intangible assets and goodwill are located in Canada.

10. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its shareholders' equity, convertible debt, loans payable, loans payable - cryptocurrency, and line of credit. The Company's objectives when managing capital are:

- Maintaining adequate liquidity reserves and access to capital.
- Ensuring sufficient liquidity to support its corporate and administrative functions as well as being able to execute on strategic initiatives.
- Minimizing the impact of the current market and economic conditions through active capital management.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company is subject to externally imposed capital requirements related to its line of credit, see Note 8.

11. RISK MANAGEMENT

11.1 Financial Risk Management

The Company may be exposed to various financial risks, which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management strategy is to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a) Credit Risk

Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. Assets that subject the Company to credit risk consist primarily of cash, digital assets, and accounts receivable.

The Company limits its exposure to credit loss related to its cash by placing its cash with high quality financial institutions. The Company is also exposed to the risk of loss from theft of its cash held in ATM machines or in transit from ATM machines to financial institutions. This risk is mitigated by having no concentration of cash in any one location, the regular collection of cash from ATM machines and by using reputable service organizations to transport cash from its ATM machines to financial institutions.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Credit risks related to the Company's digital assets include that a portion of these assets are held by third parties, including lenders and liquidity partners. The Company is also exposed to the risk of loss associated with digital assets held in its controlled wallets. To mitigate these risks, the Company has implemented rigorous levels of internal controls to ensure the safety and security of its digital assets, including but not limited to multi-signature wallets, the use of cold storage wallets, and signing authority limitations.

The Company may, from time to time, hold a net asset position with its liquidity partners. The Company limits its exposure to potential credit loss by ensuring it is working with liquidity partners who have a high standard of care, and that a reasonable degree of oversight and review over their internal controls has been maintained, including the requirement of a current Systems and Organization Controls 2 ("SOC 2") report in order for the Company to work with the liquidity partner.

A significant portion of the Company's digital assets are also held by its lender as collateral for the line of credit (note 8). The Company does not hold, or have rights to the potential economic benefits of the cryptocurrency assets that comprise the collateral for the duration of the line of credit. The lender is also not required to deposit the collateral with a custodial service for safekeeping, and the lender can pledge, sell, lend, or transfer the collateral to third parties.

As disclosed in the annual consolidated financial statements for the year ended December 31, 2024, in October 2023, Rapid Cash ATM Ltd. ("Rapid Cash") suddenly uninstalled and removed the Company's software from Rapid Cash's ATMs that were operating in the Company's partner program. As a result, the Company terminated its hosting agreement with Rapid Cash who previously operated approximately 100 ATM machines under the Company's partner program. The Company is vigorously pursuing its rights under the contract and has commenced an action against Rapid Cash before the Alberta Court of King's Bench.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Accounts receivable at March 31, 2025 includes \$509,582 of the Company's cash in ATM machines that was withheld by Rapid Cash. In February 2025, the Company was awarded a partial summary judgement in the amount of \$509,582 plus costs. The Company believes it will be successful in recovering this amount from Rapid Cash, but the amount remains uncollected, and therefore, the Company's accounts receivable is subject to credit risk.

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they come due. As at March 31, 2025 the Company had a positive working capital balance of \$1,172,541 (December 31, 2024 - \$16,046,995).

As at March 31, 2025, the Company had cash of \$1,655,099 (December 31, 2024 - \$2,875,766) and short term liabilities in the table below:

	March 31, 2025	December 31, 2024
Accounts payable	\$ 395,088	\$ 268,544
Accrued liabilities	264,561	293,590
Deferred revenue	139,041	734,893
Lease liability - current	49,219	32,403
Acquisition consideration payable	163,077	167,260
Convertible debt - current	1,410,862	243,698
Line of credit	9,942,978	9,643,793
Loans payable - cryptocurrency	7,722,683	-
Total	\$ 20,087,509	\$ 11,384,181

Accounts payable, accrued liabilities, deferred revenue, and lease liabilities will be paid or extinguished within the next 12 months, as they become due.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The line of credit and current portion of convertible debt (excluding \$290,127 related to the current portion of the royalty liability, which is anticipated to be paid) is expected to continue to be extended as required by the Company and agreed to by the lenders. The convertible debentures that are scheduled to mature in Q1 2026 also carry automatic one year extensions. However, there is no guarantee the tranches advanced under the line of credit or the convertible debentures will be extended by the lenders.

The Company's line of credit is also subject to minimum collateral covenants, which if insufficient, could result in default, and the requirement to immediately repay any balances outstanding. Should such an event occur, the lender may also dispose of the digital assets that it currently holds as collateral for the line of credit. See *note 8* for additional information.

During the quarter ended March 31, 2025, the Company established an at-the-market equity program (the "ATM Program") that allows the Company to issue and sell, at its discretion, up to \$5,000,000 of common shares to the public from time to time. Distributions of the shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement between Bitcoin Well and Haywood Securities Inc. (the "Agent") All shares sold under the ATM Program will be sold through the TSX or other recognized Canadian marketplace at prevailing market prices at the time of sale. The ATM Program will be effective until the earlier of March 28, 2027 and the completion of the issuance and sale of all of the Shares issuable pursuant to the ATM Program, subject to earlier termination by Company or the Agent in accordance with the terms of the distribution agreement.

The ATM Program is intended to provide the Company with additional financing flexibility should it be required in the future. The volume and timing of distributions under the ATM Program, if any, will be determined in the Company's sole discretion. As Shares distributed under the ATM program will be sold at the prevailing market price at the time of sale, prices may vary among purchasers during the term of the ATM Program.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The Company intends to use the net proceeds from the ATM Program, if any, together with the Company's current cash resources, to fund general corporate purposes, including ongoing operations and/or working capital requirements; to repay indebtedness outstanding from time to time; to complete future acquisitions; to fund research and development, intellectual property development; or for other corporate purposes.

There were no share issuance pursuant to the ATM Program during the three months ended March 31, 2025.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company may also seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

c) Foreign Currency Risk

The Company is exposed to foreign currency risk in relation to its line of credit, which is denominated in USD. Based on the balance of the line of credit denominated in USD at March 31, 2025, a 5% increase or decrease in the exchange rate would result in a gain or loss of \$497,149. The Company is not currently exposed to any other significant foreign exchange risk.

d) Digital Asset and Market Risk

Digital asset and market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to market risk on cryptocurrency held as digital assets, inventory, and cryptocurrency loans. Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation, and global political and economic conditions.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

A decline in the market prices for cryptocurrencies could negatively impact the Company's future operations. The Company has not hedged the conversion of its inventory into sales. Cryptocurrencies have a limited history, and the fair value historically has been volatile. Historical performance of cryptocurrencies is not indicative of their future price performance. The Company's inventory consists primarily of Bitcoin and Ethereum.

With a 10% change to the price of bitcoin, the Company's digital assets and inventory at March 31, 2025 would increase or decrease by \$1,726,539 and \$118,811, respectively and the Company's loans payable - crypto currency would increase or decrease by \$1,722,796.

e) Interest rate risk

The Company is exposed to interest rate cash flow risk associated with its Debenture A and Debentures B as these instruments bear interest at a variable market rate. With a 100 basis point change in market interest rates, the Company's interest expense for the quarter related to these debts would increase or decrease by \$13,052.

The Company is not exposed to significant interest rate risk on its line of credit, Debentures C, and loans payable - crypto currency as the majority of these liabilities incur interest at a fixed rate.

11.2 Fair Values

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, acquisition consideration payable, and line of credit approximate their fair values due to their short-term nature. The carrying value of the Company's convertible debt (excluding the royalty derivative liability) does not differ significantly from its carrying value using observable inputs as the debt bears interest at a variable rate or at fixed rates that approximate market rates for debt of similar characteristics.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments and digital assets have been classified as follows:

As at March 31, 2025		Level 1	Level 2	Level 3	Total
Fair value through profit and loss					
Cryptocurrency loans	\$	- \$	- \$	17,227,961 \$	17,227,961
Royalty liability		-	-	1,222,193	1,222,193
Fair value through other comprehensive income					
Digital assets		-	17,265,393	-	17,265,393

As at December 31, 2024		Level 1	Level 2	Level 3	Total
Fair value through profit and loss					
Cryptocurrency loans	\$	- \$	- \$	22,187,896 \$	22,187,896
Royalty liability		-	-	1,194,636	1,194,636
Fair value through other comprehensive income					
Digital assets		-	22,374,404	-	22,374,404

12. EQUITY

12.1 Authorized Share Capital

The Company is authorized to issue the following:

- Unlimited number of voting common shares, without nominal or par value.
- Unlimited number of non-voting preferred shares, without nominal or par value.

12.2 Shares issued

During the three months ended March 31, 2025, the Company issued 536,408 common shares in the capital of the Company at a deemed price of \$0.19 per share and 206,381 common shares at a deemed price of \$0.152 per share to settle total outstanding debt obligations of \$133,289. The debt obligations related to accrued interest owing pursuant to certain cryptocurrency loans and a convertible debt agreement.

During the quarter ended March 31, 2025, the Company also issued the following common shares:

- 701,619 common shares were issued upon the exercise of stock options; and
- 16,000 common shares were issued upon the exercise of broker options.

12.3 Incentive Plan

Long-term Incentive Plan ("LTIP")

The Company periodically grants stock options to purchase common shares of the Company to certain officers, directors, and employees. Options vest within two to three years of the grant date and expire after a term of 5 years.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

Stock options issued are summarized below:

	Number of options	Weighted average exercise price
Options outstanding, December 31, 2023	8,086,245	0.09
Granted	10,150,000	0.14
Forfeited	(1,712,221)	0.14
Exercised	(1,071,629)	0.05
Options outstanding, December 31, 2024	15,452,395 \$	0.12
Exercised	(701,619)	0.07
Options outstanding, March 31, 2025	14,750,776 \$	0.12
Options exercisable, December 31, 2024	7,386,816 \$	0.10
Options exercisable, March 31, 2025	7,100,776 \$	0.10

The Company had the following stock options outstanding and exercisable, at March 31, 2025:

Outstanding				Exercisable	
Exercise Price	Number of options outstanding	Weighted average exercise price	Weighted average remaining life (months)	Weighted average exercise price	Number of options exercisable
\$ 0.20	150,000	\$ 0.20	10	\$ 0.20	150,000
0.30	200,000	0.30	10	0.30	200,000
0.34	294,117	0.34	4	0.34	294,117
0.31	91,553	0.31	18	0.31	91,553
0.18	896,278	0.18	21	0.18	896,278
0.07	2,929,881	0.07	28	0.07	2,929,881
0.05	2,238,947	0.05	25	0.05	2,238,947
0.14	7,650,000	0.14	9	0.14	-
0.12	300,000	0.12	12	0.12	300,000
	14,750,776	\$ 0.12	16	\$ 0.10	7,100,776

During the three months ended March 31, 2025, the Company recorded a total of \$104,318 (2024 - \$67,583) as share based payments related to stock options.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

12.4 Warrants

Warrants issued are summarized below:

	Number of options	Weighted average exercise price
Warrants outstanding, December 31, 2023	30,291,985 \$	0.15
Granted - equity private placement	6,890,684	0.275
Granted - convertible debenture private placement	8,980,956	0.30
Exercise of warrants	(860,000)	0.05
Warrants outstanding, December 31, 2024	45,303,625 \$	0.20
Granted pursuant to exercise of broker options	16,000	0.175
Warrants outstanding, March 31, 2025	45,319,625 \$	0.20

The following table summarizes the warrants that were outstanding as at March 31, 2025:

Exercise price	Number of warrants	Expiry Date
\$ 0.05	6,140,000	September 7, 2028
\$ 0.18	23,291,985	September 1, 2026
\$ 0.275	6,906,684	March 22, 2027
\$ 0.30	8,980,956	December 30, 2029
Warrants outstanding, March 31, 2025	45,319,625	

12.5 Agent Options

In connection with the March 2024 private placement, the Company granted Agent Options to acquire 894,603 Units. The Agent Options are exercisable at a price of \$0.175 per option and expire on March 22, 2027. Each Unit consisted of one common share and one Warrant of the Company, exercisable at a price of \$0.275 per share, and expiring on March 22, 2027. During the three months ended March 31, 2025, 16,000 of the Agent Options were exercised.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

In connection with the December 2024 convertible debenture private placement, the Company granted Compensation Options to acquire 334,782 Compensation Option Units. The Compensation Options are exercisable at a price of \$0.23 per option and expire on December 30, 2029. Each Compensation Option Unit consists of one common share and one Warrant, exercisable at a price of \$0.30 per Warrant and expiring on December 30, 2029. During the three months ended March 31, 2025, no Compensation Options were exercised.

13. REVENUE

The Company generates revenue through the sale of its inventory (cryptocurrency). These sales are transacted to customers, as well as to arms-length cryptocurrency exchanges. The below table summarizes both sources of revenue reported.

Three months ended March 31	2025		2024	
Customers	\$	23,906,249	\$	11,944,201
Cryptocurrency exchanges		7,785,731		4,236,919
Transaction fee revenue		110,032		-
Total sales revenue	\$	31,802,012	\$	16,181,120

The Company recognizes revenue when customers purchase cryptocurrency and it is transferred to the customer's account. The Company's performance obligation is the confirmed transfer of the purchased cryptocurrency to the customer's wallet. The Company purchases bitcoin and other cryptocurrencies from cryptocurrency exchanges and applies a margin before selling it to customers.

The amounts sold to and purchased from the Company's customers are recorded as revenue on a gross basis, and the inventory sold is the cost of coin, as the Company is the principal in the cryptocurrency sale transaction.

Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars, except where otherwise stated)

The Company has been determined to be the principal because it controls the cryptocurrency before delivery to the customer, the Company is primarily responsible for the delivery of the cryptocurrency to the customer, the Company is exposed to risks arising from fluctuations in the market prices of cryptocurrencies before delivery to the customer, and the Company has discretion in setting prices charged to the customer. Sales to cryptocurrency exchanges represents coins sold to exchanges as a function of managing the Company's coin inventory balance.

The Company recently expanded its Online Portal and Bitcoin Well Infinite service lines to serve customers located in the United States. Transactions conducted with US based customers are currently facilitated through third party service providers that purchase and sell the cryptocurrency directly with the customers. The Company is compensated by the third party service providers through a monthly per transaction fee based on a sliding scale dependent on quarterly volumes. During the three months ended March 31, 2025, the transaction fees earned from the third party service providers were \$110,032 (Q1 2024 - nil). Gross transaction volumes related to these transactions for the three months ended March 31, 2025 was USD \$7,341,830 (Q1 2024 - nil).

14. GENERAL AND ADMINISTRATION

Three months ended March 31	2025	2024
Service costs	\$ 424,756	\$ 546,981
Office expenses	39,673	55,957
Travel and meals	23,240	12,241
Automobile	2,701	607
Rent and lease payments	9,958	6,814
Consulting fees	130,324	113,810
Total	\$ 630,652	\$ 736,410

Service costs include cash logistics, ATM operating costs, and costs related to hosting ATMs.