



P2EARN INC.
(formerly Aquarius AI Inc.)

**CONDENSED CONSOLIDATED
INTERIM
FINANCIAL STATEMENTS**

**FOR THE PERIODS ENDED
MARCH 31, 2023 and 2022**

(in Canadian Funds)
(Unaudited)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

P2EARN INC.

Consolidated Statements of Financial Position
As at March 31, 2023 and December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

		March 31 (Unaudited) 2023	December 31 (Audited) 2022
ASSETS			
Current			
Cash		\$ 76,605	\$ 61,695
Accounts receivable		40,388	46,903
Digital assets		55,516	45,368
Prepaid		2,483	475
		174,992	154,441
Non-Current			
Deposits	Note 9	25,606	25,606
Property and equipment	Note 9	1,070,990	1,302,509
Right-of-Use assets	Note 10	76,021	92,312
Goodwill	Note 16	4,829,217	4,829,217
		\$ 6,176,826	\$ 6,404,085
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	Note 8	\$ 463,660	\$ 440,921
Due to related party	Note 12	523,020	514,781
Lease liability	Note 10	72,028	69,824
Derivative Liability	Note 6	52,538	52,624
Other liabilities	Note 13	405,000	50,000
		1,516,246	1,128,150
Non-Current			
Lease liability	Note 10	12,769	31,529
Derivative Liability	Note 6	392,880	421,164
		1,921,895	1,580,843
Shareholders' equity (Deficiency):			
Share capital	Note 6	30,514,823	30,514,823
Accumulated other comprehensive income		(221,956)	(221,975)
Reserves		1,854,281	1,860,968
Deficit	Note 6	(27,908,245)	(27,346,602)
Equity (Deficiency) Attributable to Owners of the Company		4,238,903	4,807,214
Non-controlling interest		16,028	16,028
Total Equity		4,254,931	4,823,242
		\$ 6,176,826	\$ 6,404,085

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 Three Months Ending March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

	Three Months ended March 31	
	2023	2022
Revenues	\$ 77,432	\$ 71,290
Direct expenses	(63,027)	(71,434)
	14,405	(144)
Operating Expenses:		
Accretion and interest	2,397	20,242
Amortization	247,810	6,626
General and administration	Note 18 354,211	230,392
Marketing and sales	-	49,728
	604,418	306,988
Operating Loss	(590,013)	(307,132)
Fair value changes of derivative liability	Note 6 28,370	(429,944)
Foreign exchange gain (loss)	-	4,219
Net Income (loss)	\$ (561,643)	\$ (732,857)
Attributable to:		
Shareholders of the Company	(561,643)	(730,548)
Non-controlling interests	-	(2,309)
	\$ (561,643)	\$ (732,857)
Comprehensive Income (loss) Attributed to:		
Shareholders of the Company	(561,643)	(730,548)
Non-controlling interests	-	(2,309)
Comprehensive Income (loss)	\$ (561,643)	\$ (732,857)
Earnings per share:		
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.04)
Weighted average number of common shares outstanding	52,224,245	16,347,909

P2EARN INC.

Consolidated Statements of Cash Flow
For the Three Months Ending March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

	Three Months ended March 31	
	2023	2022
Cash provided by (used for):		
Operating activities:		
Net income (loss) for the year	(561,643)	\$ (732,857)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion & Interest	2,397	-
Amortization	247,810	22,915
Fair value change in derivative liability	(28,370)	429,944
	(363,862)	(279,998)
Changes in non-cash working capital balances:		
Accounts receivable	6,515	107,269
Prepaid	(2,008)	19,905
Digital assets	7,221	-
Due to (from) related parties	8,239	(37,730)
Accounts payable and accrued liabilities	22,739	(136,637)
Lease liability	(18,953)	(14,560)
Other liabilities	355,000	-
Cash used in operating activities	14,891	(341,751)
Investing activities:		
Deposit on bitcoin mining rigs	-	(4,268)
Cash used in investing activities	-	(4,268)
Financing activities:		
Shares returned to treasury	-	(3,750)
Accumulated other comprehensive income	19	-
Cash provided by financing activities	19	(3,750)
Increase (decrease) in cash	14,910	(349,769)
Cash, beginning of year	61,695	667,745
Cash, end of year	\$ 76,605	\$ 317,976

P2EARN INC.

Consolidated Statements of Changes in Equity
For the Three Months Ending March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

	Common Shares		Reserves	Translation Reserve	Deficit	Non-Controlling Interest	Shareholders' Equity
	Number	Amount					
Balance, December 31, 2021	30,502,565	\$ 27,014,855	\$ 1,843,599	\$ (253,587)	\$ (30,496,094)	\$ 19,451	\$ (1,871,776)
Shares returned to treasury	(6,250)	(3,750)	-	-	-	-	(3,750)
Shares issued to acquire additional interest in Podkast	97,320	42,820	-	-	-	-	42,820
Shares issued to acquire Jellyworks	21,630,610	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	52,224,245	\$ 30,514,823	\$ 1,860,968	\$ (221,975)	\$ (27,346,602)	\$ 16,028	\$ 4,823,242
Cumulative translation adjustment	-	-	-	19	-	-	19
Fair value change in digital assets	-	-	(6,687)	-	-	-	(6,687)
Net earnings for the year	-	-	-	-	(561,643)	-	(561,643)
Balance, March 31, 2023	52,224,245	\$ 30,514,823	\$ 1,854,281	\$ (221,956)	\$ (27,908,245)	\$ 16,028	\$ 4,254,931

P2EARN INC. (formerly AQUARIUS AI INC.)
Notes to the Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

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.

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; www.cse.com and on the Company's website at <http://p2earn.io>. Prospective investors should read the amended Offering Document before making an investment decision. Due to Mr. Linton'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.

On May 5, 2023 the Company announced the closing of the second and final 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 releases of the Company dated March 29, 2023 and April 3, 2023). The Company issued a total of 7,216,666 Common Shares at a price of \$0.75 per Common Share for total gross proceeds of \$541,250. 5,100,000 Common Shares to be issued pursuant to this tranche of the Private Placement will be distributed pursuant to the 'Listed Issuer Exemption' and 2,116,666 Common Shares in offshore jurisdictions pursuant to Ontario Securities Commission Rule 72-503 - Distributions Outside Canada. As such, the Common Shares will not be subject to a statutory hold period in accordance with applicable Canadian securities laws. The Company agreed to paid to Canaccord Genuity Corp. a finder's fee equal to 10% of the gross subscription amount in connection with the sale of 1,333,333 Common Shares. No other finder's commission, agent's option or other compensation were payable in connection with the closing of the second tranche of the Private Placement. The Company intends to use the net proceeds from the Private Placement for general working capital purposes as set out in the Company's offering document relating to the Private Placement, which can be accessed under the Company's profile at www.sedar.com and on the Company's website at <http://p2earn.io>.