



**P2EARN INC.**  
*(formerly Aquarius AI Inc.)*

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2022 and 2021**

*(in Canadian Funds)*



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of  
P2Earn Inc.

### **Opinion**

We have audited the consolidated financial statements of P2Earn Inc. (the Company), which comprise the consolidated statements of financial position as at December 31, 2022 and the related consolidated statements of loss and comprehensive loss, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the relevant ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Material Uncertainty Related to Going Concern**

Without qualifying our conclusion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company had an accumulated deficit. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### **Other Matter**

The consolidated financial statements of P2Earn Inc. for the year ended December 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on July 4, 2022.

### **Other Information**

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit and also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Furthermore, our responsibilities in a Company audit are to: (i) obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements., (ii) being responsible for the direction, supervision and performance of the Company audit and (iii) remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*GreenGrowthCPAs*

April 28, 2023

Marko Glisic  
GreenGrowth CPAs  
10250 Constellation Blvd.  
Los Angeles, CA 90067

## P2EARN INC.

Consolidated Statements of Financial Position  
As at December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

		2022	2021
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 61,695	\$ 667,745
Accounts receivable		46,903	335,053
Digital assets		45,368	-
Prepaid		475	31,455
		154,441	1,034,253
<b>Non-Current</b>			
Deposits	Note 9	25,606	1,227,513
Property and equipment	Note 9	1,302,509	68,241
Right-of-Use assets	Note 10	92,312	157,473
Goodwill	Note 16	4,829,217	-
		\$ 6,404,085	\$ 2,487,480
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	Note 8	\$ 440,921	\$ 1,086,244
Due to related party	Note 12	514,781	183,346
Lease liability	Note 10	69,824	65,155
Derivative Liability	Note 6	52,624	205,843
Other liabilities	Note 13	50,000	484,931
		1,128,150	2,025,519
<b>Non-Current</b>			
Lease liability	Note 10	31,529	97,732
Derivative Liability	Note 6	421,164	2,236,005
		1,580,843	4,359,256
<b>Shareholders' equity (Deficiency):</b>			
Share capital	Note 6	30,514,823	27,014,855
Accumulated other comprehensive income		(221,975)	(253,587)
Reserves		1,860,968	1,843,599
Deficit	Note 6	(27,346,602)	(30,496,094)
Equity (Deficiency) Attributable to Owners of the Company		4,807,214	(1,891,227)
Non-controlling interest		16,028	19,451
Total Equity		4,823,242	(1,871,776)
		\$ 6,404,085	\$ 2,487,480

Approved by the Board of Directors:

Signed: "Jesse Dylan" Jesse Dylan, Director

Signed: "Chris Bradley" Chris Bradley, Director

## P2EARN INC.

Consolidated Statements of Comprehensive Loss  
For the Years Ending December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	2022	2021
Revenues	\$ 221,585	\$ 157,204
Direct expenses	(144,664)	(179,816)
	76,921	(22,612)
<b>Operating Expenses:</b>		
Accretion and interest	13,540	10,597
Amortization	484,698	234,688
General and administration	Note 18 1,451,605	2,789,851
Marketing and sales	49,728	109,846
	1,999,571	3,144,982
<b>Operating Loss</b>	(1,922,650)	(3,167,594)
Other	3,400	81,302
Impairment and write-offs	-	(3,509,936)
Gain on debt settlement	1,265,063	18,941
Fair value changes of derivative liability	Note 6 3,800,256	3,610,199
Foreign exchange gain (loss)	-	42,192
<b>Net Income (loss)</b>	\$ 3,146,069	\$ (2,924,896)
Attributable to:		
Shareholders of the Company	3,149,492	(2,922,758)
Non-controlling interests	(3,423)	(2,138)
	\$ 3,146,069	\$ (2,924,896)
Translation adjustment	31,612	1,071
<b>Comprehensive Income (loss)</b>	\$ 3,177,681	\$ (2,923,825)
Comprehensive Income (loss) Attributed to:		
Shareholders of the Company	3,181,104	(2,921,687)
Non-controlling interests	(3,423)	(2,138)
<b>Comprehensive Income (loss)</b>	\$ 3,177,681	\$ (2,923,825)
Earnings per share:		
Basic and diluted earnings (loss) per share	\$ 0.02	\$ (0.04)
Weighted average number of common shares outstanding	150,807,426	65,391,634

## P2EARN INC.

Consolidated Statements of Cash Flow  
For the Years Ending December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	2022	2021
Cash provided by (used for):		
Operating activities:		
Net income (loss) for the year	3,146,069	\$ (2,924,896)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion & Interest	13,540	-
Amortization	419,537	234,688
Impairment write-offs	-	3,509,936
Gain/loss on debt settlement	-	(18,941)
Decrease in ROU asset	65,161	-
Fair value change in derivative liability	(1,968,060)	(3,610,199)
	1,676,247	(2,809,412)
Changes in non-cash working capital balances:		
Accounts receivable	288,150	(108,047)
Prepaid	36,953	(42,171)
Digital assets	(20,924)	-
Due to (from) related parties	331,435	(378,490)
Accounts payable and accrued liabilities	(672,626)	(1,437,031)
Lease liability	(75,074)	-
Other liabilities	(434,931)	-
Cash used in operating activities	1,129,230	(4,775,151)
Investing activities:		
Lease liability payments	-	(32,597)
Deposit on bitcoin mining rigs	1,201,907	(1,207,881)
Property plant & equipment additions	(1,239,459)	(20,045)
Cash received on acquisition of subsidiary	109,871	934
Cash used in investing activities	(1,805,962)	(1,259,589)
Financing activities:		
Shares returned to treasury	(3,750)	-
Shares issued for Podcast equity	42,820	6,606,608
Share issuance costs	-	(179,841)
Loan repayment	-	(76,549)
Accumulated other comprehensive income	31,612	-
Proceeds from exercise of warrants	-	351,713
Cash provided by financing activities	70,682	6,701,931
Increase (decrease) in cash	(606,050)	667,191
Cash, beginning of year	667,745	554
Cash, end of year	\$ 61,695	\$ 667,745

## P2EARN INC.

Consolidated Statements of Changes in Equity  
For the Years Ending December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	Common Shares		Reserves	Translation Reserve	Deficit	Non-Controlling Interest	Shareholders' Equity
	Number	Amount					
Balance, December 31, 2020	24,850,315	\$ 21,896,849	\$ 1,738,688	\$ (254,658)	\$ (26,915,807)	\$ -	\$ (3,534,928)
Units issued from private placements	61,043,683	1,008,405	-	-	-	-	1,008,405
Shares issued to acquire subsidiary	29,951,548	3,144,912	-	-	-	108,923	3,253,835
Shares issued to acquire additional interest in subsidiary	3,819,810	744,863	-	-	(657,529)	(87,334)	-
Warrants exercised	2,344,750	351,713	-	-	-	-	351,713
Share issue costs	-	(26,976)	-	-	-	-	(26,976)
Agents warrants	-	(104,911)	104,911	-	-	-	-
Cumulative translation adjustment	-	-	-	1,071	-	-	1,071
Net loss for the year	-	-	-	-	(2,922,758)	(2,138)	(2,924,896)
Balance, December 31, 2021	122,010,106	\$ 27,014,855	\$ 1,843,599	\$ (253,587)	\$ (30,496,094)	\$ 19,451	\$ (1,871,776)
Shares returned to treasury	(25,000)	(3,750)	-	-	-	-	(3,750)
Shares issued to acquire additional interest in Podkast	389,280	42,820	-	-	-	-	42,820
Shares issued to acquire Jellyworks	86,522,440	3,460,898	-	-	-	-	3,460,898
Cumulative translation adjustment	-	-	-	31,612	-	-	31,612
Fair value change in digital assets	-	-	17,369	-	-	-	17,369
Net earnings for the year	-	-	-	-	3,149,492	(3,423)	3,146,069
Balance, December 31, 2022	208,896,826	\$ 30,514,823	\$ 1,860,968	\$ (221,975)	\$ (27,346,602)	\$ 16,028	\$ 4,823,242

**P2EARN INC. (formerly AQUARIUS AI INC.)**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended December 31, 2022 and 2021**  
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**1. NATURE OF OPERATIONS AND GOING CONCERN**

P2Earn Inc. (the "Company" or "P2Earn") (formerly Aquarius AI Inc.) was incorporated under the Business Corporations Act on August 17, 2011. The Company underwent a name change from Aquarius AI Inc. to P2Earn Inc. (the "Name Change"), on March 27, 2023. The Company trades on the Canadian Securities Exchange (the "CSE") under the symbol "PXE" (formerly under the symbol "AQUA"). The Company also trades on the Frankfurt Stock Exchange under the stock symbol "WH4".

In 2020, The Company was a marketing technology business that is currently repositioning to focus on customer acquisition and using technology to generate revenues in the online gaming, gambling and betting space. During the year ended 2022, the Company changed its business focus. P2Earn is now an industrial-scale technology infrastructure company, serving cryptocurrencies, blockchains and enterprise level technology projects such as podcast creation and distribution. The Company's focus is on growing infrastructure in a sustainable way that aligns the needs of our planet and the benefits of cutting-edge technology. The principal office of the Company is located at Suite 150, 1090 Homer Street, Vancouver, BC V6B 2W9, Canada.

On November 2, 2022 the Company completed the acquisition (the "Acquisition") of all of the issued and outstanding securities of Jellyworks Inc. ("Jellyworks") in exchange for (i) 86,522,440 common shares (each, a "Common Share") in the capital of the Company, (ii) 75,020,230 Common Share purchase warrants of the Company, and (iii) 9,500,000 stock options of the Company. The number of Common Shares issued in the connection with the Acquisition represents approximately 36% of the Common Shares that are issued and outstanding as of closing of the Acquisition.

Jellyworks is a leading Web3 technology company focused on building a Play-2-Earn gaming guild building a decentralized economy for gamers. Gaming dominates Web3, with over 70% of all active wallets being owned by gamers. Jellyworks operates by buying online gaming NFT's and then delegating those NFT's to players around the world who play skill-based games and earn tokens. The tokens are then split 50/50 between the player and Jellyworks. Bitcoin mining underpins Jellyworks operations and generates most of the company's revenues and includes recent acquisitions of the latest hyper efficient mining rigs.

On November 28, 2022 Jellyworks Inc. has entered into a marketing services agreement (the "Agreement") with Polygon Studio Labs Inc. ("POLYGON"). Under the terms of the Agreement, Jellyworks has agreed to migrate the Jellyworks Gaming Guild operational technology (the "GUILD") onto the POLYGON blockchain, with dedicated support from the POLYGON technology teams. POLYGON has also agreed to promote the GUILD on POLYGON's owned and operated social media accounts. The Agreement provides for potential promotion opportunities aimed at connecting with gaming clients and gamers who also utilize the POLYGON blockchain. In exchange for POLYGON's Services, the Company agreed to refer to the GUILD as "The Jellyworks Gaming Guild, Powered by Polygon".

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal of business. For the year ended December 31, 2022, the Company had net income of \$3,146,069 (2021 loss \$2,924,896) and cash outflows from operating activities of \$1,129,230 (2021 - \$4,775,151) and as of December 31, 2022, has an accumulated deficit of \$27,346,602 (December 31, 2021 - \$30,496,094).



**P2EARN INC. (formerly AQUARIUS AI INC.)**  
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The Company has negligible revenue during the year ended December 31, 2022. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond an approximately twelve-month period. Management's plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations.

The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing. Further, the Company's ability to continue as a going concern is dependent upon the successful results from its activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations, none of which is in any way certain that the Company can achieve. The Company has now started the process of repositioning its technology that may provide opportunities for monetization. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

If the going concern basis was not appropriate for these consolidated financial statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used on the unaudited consolidated statements of financial positions. Such adjustments could be material which would significantly impact the financial statements and the Company's ability to operate.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

The extent to which the Company's operating and financial results are affected by COVID-19 will depend on various factors and consequences beyond its control such as the duration and scope of the pandemic; additional actions taken by business and government in response to the pandemic and the speed and effectiveness of response to combat the virus.

**P2EARN INC. (formerly AQUARIUS AI INC.)**  
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**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These consolidated financial statements have prepared in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Exception as described in note 2(b), significant accounting policies have been consistently applied in the presentation of these consolidated financial statements.

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on April 28, 2023.

(b) Basis of presentation

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value. These consolidated financial statements have prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars and the Company, Goodlife Networks USA Inc, Lighthouse Digital Inc. and 495 Communications, LLC’s functional currency is US dollars. Podkast Entertainment Corp.’s functional currency is in Canadian dollars. Jellyworks Inc.’s functional currency is in Canadian dollars.

(c) Consolidation

	<u>Relationship</u>	<u>Percentage</u>
Lighthouse Digital Inc. *	Subsidiary	100%
495 Communications, LLC*	Subsidiary	100%
Podkast Entertainment Corp**	Subsidiary	100%
Jellyworks Inc ***	Subsidiary	100%

These consolidated financial statements include accounts of the Company and the following controlled entities:

\* Lighthouse Digital Inc. and 495 Communication, LLC (“495”) are in the process of dissolution.

\*\* Effective July 15, 2021, the Company acquired approximately 87% of the issued and outstanding shares of Podkast Entertainment Corp (“Podkast”) under the terms of a definitive shares purchase agreement. Subsequently the Company has increased ownership of Podkast shares to 100%. These consolidated financial statements include Podkast’ s operating results from July 15, 2021 through to December 31, 2022.

\*\*\* Effective November 2, 2022 the Company acquired of all of the issued and outstanding securities of Jellyworks Inc. (“Jellyworks”) in exchange for (i) 86,522,440 common shares (each, a “Common Share”) in the capital of the Company, (ii) 75,020,230 Common Share purchase warrants of the Company, and (iii) 9,500,000 stock options of the Company. The number of Common Shares issued in the connection with the acquisition represents approximately 36% of the Common Shares that are issued and outstanding as at December 31, 2022.

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All intercompany balances and transactions are eliminated on consolidation. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

(d) Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include:

- (i) **Share-based compensation**  
Share-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over the vesting period of each award. The Black-Scholes Option Pricing Model (“Black-Scholes”) utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.
- (ii) **Incremental borrowing rate**  
The Company uses estimation in determining the incremental borrowing rate used to measure the lease liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in similar economic environment.
- (iii) **Fair value of assets acquired in a business combination**  
The determination of fair value of assets acquired requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require judgment and include estimates of future cash flows.
- (iv) **Intangible Assets – useful lives**  
The Company records intangible assets purchased in a business combination at their fair value. Determining fair value requires management to use estimates that could be material. Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management’s estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

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Significant areas requiring the use of judgments include:

- (i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for new business plan and working capital requirements.
- (ii) The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.
- (iii) Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry-forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.
- (iv) Application of IFRS 16. The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.
- (v) Contingencies are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgement, including assessing whether a present obligation exists, assessing factors that may mitigate or reduce the obligation, and determining a reliable estimate of the amount of cash outflow required to settle the obligation. The Company is required to both determine whether loss is probable and whether the loss can be reasonably estimated. The uncertainty involved with the time and amount at which a contingency may be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.
- (vi) Determination of control in business acquisitions. The determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power; whether the Company has exposure or rights to variable returns; and whether the Company has the ability to use its power to affect the amount of its returns. In exercising this judgment, management reviewed the

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representation on the Board of Directors and key management personnel, the party that initiated the transaction, and each of the entities' activities.

- (vii) Intangible Assets – impairment. The application of the Company's accounting policy for intangible assets expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.
  
- (viii) The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently by the Company to the periods presented.

(a) Income taxes

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(b) Share issue costs

The Company accounts for share issue costs by deferring the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

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(c) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

(d) Compound financial instruments

Compound financial instruments are instruments that contain both a liability component and an equity component. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying value.

(e) Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes option pricing model, which incorporates all market vesting conditions. For employee share options, the number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(f) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income or loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

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Stock options and share purchase warrants are typically dilutive when the Company has net income for the year and the average market price of the common shares during the year exceeds the exercise price of the stock option and/or share purchase warrant.

Shares held in escrow are excluded from the determination of basic income (loss) per share if the release from escrow is other than time based.

(g) Revenue recognition

The Company reviewed its revenue streams and major contracts with customers using the IFRS 15 five step model as follows:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company currently generates revenue by providing broadcasting services. Revenue is recognized over time using the output method when the performance obligation is fulfilled. The performance obligation is satisfied over time delivered based on contract terms. The Company recognizes revenue when collection is reasonably assured.

(h) Property and equipment

Property and equipment is comprised of office furniture and computer equipment. Equipment is amortized on a straight-line basis over five years. Equipment is measured at cost less accumulated amortization and accumulated impairment loss.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the Cash Generating Unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.



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The Company amortizes intangible assets with finite lives on a straight-line basis over their estimated useful lives as follows:

Intellectual property – 5 years  
Customer relationships – 5 to 10 years  
Trademarks – 5 years

(j) Goodwill

The Company measures goodwill as the fair value of the consideration transferred less the net recognized amount (generally fair value) of the identifiable assets acquired and the liabilities assumed, all measured as of the acquisition date. Since goodwill results from the application of the acquisition method of accounting for a business combination, it requires judgment in the determination of the fair value of assets and liabilities. Goodwill is allocated to the Company's CGUs or group of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is not amortized, but is tested for impairment at least annually. An impairment loss in respect of goodwill is not reversed. On the disposal or termination of a previously acquired business, any remaining balance of associated goodwill is included in the determination of the gain or loss on disposal. The Company performs the annual goodwill impairment test on December 31 each year.

(k) Financial instruments

The following table shows the classification of financial instruments:

	<b>Classification</b>
Cash	Fair value – P&L
Accounts receivable	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Lease liability	Amortized cost
Other liabilities	Amortized cost
Derivative liability	Fair value – P&L

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

*Financial assets measured at amortized cost*

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.



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- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

*Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

*Financial liabilities measured at amortized cost*

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A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

*Financial liabilities measured at fair value through profit or loss*

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income (loss).

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the

initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(j) Foreign currency translation

The functional currency of the Company and its subsidiaries other than Podkast is the United States dollar, and accounts denominated in currencies other than the United States dollar have been translated as follows:

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- Monetary assets and liabilities at the exchange rate at the consolidated statement of financial position date;
- Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
- Shareholders' equity items at historical exchange rates; and
- Revenue and expense items at the rate of exchange in effect on the transaction date.

The Company's presentation currency is the Canadian dollar. For presentation purposes, all amounts are translated from the United States dollar functional currency to the Canadian dollar presentation currency for each year. Statement of financial position accounts, with the exception of equity, are translated using the exchange rate at the end of each reporting year, transactions on the statement of comprehensive income (loss) are recorded at the average rate of exchange during the year, and equity accounts are translated using historical actual exchange rates.

Exchange gains and losses arising from translation to the Company's presentation currency are recorded as translation adjustment, which is included in translation reserve in the statement of shareholders' equity (deficiency).

(k) Derivative liability

The Company classifies equity instruments that do not meet the definition of equity as derivative liabilities which are fair valued each reporting period subsequent to the initial issuance unless the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed. The Company uses the Black-Scholes option pricing model to fair value these instruments. All changes in the fair value are recorded in the consolidated statements of comprehensive income (loss).

(l) Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount. Management uses its judgment to estimate these inputs and any changes to these inputs could have a material impact on the impairment calculation. For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into CGU, which represent the levels at which largely independent cash flows are generated. An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGU's exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGU's is the greater of its value in use and its fair value less cost to sell. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate pre-tax discount rates. An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a group of CGU's is allocated on a pro-rata basis to reduce the carrying value of the assets in the units comprising the group. A previously recognized impairment loss related to non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to non-financial assets is reversed if there is a subsequent increase in the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no loss had been recognized.

(m) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset-by-asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

#### **4. FINANCIAL INSTRUMENTS**

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified at fair value through profit and loss ("FVTPL"); accounts receivable and deposits are classified at amortized cost; and accounts payable and accrued liabilities, loan payable, lease liability and other liabilities are classified at amortized cost. The carrying values of these instruments, approximate their fair values due to their short term to maturity. Contingent consideration and derivative liability are classified at FVTPL using level 3 of the fair value hierarchy.

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major Canadian

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financial institution and the Company's concentration of credit risk for cash and maximum exposure thereto is \$61,695 (December 31, 2021 - \$667,745).

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. At December 31, 2022, the Company has \$61,695 (December 31, 2021 - \$667,745) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of \$1,307,826 (December 31, 2021 - \$1,086,244) are due within three to six months, lease liability of \$69,824 (December 2021 - \$65,155) and other liabilities of \$484,931 (December 31, 2021 - \$484,931) are due within twelve months.

The Company manages its liquidity risk by raising additional funds through equity or debt financing to fund its current liabilities and operations.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises two types of risk: interest rate and foreign currency risk.

(i) Interest rate risk

The Company is not exposed to significant interest rate risks.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company also exposed to foreign currency risk that options and warrants that have exercise price which is different from its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

	<b>December 31,</b> <b>2022</b>	<b>December 31,</b> <b>2021</b>
	CAD\$	CAD\$
Cash	61,695	667,745
Accounts receivable	46,903	335,053
Accounts payable and accrued liabilities	(440,921)	(1,086,244)
Other liabilities	(50,000)	(484,931)
Due to a related party	(514,781)	(183,346)
Lease liability	(101,353)	(162,887)
	<b>(998,457)</b>	<b>(914,610)</b>

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A 10% change in the US dollar against the Canadian dollar at December 31, 2022 would result in a change of approximately \$99,945 (December 31, 2021 - \$91,461) in comprehensive income (loss).

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

## 5. CAPITAL MANAGEMENT

The Company's primary source of funds comes from equity financing. The Company is not subject to any externally imposed capital requirements. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' deficiency. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the year ended December 31, 2022 and year ended December 31, 2021.

## 6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

*During the year ended December 31, 2022*

In January 2022, 25,500 shares were returned to treasury at \$0.15 per share for gross refund of \$3,750

In August 2022, the Company completed a private placement for 389,280 shares at \$0.11 per share for gross proceeds of \$42,820

In November 2022, the Company acquired Jellyworks Inc. by issuing 86,522,440 shares at \$0.04 per share for valuation of \$3,460,898

*During the year ended December 31, 2021*

In March 2021, 1,081,500 warrants were exercised for 1,081,500 shares at \$0.15 per share for gross proceeds of \$162,225.

On March 16, 2021, the Company completed a private placement for gross proceeds of \$3,013,438 through the issuance of 25,111,983 units. Each unit consists of one common share of the Company and one common share purchase warrant. Each full warrant shall be exercisable into one common share for 24 months at an exercise price of \$0.25 per share. The compound financial instruments represent financial instruments that include equities and option derivatives as the warrants didn't meet the fix-to-fix criteria, which are accounted for at fair value with changes in fair value recorded in profit or loss. In accordance with IAS 32 Financial Instrument: Presentation, when a compound instrument has been determined to contain a financial liability and an equity component, the fair value

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of the instrument is bifurcated by first determining the fair value of the liability, and allocated the residual to the equity instrument. \$3,013,438 from unit issuance were allocated to liability with \$nil allocated to share capital.

The Company paid \$81,375 cash commission and \$98,466 other costs totaling \$179,841 with \$152,845 allocated to derivative liability and \$26,976 was allocated to share issuance costs. The Company also issued 679,126 agent's warrants to purchase common shares at \$0.25 per share until March 16, 2023. The agent's warrants were valued using the Black-Scholes model resulting in fair value of \$104,911.

On July 15, 2021, the Company issued 29,951,548 common shares with a total fair value of \$3,144,913, in exchange for 87% shareholding of Podkast, pursuant to a share purchase agreement the Company entered into with Podkast. On November 25, 2021, the Company issued 3,819,810 common shares at fair value of \$744,863 for further acquisition of Podkast which brings the Company's ownership to 97.5%. The Company also issued 3,457,374 replacement warrants in relations to the Acquisition.

On November 9, 2021, the Company completed a private placement for gross proceeds of \$3,593,170 through the issuance of 35,931,700 units. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each full warrant shall be exercisable into one common share for 24 months at an exercise price of \$0.20 per share. The compound financial instruments represent financial instruments that include equities and option derivatives as the warrants didn't meet the fix-to-fix criteria, which are accounted for at fair value with changes in fair value recorded in profit or loss. In accordance with IAS 32 Financial Instrument: Presentation, when a compound instrument has been determined to contain a financial liability and an equity component, the fair value of the instrument is bifurcated by first determining the fair value of the liability, and allocated the residual to the equity instrument. \$2,584,765 was allocated to liability with \$1,008,405 allocated to share capital.

On November 25, 2021, 1,141,500 warrants were exercised for 1,141,500 shares at \$0.15 per share for gross proceeds of \$171,225.

On December 7, 2021, 121,750 warrants were exercised for 121,750 shares at \$0.15 per share for gross proceeds of \$18,263.

On August 24, 2022, the Company issued 389,280 common shares with a total fair value of \$42,820, in exchange for the remaining shareholding of Podkast, This brings the Company ownership in Podkast to 100%.



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Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2019	1,751,934	\$ 2.92
Issued	7,417,681	0.16
Expired	(1,001,701)	3.48
Exercised	(350,000)	0.15
Outstanding, December 31, 2020	7,817,914	\$ 0.35
Issued	47,214,333	0.23
Exercised	(2,344,750)	0.15
Outstanding December 31, 2021	52,687,497	0.25
Issued	75,020,230	0.05
Expired	(450,000)	0.28
Return to treasury	(25,000)	0.15
<b>Outstanding December 31, 2022</b>	<b>127,232,727</b>	<b>\$ 0.13</b>

The following warrants were outstanding at December 31, 2022:

Grant Date	Expiry Date	Exercise Price	Number of Warrants	Exercisable
January 26, 2018	January 26, 2023	\$ 1.88	120,500	120,500
December 18, 2018	December 18, 2023	\$ 1.84	291,462	291,462
July 22, 2019	July 22, 2024	\$ 3.66	119,075	119,075
July 22, 2019	July 22, 2024	\$ 1.94	219,196	219,196
July 30, 2020	July 30, 2022	\$ 0.15	4,035,975	4,035,975
July 30, 2020	July 30, 2022	\$ 0.15	211,956	211,956
March 16, 2021	March 16, 2023	\$ 0.25	21,541,983	21,541,983
March 19, 2021	March 19, 2023	\$ 0.25	3,570,000	3,570,000
March 16, 2021	March 16, 2023	\$ 0.25	679,126	679,126
November 9, 2021	November 9, 2023	\$ 0.20	17,965,850	17,965,850
November 19, 2021	July 01, 2022	\$ 0.25	3,041,250	3,041,250
November 2, 2022	July 29, 2023	\$ 0.05	10,000,000	10,000,000
November 2, 2022	July 5, 2024	\$ 0.05	63,808,030	63,808,030
November 2, 2022	October 4, 2024	\$ 0.05	1,212,200	1,212,200
November 19, 2021	January 01, 2026	\$ 0.20	416,124	416,124
			<b>127,232,727</b>	<b>127,232,727</b>



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On November 2, 2022, the Company granted 10,000,000 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at \$0.05 per share until July 29, 2023. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	0.66
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

On November 2, 2022, the Company granted 63,808,030 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at \$0.05 per share until July 5, 2022. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	1.66
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

On November 2, 2022, the Company granted 10,000,000 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at \$0.05 per share until October 4, 2024. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	1.92
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

On March 16, 2021, the Company granted 679,126 finders' warrants in connection with the private placement. All finders' warrants are exercisable at \$0.25 per share until March 16, 2023. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.23%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	111.33%

On July 30, 2020, the Company granted 253,956 finders' warrants in connection with the private placement. All finders' warrants are exercisable at \$0.15 per share until July 30, 2022. The fair value of these warrants were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.26%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	261.63

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Some of the Company's warrants with a \$CAD exercise price have been recognized as a derivative liability given the functional currency of the Company is US\$ and therefore do not meet the "fixed-for-fixed" criteria. The following is a summary of the Company's warrant derivative liabilities as at December 31, 2022 and December 31, 2021:

Balance, December 31, 2020	\$	353,976
Warrants issued as part of unit offerings, net of issuance cost		5,445,338
Replacement warrants issued for Podcast acquisition		43,299
Warrants acquired from Podcast acquisition		209,434
Change in fair value of derivative liability		(3,610,199)
Balance, December 31, 2021	\$	2,441,848
Replacement warrants issued for Jellyworks acquisition		1,613,000
Replacement options issued for Jellyworks acquisition		219,196
Change in fair value of derivative liability		(3,800,256)
Balance December 31, 2022		473,788

The fair value of the derivative liabilities as at December 31, 2022 was determined using the following assumptions:

Risk-free interest rate	3.76% to 4.07.%
Expected term (in years)	0.07 – 3.01
Estimated dividend yield	0.00%
Weighted-average estimated volatility	148.71%

The fair value of the derivative liabilities as at December 31, 2021 was determined using the following assumptions:

Risk-free interest rate	0.53% and 0.67%
Expected term (in years)	0.83 – 2.81
Estimated dividend yield	0%
Weighted-average estimated volatility	127.53%

#### Stock Options

Options transactions and the number of options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2020	429,338	\$ 2.27
Expired	(195,338)	2.00
Outstanding, December 31, 2021	234,000	\$ 2.18
Granted	7,500,000	0.05
Granted	2,000,000	0.10
Expired	(47,500)	2.50
Outstanding, December 31, 2021 and December 31, 2022	9,686,500	\$ 0.10

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When the Company issues stock options, it records a share-based compensation in the year or period which the options are granted and/or vested. The expense is estimated using the following assumptions. Due to the lack of historical pricing information for the Company, the expected volatility is based on an average of historical prices of a comparable group of companies within the same industry. The risk-free interest rate is based on yield curves on Canadian government zero coupon bonds with a remaining term equal to the expected life of the stock options. The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Based on the best estimate, management applied the estimated forfeiture rate of 0%.

The following options were outstanding at December 31, 2022:

<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Options</b>	<b>Exercisable</b>
January 30, 2018	January 30, 2023	\$ 2.50	112,500	112,500
December 18, 2018	December 31, 2023	\$ 1.50	74,000	74,000
November 2, 2022	July 1, 2024	\$ 0.05	4,000,000	4,000,000
November 2, 2022	July 5, 2025	\$ 0.05	3,000,000	3,000,000
November 2, 2022	September 1, 2024	\$ 0.05	500,000	500,000
November 2, 2022	September 12, 2025	\$ 0.10	2,000,000	2,000,000
			9,686,500	9,686,500

## 7. INCOME TAXES

As at December 31, 2022, the Company has non-capital losses of approximately \$15,700,000 available that may be carried forward and applied against future income for Canadian income tax purposes. The non-capital losses will begin to expire in 2033.

Management continually evaluates the likelihood that its deferred tax assets could be realized. The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable that sufficient taxable income will exist in the future to utilize deferred tax assets.

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

	<b>2022</b>	<b>2021</b>
Equipment	\$ 1,826,322	\$ 196,422
Share issue costs	596,629	550,544
Intangible assets	957,353	933,448
Derivative liability	473,788	2,441,848
Non-capital losses carried forward	13,942,388	17,088,457
<b>Unrecognized deductible temporary differences</b>	<b>\$ 17,796,480</b>	<b>\$ 21,210,719</b>

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Income tax expense differs from the amount that would be computed by applying the combined corporate income tax rate of 27.00% (2021 – 27.00%) to loss before income taxes. The reasons for the differences are as follows:

	<b>2022</b>	<b>2021</b>
Income (loss) before tax	\$ 3,146,069	\$ (2,924,896)
Statutory tax rate	27%	27%
Expected income tax payable (benefit)	849,438	(789,722)
Permanent differences	-	-
Change in timing difference	(849,438)	-
Unrecognized benefit of deferred tax assets	-	792,768
Other adjustments for tax purposes	-	(3,046)
Effect of change in tax rates	-	-
	\$ -	\$ -

**8. LOAN PAYABLE**

The Company signed a promissory note agreement related to the acquisition of 495 for \$1,035,010. The loan was repayable on or before February 1, 2019. The loan begins accruing interest at a rate of 6% per annum in the event the principal is not repaid on the due date. The loan is unsecured.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of \$1,091,936 and its accrued interest of \$16,397. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD \$125,000 in four installments:

- (i) USD \$25,000 by June 1, 2020 (paid);
- (ii) USD \$25,000 by September 1, 2020 (paid);
- (iii) USD \$25,000 by December 1, 2020 (paid);
- (iv) USD \$50,000 by March 1, 2021 (paid); and
- (v) issuance of 150,000 common shares (issued).

During the year ended December 31, 2020, repayments of \$70,142 were made toward the outstanding balance of the loan and 150,000 common shares with a fair value of \$15,000 were issued in connection with the mutual release agreement. As at December 31, 2020, the outstanding balance was \$95,490, including interest payable of \$nil as at December 31, 2020. A gain of \$927,701 from settlement of debt was recognized in the statement of comprehensive income (loss).

During the year ended December 31, 2021, the Company repaid an amount of \$76,549 towards the outstanding balance of the loan. The remaining balance of \$18,941 was forgiven by the lender and is included as a gain on debt forgiveness in profit and loss.

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**9. PROPERTY, EQUIPMENT, AND INTANGIBLE ASSETS**

Property, equipment, and intangible assets consist of the following:

	Digital mining equipment	Office equipment and furniture	NFT's	Intangibles	Total
<b>Cost of Assets</b>					
Balance, January 1, 2022	\$ -	\$ 81,401	\$ -	\$ -	\$ 81,401
Acquired from Jellyworks	390,441	-	23,905	-	414,346
Additions during the year	1,239,459	-	-	-	1,239,459
Balance December 31, 2022	1,629,900	81,401	23,905	-	1,735,206
<b>Accumulated Amortization</b>					
Balance, January 1, 2022	-	13,160	-	-	13,160
Additions during the year	390,668	28,869	-	-	419,537
Balance December 31, 2022	390,668	42,029	-	-	432,697
<b>Carrying Value</b>					
Balance December 31, 2022	\$ 1,239,232	\$ 39,372	\$ 23,905	\$ -	\$ 1,302,509
<b>Cost of Assets</b>					
Balance, January 1, 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Acquired from Podcast	-	61,356	1,274,000	1,274,000	2,609,356
Additions during the year	-	20,045	-	-	20,045
Impairment	-	-	(1,274,000)	(1,274,000)	(2,548,000)
Balance December 31, 2021	-	81,401	-	-	81,401
<b>Accumulated Amortization</b>					
Balance, January 1, 2021	-	-	-	-	-
Additions during the year	-	13,160	183,517	183,517	380,194
Impairment	-	-	(183,517)	(183,517)	(367,034)
Balance December 31, 2021	-	13,160	-	-	13,160
<b>Carrying Value</b>					
Balance December 31, 2021	\$ -	\$ 68,241	\$ -	\$ -	\$ 68,241

On November 5, 2021, the Company paid a deposit of \$1,207,881 for equipment. The equipment was received by the Company subsequent to the year ended December 31, 2021.

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**10. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

On March 22, 2021, the Company signed a lease agreement for its premises in Vancouver, British Columbia. The continuity of the ROU asset and lease liability for the year ended December 31, 2022 expiring May 31, 2024 is as follows:

<b>Right-of-use asset</b>		
Balance December 31, 2020	\$	-
Addition		195,484
Amortization		(38,011)
Balance December 31, 2021	\$	157,473
Amortization		(65,161)
Balance December 31, 2022	\$	92,312
<b>Lease liability</b>		
Balance December 31, 2020	\$	-
Addition		195,484
Lease payments		(43,194)
Lease interest		10,597
Balance December 31, 2021	\$	162,887
Lease payments		(75,074)
Lease interest		13,540
Balance December 31, 2022	\$	101,353
Current portion	\$	69,824
Long-term portion	\$	31,529

**11. SEGMENTED INFORMATION**

At yearend the Company currently operates in one reportable operating segment being the Bitcoin Mining operation segment.

During 2022 the Company had earnings from 2 segments, 32% was from broadcasting services and 68% of the earning were from the Bitcoin Mining operation segment.

The Company's 32% earnings from broadcasting services was Canadian sources revenue and the 68% of the earnings from the Bitcoin Mining operation segment were from various countries, and not dependent on any individual country for customers.

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**12. RELATED PARTY TRANSACTIONS**

At December 31, 2022, included in accounts payable and accrued liabilities is \$Nil (December 31, 2021 - \$Nil) and included in due to related parties is \$514,781 (December 31, 2021 - \$183,346). These amounts are due to officers, directors, and companies related through common officers and directors.

The amounts due to related parties are without stated terms or repayment or interest and are unsecured.

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

*Key management compensation*

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the years ended December 31, 2022 and 2021 were as follows:

	Years ended December 31,	
	2022	2021
Management, director, and consulting fees	\$ 857,400	\$ 839,912

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**13. OTHER LIABILITIES AND CONTINGENCIES**

	December 31, 2022	December 31, 2021
Obligation to issue shares	\$ 50,000	50,000
	\$ 50,000	\$ 50,000

As at December 31, 2022, a payable of \$50,000 (2021 - \$50,000) remains outstanding, this originated during a transaction with an investor during 2019.

**14. NON-CONTROLLING INTEREST**

As at December 31, 2022, the Company has a 100% interest in Podkast. The summarized financial information of Podkast as at December 31, 2021 is as follows: current asset of \$41,906, current liabilities of \$552,661. During 2021 post acquisition Podkast generated revenues of \$157,204 and a net loss of \$64,531 with \$2,138 attributed to non-controlling interests.

**15. ACQUISITION OF PODKAST**

On July 15, 2021, the Company entered into a share purchase agreement (the “Share Purchase agreement”) with Podkast and certain shareholders of Podkast (the “Vendors”), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company acquired approximately 87% of the issued and outstanding common shares of Podkast. Subsequently the Company has increased ownership of Podkast shares to 100%. As the Company previously controlled Podkast, the transaction resulted in a change of the Company’s stake and was accounted for as an equity transaction.

Podkast is a private company, which is in the business of providing audio and video subscription platform technology to clients and offering additional services such as customer acquisition, advertising and non-fungible token (“NFT”) creation to allow their clients to sell audio, video and music content to fans.

As at December 31, 2022, the Company has issued 34,160,638 common shares, to the shareholders of Podkast as consideration, representing 100% of the issued and outstanding Podkast shares.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitutes a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and liabilities assumed were recorded at their estimated fair values at the acquisition date.



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The following table summarizes the estimated amounts of assets acquired and liabilities assumed at the date of acquisition.

<b>Fair value of net assets acquired</b>	<b>\$</b>
Cash	934
Deposit and receivables	178,646
Property, equipment, and plant	61,356
Contract	112,000
Tradenames & trademarks	1,162,000
Accounts payable and accrued liabilities	(111,875)
Liability to related parties	(315,946)
Derivative liability	(209,434)
<b>Total net assets acquired</b>	<b>877,681</b>
Non-controlling interest	(108,923)
Goodwill	2,419,453
	<b>3,188,211</b>
	<b>\$</b>
<b>Fair value of consideration paid</b>	
29,951,548 common shares	3,144,912
Fair value of replacement warrants	43,299
	<b>3,188,211</b>

As part of the consideration paid, the Company issued 3,457,374 replacement warrants with a weighted average exercise price of \$0.24 and a weighted average term of 1.42 years. The replacement warrants issued on acquisition date have an estimated fair value of \$43,299, calculated using the Black-Scholes option pricing model assuming a share price of \$0.105, average risk-free interest rate of 0.81%, dividend rate of 0%, and volatility of 71%. The warrants are presented as a derivative liability as they do not meet the “fixed-for-fixed” criteria.

The resulting goodwill represents the established growth potential and synergies between Podkast and the Company. As at December 31, 2021, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of Podkast exceeded their estimated fair value. In measuring the recoverable value of goodwill, the Company used a discounted cash flow model but determined it could not reliably estimate future revenue streams. The Company compared the indicated fair value using level 3 assumptions to the carrying value of goodwill, and as a result of the analysis, an impairment charge of \$2,419,453 was recorded to write down goodwill and \$1,090,483 was recorded to write down intangibles for the year ended December 31, 2021.

## **16. ACQUISITION OF JELLYWORKS INC**

On November 2, 2022, the Company entered into a share purchase agreement (the “Share Purchase agreement”) with Jellyworks Inc. and certain shareholders of Jellyworks (the “Vendors”), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company acquired approximately 100% of the issued and outstanding common shares of Jellyworks.

Jellyworks is a leading Web3 technology company focused on building a Play-2-Earn gaming guild building a decentralized economy for gamers. Gaming dominates Web3, with over 70% of all active wallets being owned by gamers. Jellyworks operates by buying online gaming NFT's and then delegating those NFT's to players around the world who play skill-based games and

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earn tokens. The tokens are then split 50/50 between the player and Jellyworks. Bitcoin mining underpins Jellyworks operations and generates most of the company's revenues and includes recent acquisitions of the latest hyper efficient mining rigs.

On November 2, 2022, the Company issued 86,522,440 common shares, 75,020,230 Common share purchase warrants and 9,500,000 stock options of the Company to the shareholders of Jellyworks as consideration, representing 100% of the issued and outstanding Jellyworks shares.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitutes a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and liabilities assumed were recorded at their estimated fair values at the acquisition date.

The following table summarizes the estimated amounts of assets acquired and liabilities assumed at the date of acquisition.

<b>Fair value of net assets acquired</b>	<b>\$</b>
Cash	109,871
Deposit and receivables	5,973
Digital assets	7,075
Property, plant and equipment	390,441
Tradenames & trademarks	23,905
Accounts payable and accrued liabilities	(27,303)
<b>Total net assets acquired</b>	<b>509,962</b>
Goodwill	4,829,217
	<b>5,339,179</b>
<b>Fair value of consideration paid</b>	<b>\$</b>
86,522,440 common shares, and issuance costs	3,506,983
Fair value of replacement options	219,196
Fair value of replacement warrants	1,613,000
	<b>5,339,179</b>

As part of the consideration paid, the Company issued 9,500,000 replacement options with a weighted average exercise price of \$0.05 and a weighted average term of 2.26 years. The replacement warrants issued on acquisition date have an estimated fair value of \$219,196, calculated using the Black-Scholes option pricing model assuming a share price of \$0.04, average risk-free interest rate of 3.93%, dividend rate of 0%, and volatility of 131%. The warrants are presented as a derivative liability as they do not meet the "fixed-for-fixed" criteria.

As part of the consideration paid, the Company issued 75,020,230 replacement warrants with a weighted average exercise price of \$0.05 and a weighted average term of 1.44 years. The replacement warrants issued on acquisition date have an estimated fair value of \$1,613,000, calculated using the Black-Scholes option pricing model assuming a share price of \$0.04, average risk-free interest rate of 3.93%, dividend rate of 0%, and volatility of 131%. The warrants are presented as a derivative liability as they do not meet the "fixed-for-fixed" criteria.

The resulting goodwill represents the established growth potential and synergies between Jellyworks and the Company.

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**17. EARNINGS (LOSS) PER SHARE**

The calculation of basic and diluted earnings (loss) per share for the relevant years is based on the following:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net earnings (loss) for the year	\$ 3,181,104	\$ (2,921,678)
Non-controlling interest	(3,423)	(2,138)
Basic and diluted weighted average number of common shares outstanding	150,807,426	65,391,634
Basic and diluted income (loss) per share	\$ 0.02	\$ (0.04)

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Office, software and general	\$ 59,746	\$ 341,834
Accounting, legal and audit	299,672	499,902
Consulting	346,451	1,289,031
Management fees	717,400	609,329
Insurance	1,425	2,917
Office lease	(17,351)	31,853
<b>Travel</b>	<b>44,262</b>	<b>14,985</b>
<b>Total</b>	<b>\$ 1,451,605</b>	<b>\$ 2,789,851</b>

**19. SUBSEQUENT EVENTS**

- (a) On March 20, 2023 - the Company announced that the Company underwent a name change, from Aquarius AI Inc. to P2Earn Inc. (the "Name Change"), and, on the effective date of March 27, 2023 (the "Effective Date"), underwent a 4:1 consolidation of the issued and outstanding common shares in the capital of the Company.

In addition to the Bitcoin mining operation acquired in connection with the Jellyworks Acquisition, the Company also acquired from Jellyworks a blockchain gaming operation in the "Play-2-Earn" gaming space. "Play-2-Earn" gaming is a category of blockchain based games that offer tokenized incentives to players. Jellyworks has spent the last year building a Play-2-Earn gaming guild (the "Guild"), essentially a group of players and investors that work together to share profits earned in Play-2-Earn games.

Jellyworks has acquired gaming tokens that they lend to game players within the Guild using trust-less Smart Contracts. When these players play a P-2-Earn game, any winnings are split 50/50 between the player and Jellyworks.

AQUA believes that as a Web3 company it should combine its Bitcoin mining operation with a scalable gaming guild to provide maximum shareholder value. AQUA believes the Guild will provide the basis for this development.

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Looking forward, the Company will continue to develop the Guild and is seeking to launch the Guild to the public in late Q2 2023. Having considered the best way to position this launch, the Company has decided to rename AQUA to the launch name of the Guild, "P2Earn" (<https://www.P2Earn.io>) to best support the customer and game acquisition process.

Pursuant to the Consolation, the Company will consolidate all the issued and outstanding Common Shares on the basis of every four (4) old Common Shares into one (1) new Common Share on the Effective Date. As a result of the Consolidation, the outstanding Common Shares will be reduced to approximately 52,204,206 (subject to adjustment for fractional shares). Each shareholder's percentage ownership in the Company and proportional voting power remains unchanged after the Consolidation, except for minor changes and adjustments resulting from the treatment of any fractional common shares. The Company will not issue any fractional Common Shares as a result of the Consolidation. Instead, all fractional shares equal to or greater to one-half resulting from the Consolidation will be rounded to the next whole number, otherwise, the fractional share will be cancelled.

Concurrently with the Consolidation, Company will also change its name from Aquarius AI Inc. to P2Earn Inc. The Company will also change its ticker symbol on the Canadian Securities Exchange (the "CSE") from "AQUA" to "PXE".

The Name Change and Consolidation were approved by the board of directors of the Company in accordance with the Company's governing corporate legislation, the Business Corporations Act (British Columbia), and the Company's constating documents. In connection with the Name Change and Consolidation the following new CUSIP (69379U101) and ISIN (CA69379U1012) numbers have been assigned to the Common Shares.

The CSE will publish a bulletin announcing the effective date that the Common Shares will commence trading under its new name of P2Earn Inc. and on a post-Consolidation basis. It is anticipated that the Common Shares will commence trading under its new name of P2Earn Inc. and the new ticker symbol "PXE" on or about March 27, 2023.

Letter of transmittals will be mailed to registered shareholders and registered shareholders will be required to deposit their share certificate(s), together with the duly completed letter of transmittal, with Computershare, the Company's registrar and transfer agent. Non-registered shareholders holding common shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Company for registered shareholders. If shareholders hold their Common Shares through intermediaries and have questions in this regard, they are encouraged to contact their intermediaries.

Outstanding stock options and Common Share purchase warrants of the Company will also be adjusted by the Consolidation ratio and the respective exercise prices of outstanding options and Common Share purchase warrants will be adjusted accordingly.

- (b) On March 29, 2023 - the Company announced that the Company is proposing to complete a non-brokered private placement of a minimum of 4,666,666 Common Shares, for gross proceeds of \$350,000, and a maximum of 13,333,333 Common Shares (\$999,999.98) (the "Life Offering").

**LIFE Offering - Private Placement**

Pursuant to the LIFE Offering, the Company intends to issue on a non-brokered private placement basis, a minimum 4,666,666 Common Shares and a maximum of 13,333,333

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Common Shares, at a price of \$0.075 per Common Share on a post-Consolidation basis for gross proceeds of min\$350,000 and max\$1,000,000.

There is an offering document (the "Offering Document") related to the LIFE Offering that can be accessed under the Company's profiles at [www.sedar.com](http://www.sedar.com); [www.cse.com](http://www.cse.com) and on the Company's website at <http://p2earn.io>. Prospective investors should read the Offering Document before making an investment decision.

As disclosed in the Offering Document, the Company intends to use the net proceeds from the LIFE Offering for general working capital purposes.

The Common Shares offered as a part of the LIFE Offering shall be issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the "Listed Issuer Financing Exemption"). Common Shares offered under the Listed Issuer Financing Exemption will not be subject to resale restrictions pursuant to applicable Canadian securities laws.

The LIFE Offering is anticipated to close in one or more closing dates prior to April 21, 2023, or such later date as the Company may determine. The closing is subject to certain conditions including, but not limited to, a minimum of \$350,000 in gross proceeds being raised by the LIFE Offering and the receipt of all necessary regulatory and other approvals, including the Company's completion of its filing obligations under the policies of the CSE.

#### New Auditor

The Company is further pleased to announce that it has engaged the services of Green Growth CPA's of California, USA to replace its former auditor Smythe LLP who resigned last year. The new auditor is working with the Company to complete the Company's audit for its year ended December 31, 2022.

- (c) On April 3, 2023) the Company announced the closing of the first tranche of its previously announced non-brokered private placement of common shares (each, a "Common Share") in the capital of the Company (the "Private Placement") (see the news release of the Company dated March 29, 2023).

The Company issued a total of 5,349,997 Common Shares at a price of \$0.075 per Common Share for total gross proceeds of \$401,250, thereby raising the minimum amount set out the Company's offering document relating to the Private Placement, which can be accessed under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at <http://p2earn.io>.

The Common Shares to be issued pursuant to this tranche of the Private Placement will be distributed in offshore jurisdictions pursuant to Ontario Securities Commission Rule 72-503 - Distributions Outside Canada and, as such, will not be subject to a statutory hold period in accordance with applicable Canadian securities laws.

The Company intends to use the net proceeds from the Private Placement for general working capital purposes. The Company expects to complete subsequent tranches of the Private Placement on or before April 21, 2023. No bonus, finder's fee, commission, agent's option or other compensation is payable in connection with the Private Placement.

- (d) On April 13, 2023 the Company announced that Alex Lineton, currently Operations head at the Company, will be taking over the role as Chief Executive Officer with immediate effect.

Mr. Lineton is a seasoned entrepreneur and an expert in Web3 gaming. He started Bitcoin mining nearly 6 years ago and moved into Play-2-Earn gaming back in 2021, creating the Jellyworks Gaming Guild. The Company acquired Jellyworks Inc. in November of 2022 and Mr. Lineton is ideally placed to lead the future development of the Company's strategy.

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Mr. Lineton stated, "It is an honor to be asked to lead the Company at such an exciting time. The future of the Internet is Web3, and Play-2-Earn gaming is the best single usage case I have seen to date. By combining gaming with the ability for players to earn an income, we are on the cutting edge of the new economy. Not only is this a winning combination, but I look forward to assisting the Company to a size and scale that positions it as one of, if not the number one Gaming Guild."

Jesse Dylan, Chairman of the Board of Directors at P2Earn Inc, added, "We would like to take this opportunity to thank the outgoing Chief Executive Officer, Mr. Bradley, for his exceptional contribution to the Company. As a world-class technologist, we are delighted that Mr. Bradley has agreed to continue to work with the Company, the technology team, and the staff on a consultancy basis as they build out the P2Earn Gaming Guild."

An amended offering document (the "Offering Document") relating to the Company's previously announced private placement (the "LIFE Offering") (see news release dated March 29, 2023) addressing this change can be accessed under the Company's profiles at [www.sedar.com](http://www.sedar.com); [www.cse.com](http://www.cse.com) and on the Company's website at <https://p2earn.io>. Prospective investors should read the amended Offering Document before making an investment decision. Due to Mr. Lineton's appointment, the Company has also extended the closing date of the LIFE Offering from April 21, 2023 to April 30, 2023, all other terms of the LIFE Offering remain the same.