

**NEW WAVE HOLDINGS CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended March 31, 2022 and 2021**

**(Expressed in Canadian Dollars)**

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## Independent Auditor's Report

To the Shareholders of New Wave Holdings Corp

### Opinion

We have audited the consolidated financial statements of New Wave Holdings Corp (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2022 and the consolidated statements of comprehensive loss, changes in shareholders' equity and 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

### 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 Group in accordance with the 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.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other matter

The consolidated financial statements of New Wave Holdings Corp for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on October 26, 2021.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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.

We obtained the other information prior to the date of this auditor's report. 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 in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **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. We 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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We 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.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, Canada  
July 29, 2022**

**New Wave Holdings Corp.**  
Consolidated Statements of Financial Position  
As at March 31, 2022 and 2021  
(Expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		872,317	63,822
Other receivables		70,804	173,148
Prepaid expenses		79,643	67,452
Note receivable	8	240,712	-
Investments	4	1,899,488	3,231,202
<b>TOTAL CURRENT ASSETS</b>		<b>3,162,964</b>	<b>3,535,624</b>
<b>Non-Current Assets</b>			
Equipment		443	1,779
Right of use asset		-	7,511
<b>TOTAL ASSETS</b>		<b>3,163,407</b>	<b>3,544,914</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	7	597,452	656,045
Lease liability – Current		-	8,737
Share subscription proceeds to be returned		10,010	10,010
Deferred revenue		-	23,546
Convertible debentures	5	80,555	69,608
<b>TOTAL CURRENT LIABILITIES</b>		<b>688,017</b>	<b>767,946</b>
<b>TOTAL LIABILITIES</b>		<b>688,017</b>	<b>767,946</b>
<b>Shareholders' equity</b>			
Share capital	6	31,299,034	24,452,126
Reserves	6	1,957,260	1,943,124
Share subscriptions receivable		(227,226)	-
Equity portion of convertible debentures	5	-	14,463
Deficit		(30,553,678)	(23,632,745)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,475,390</b>	<b>2,776,968</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,163,407</b>	<b>3,544,914</b>
Nature and Continuance of Operations – (Note 1)			
Subsequent Events – (Notes 6, 8, 13)			

Approved on behalf of the Board of Directors:

“Geoff Balderson”

Director

“Robert Kang”

Director

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

**New Wave Holdings Corp.**  
Consolidated Statements of Comprehensive Loss  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
<b>Net Investment gain (loss)</b>			
Unrealized loss on investments	4	(882,845)	(10,380,751)
Write-off of investments	4	(3,450,000)	(2,836,250)
Write-off of note receivables	8	(638,606)	(350,000)
Write-off of other miscellaneous assets		(37,317)	-
Interest income		1,008	-
		<b>(5,007,760)</b>	<b>(13,567,001)</b>
<b>EXPENSES</b>			
Accretion interest	5	12,804	98,005
Consulting	7	390,000	1,271,600
Depreciation		8,847	31,382
Foreign exchange		32	1,793
Investor relations and marketing		609,186	865,696
Office		134,877	182,576
Professional	7	287,440	349,463
Regulatory		24,736	46,049
Share-based compensation	6, 7	14,136	634,516
Wages	7	-	215,397
Website		-	33,500
		<b>(1,482,058)</b>	<b>(3,729,977)</b>
<b>Net loss from operations before other items</b>		<b>(6,489,818)</b>	<b>(17,296,978)</b>
<b>Other items:</b>			
Advisory revenue		23,546	132,220
Gain on debt settlement		9,745	-
<b>Net loss and comprehensive loss for the year</b>		<b>(6,456,527)</b>	<b>(17,164,758)</b>
<b>Basic and diluted loss per share</b>		<b>(0.51)</b>	<b>(4.06)</b>
<b>Weighted average number of common shares outstanding</b>			
<b>-basic and diluted</b>		<b>12,735,963</b>	<b>4,224,537</b>

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

**New Wave Holdings Corp.**  
Consolidated Statements of Changes in Shareholders' Equity  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	<b>Share Capital</b>		<b>Share subscriptions receivable</b>	<b>Reserves</b>	<b>Equity portion of Convertible Debentures</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of shares</b>	<b>Share capital</b>					
		\$	\$	\$	\$	\$	\$
<b>Balance as at March 31, 2020</b>	<b>1,501,776</b>	<b>8,095,493</b>	-	<b>957,380</b>	<b>115,702</b>	<b>(6,467,987)</b>	<b>2,700,588</b>
Private placement	812,631	2,615,443	-	433,204	-	-	3,048,647
Finder's fees – cash	-	(294,180)	-	-	-	-	(294,180)
Finder's fees – warrants	-	(153,596)	-	153,596	-	-	-
Pursuant to exercise of warrants	46,230	93,192	-	-	-	-	93,192
Transfer of fair value on warrants exercised	-	67,236	-	(67,236)	-	-	-
Pursuant to exercise of stock options	10,000	10,000	-	-	-	-	10,000
Transfer of fair value on stock options exercised	-	8,000	-	(8,000)	-	-	-
Shares returned to treasury	(125,926)	(428,148)	-	-	-	-	(428,148)
Conversion of convertible debt	291,667	605,340	-	-	(101,239)	-	504,101
Restricted share units issued	89,583	314,042	-	-	-	-	314,042
Debt settlement	84,176	176,000	-	-	-	-	176,000
Shares issued for investment acquisition	3,274,119	13,343,304	-	153,707	-	-	13,497,011
Share-based payments	-	-	-	218,420	-	-	218,420
Vested RSU	-	-	-	102,053	-	-	102,053
Net loss for the year	-	-	-	-	-	(17,164,758)	(17,164,758)
<b>Balance as at March 31, 2021</b>	<b>5,984,256</b>	<b>24,452,126</b>	-	<b>1,943,124</b>	<b>14,463</b>	<b>(23,632,745)</b>	<b>2,776,968</b>
Private placement	9,656,239	3,379,682	(210,000)	-	-	-	3,169,682
Pursuant to exercise of warrants	1,595	17,226	(17,226)	-	-	-	-
Shares issued for investment acquisition	15,000,000	3,450,000	-	-	-	-	3,450,000
Share-based payments	-	-	-	14,136	-	-	14,136
Transfer upon maturity of convertible debentures	-	-	-	-	(14,463)	14,463	-
Dividend in kind	-	-	-	-	-	(478,869)	(478,869)
Net loss for the year	-	-	-	-	-	(6,456,527)	(6,456,527)
<b>Balance as at March 31, 2022</b>	<b>30,642,090</b>	<b>31,299,034</b>	<b>(227,226)</b>	<b>1,957,260</b>	-	<b>(30,553,678)</b>	<b>2,475,390</b>

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



**New Wave Holdings Corp.**  
Consolidated Statements of Cash Flows  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

	2022	2021
	\$	\$
<b>Operating activities</b>		
Net loss for the year	(6,456,527)	(17,164,758)
Adjustment for non-cash items		
Depreciation	8,847	31,382
Share-based compensation	14,136	634,516
Accretion interest	11,210	87,711
Unrealized loss on investments	882,845	10,380,751
Write-off of investments	3,450,000	2,836,250
Write-off of note receivable	638,606	350,000
Write-off of other miscellaneous assets	37,317	-
Gain on debt settlement	(9,745)	-
Changes in non-cash operating working capital items:		
Accounts payable and accrued liabilities	(48,848)	(179,390)
Other receivables	84,190	(72,914)
Deferred revenue	(23,546)	(132,220)
Prepaid expenses	(31,354)	24,286
Purchase of investments	(30,000)	(150,000)
Repayment of investment	-	400,000
Loan receivable	(879,318)	(350,000)
<b>Net cash used in operating activities</b>	<b>(2,352,187)</b>	<b>(3,304,386)</b>
<b>Financing activities</b>		
Private placement proceeds	3,169,682	3,048,647
Finders' fees paid with cash	-	(294,180)
Lease liability payments	(9,000)	(40,707)
Exercise of options	-	10,000
Exercise of warrants	-	93,192
<b>Net cash provided by financing activities</b>	<b>3,160,682</b>	<b>2,816,952</b>
<b>Change in cash and cash equivalents during the year</b>	<b>808,495</b>	<b>(487,434)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>63,822</b>	<b>551,256</b>
<b>Cash and cash equivalents, end of year</b>	<b>872,317</b>	<b>63,822</b>
<b>Cash and cash equivalents consist of the following:</b>		
Cash	862,317	53,822
Short term investments	10,000	10,000
	872,317	63,822

See Note 12 for additional cash flow disclosure.

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

**New Wave Holdings Corp.**  
Notes to the Consolidated Financial Statements  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

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## 1. NATURE AND CONTINUANCE OF OPERATIONS

New Wave Holdings Corp. (“the Company”) was incorporated under the Business Corporation Act of British Columbia on May 17, 2006. The Company operates as an investment issuer and its objective is to generate income and achieve long term capital appreciation through investments focused on e-sports, NFT (non-fungible token), metaverse, blockchain and Web 3 sectors. The head office, principal address and records office of the Company are located at Royal Centre, Suite 1500, 1055 W Georgia Street, Vancouver, BC V6E 4N7.

On October 24, 2019, the Company completed a “three cornered” amalgamation whereby its previous wholly owned subsidiary, 1205619 B.C. Ltd., amalgamated with New Wave Holdings (BC) Corp. pursuant to an amalgamation agreement dated June 7, 2019 and as amended effective September 26, 2019, among the Company, 1205619 B.C. Ltd., and New Wave Holdings (BC) Corp. For accounting purposes, this transaction was treated as a reverse takeover. These financial statements are presented as a continuation of New Wave Holdings (BC) Corp., in which its assets and liabilities and operations are included in the consolidated financial statements at their historical carrying value.

On completion of the “three-cornered” amalgamation the Company received approval to change its business from an E-sports company to an investment issuer engaged in investing in privately and publicly traded companies. The Company determined it has met the definition of investment entity under IFRS 10 *Consolidated financial statements* as of October 24, 2019. As such, the Company commenced accounting for its investments at fair value through profit or loss (“FVTPL”) in accordance with IAS 39 Financial Instruments: recognition and measurement (“IAS 39”).

On October 28, 2019, the Company began trading on the Canadian Securities Exchange under the stock symbol NWES, which was later changed to SPOR on May 8, 2020. On June 18, 2021, the Company completed a 20 old shares for one new share consolidation. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2022, the Company is not able to finance day to day activities through operations and has incurred a loss of \$6,456,527 for the year ended March 31, 2022. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings, loans from directors and companies controlled by directors and/or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

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

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the conflict in the Ukraine, to the business to be limited, the indirect impacts on the economy and industries in general could negatively affect the business.

**New Wave Holdings Corp.**  
Notes to the Consolidated Financial Statements  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

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**1. NATURE AND CONTINUANCE OF OPERATIONS – (continued)**

The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its investing activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. The Company has determined that it meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements (“IFRS 10”), and accordingly all investments have been recorded as investments at fair value through profit or loss. The principal accounting policies applied in the preparation of these financial statements are set out below.

These consolidated financial statements were reviewed and authorized for issue by the Board of Directors on July 29, 2022.

**Basis of preparation**

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The financial statements are presented in Canadian dollars unless otherwise noted.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently in the consolidated financial statements, unless otherwise indicated.

**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its subsidiaries. The results of the subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the respective subsidiaries cease. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status	Functional Currency
New Wave Holdings (BC) Corp.	B.C., Canada	Active	CDN Dollar
Thunderbolt Creative Digital Gaming Inc.	California, USA	Inactive	CDN Dollar

**Significant estimates and assumptions**

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

**New Wave Holdings Corp.**  
Notes to the Consolidated Financial Statements  
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(Expressed in Canadian Dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Significant estimates and assumptions (continued)**

**Significant estimates**

Estimates and assumptions where there is significant risk of material adjustments to the consolidated statement of financial position in future accounting periods include the recoverability and measurement are as follows:

Convertible debt

The convertible debentures are separated into their liability and equity components on the statements of financial position. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible debt with similar terms at the time of issue.

Valuation of investments

Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each investment and is determined on an average cost basis excluding transaction costs. The Company classifies its investments as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss. The fair value of the Company's investments as at the financial reporting date are determined as follows: Common shares in quoted companies – All securities listed on a recognized public stock exchange are generally valued at their last bid price. Options and warrants – The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as market value of the underlying security, strike price, volatility and expected life. Investments in private companies and other investments – When the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value.

**Significant judgments**

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Investment entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

**Cash and cash equivalents**

Cash and cash equivalents is comprised of cash deposits in the bank and highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**New Wave Holdings Corp.**  
Notes to the Consolidated Financial Statements  
For the years ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Equipment**

Equipment is stated at cost less accumulated depreciation. The cost of an item of equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Equipment is depreciated over the estimated useful lives of the respective assets at the following rates:

Equipment	straight-line over 5 years
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Useful lives and methods of depreciation are reviewed at each reporting period, and adjusted prospectively if appropriate. An impairment review is performed, either individually or at the cash-generating unit level, when there are indicators that the carrying amount of the asset may exceed its recoverable amount. To the extent that this occurs, the asset is written down to its estimated net realizable value.

**Impairment of Non-Financial Assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period.

**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 Leases 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 on the initial amount of the lease liability, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain re-measurements of the lease liability. The ROU asset is depreciated 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.

**New Wave Holdings Corp.**  
Notes to the Consolidated Financial Statements  
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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Leases (continued)**

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.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statements of comprehensive loss in the period in which they are incurred.

The ROU assets are presented within “Right-of-use assets” and the lease liabilities are presented in “Lease liability” on the consolidated statements of financial position.

**Foreign currency translation**

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company’s functional and presentational currency.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company’s presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded to the Company’s foreign currency translation reserve. These differences are recognized in the profit or loss in the period in which the operation is disposed of.

### **3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

#### **Revenue Recognition**

Security transactions are recorded on a trade basis. Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statements of comprehensive loss.

The Company recognizes advisory revenue in accordance with IFRS 15 – Revenue from contracts with customers. This standard contains a single model with two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.

The Company recognizes advisory revenue when a contractual arrangement is in place, the fee is fixed and determinable, the services have been provided or the products have been delivered to the customer, and collectability is reasonably assured. Payments received in advance are recorded as deferred revenue and brought into revenue as earned.

#### **Income taxes**

##### Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred 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 tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, warrants or options are recognized as a deduction from equity, net of tax.

*Valuation of equity units issued in private placements*

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 fair value of common shares issued in private placements was determined to be the more easily measurable component and 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 attached warrants. Any fair value attributed to warrants is recorded to warrants reserves.

**Share based compensation**

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Upon expiry of the options, the fair value recorded in reserves account remains unchanged.

**Restricted share units**

The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted. For restricted share units ("RSU's"), the fair value of the grant is determined by multiplying the Company's share price at grant date by the number of RSU's granted. The resulting fair value of the RSU's is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSU's that will eventually vest is likely to be different from estimation.



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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Loss per share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. The loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

**Financial instruments**

*Financial Assets*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company’s business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through OCI (“FVOCI”):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets classified at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss). When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss.

The Company’s cash and cash equivalents and note receivables are measured at amortized cost, and investments are measured at FVTPL.

*Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**Financial instruments (continued)**

*Financial Liabilities*

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, lease liability and convertible debentures as financial liabilities held at amortized cost.

**Convertible Debenture**

The Company classifies convertible debentures into debt and equity components based on the residual method. The liability component is calculated as the present value of the principal and interest, discounted at a rate approximating the estimated interest rate that was estimated to have been applicable to a non-convertible debenture at the time the debenture was issued. This portion of the convertible debenture is accreted over its term to the full principal value using the effective interest rate method. The equity element of the convertible debenture comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability component. Upon maturity, the equity component is reclassified to reserves.

**Investment in associates and subsidiaries**

The Company meets the criteria required to be considered an “investment entity” under IFRS 10 and as such, in the cases where the Company has control or significant influence over a company in its investment portfolio, the Company values such investments as financial assets at FVTPL.

**New accounting standards and amendments effective for future periods**

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

**4. INVESTMENTS**

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to non-observable market inputs based on specific company information and general market conditions. At times, these private company investments are held at cost, which is indicative of fair value in the absence of any additional information. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model. The carrying values are marked to market and the resulting gain or loss from marketable securities are recorded against earnings. A continuity of the Company’s marketable securities is as follows:

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**4. INVESTMENTS – (continued)**

The Company has the following investments as at March 31, 2022 and 2021:

	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2021	Disposal/ Investment	Fair market value Adjustment	Impairment of Investment	Fair Value at March 31, 2022
<b>Equities of e-sport companies:</b>		\$					\$
<b>Public</b>							
AMPD Ventures Inc.	100,000	30,000	-	30,000	(8,000)	-	<b>22,000</b>
TGS Esports Inc.	1,040,000	326,000	220,000	-	(162,800)	-	<b>57,200</b>
Real Luck Group Ltd.	547,298	150,000	150,000	-	(29,594)	-	<b>120,406</b>
Tiidal Gaming Group Inc.	2,866,050	496,017	1,125,000	-	(688,111)	-	<b>436,889</b>
Way of Will Inc.	212,052	143,470	500,000	(478,869)	(6,340)	-	<b>14,791</b>
		1,145,487	1,995,000	(448,869)	(894,845)	-	<b>651,286</b>
<b>Private</b>							
Playline Ltd.	51,653	250,829	250,829	-	-	-	<b>250,829</b>
Talon Esports Ltd.	681,818	405,000	985,373	-	-	-	<b>985,373</b>
1295764 B.C. Ltd. (Pawtocol Holdings Corporation)	15,000,000	3,450,000	-	3,450,000	-	(3,450,000)	-
		4,105,829	1,236,202	3,450,000	-	(3,450,000)	<b>1,236,202</b>
<b>Other investments</b>							
AMPD Ventures Inc. - warrants	100,000	-	-	-	12,000	-	<b>12,000</b>
<b>Balance</b>	-	5,251,316	3,231,202	3,001,131	(882,845)	(3,450,000)	<b>1,899,488</b>

**New Wave Holdings Corp.**

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**4. INVESTMENTS – (continued)**

	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2020	Disposal/ Investment	Fair market value Adjustment	Impairment of Investment	Fair Value at March 31, 2021
		\$	\$	\$	\$	\$	\$
<b>Equities of e-sport companies:</b>							
<b>Private</b>							
Real Luck Group Ltd.	547,298	150,000	150,000	-	-	-	150,000
Tiidal Gaming Group Inc.	2,866,050	496,017	1,125,000	-	-	-	1,125,000
Playline Ltd.	51,653	250,829	250,829	-	-	-	250,829
Talon Esports Ltd.	681,818	405,000	405,000	-	580,373	-	985,373
Even Matchup Gaming inc.	200	326,000	1,500,000	(828,148)	(451,852)	-	220,000
Way of Will Inc.	5,000,000	3,382,887	-	3,382,887	(2,882,887)	-	500,000
Anahit Therapeutics Ltd.	9,750,000	-	-	10,114,124	(7,427,874)	(2,686,250)	-
N2 Logics Inc.	10,000,000	-	-	150,000	-	(150,000)	-
			3,430,829	12,818,863	(10,182,240)	(2,836,250)	3,231,202
<b>Other investments</b>							
Talon Esports Ltd. - options	681,818	-	198,511	-	(198,511)	-	-
<b>Balance</b>	-	-	3,629,340	12,818,863	(10,380,751)	(2,836,250)	3,231,202

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**4. INVESTMENTS – (continued)**

- i. On March 27, 2019, the Company purchased 180 common shares (18%) of Even Matchup Gaming Inc. (“EMG”) for \$250,000 along with an irrevocable option to acquire an additional 31% interest, with additional terms to purchase from the Even Matchup Gaming Inc.’s existing shareholders, upwards to a maximum of 49% of all common shares. Even Matchup Gaming Inc. is a private company and its shares cannot be reliably valued using any market-derived indicators.

On February 10, 2020, the Company acquired the remaining issued and outstanding shares of EMG for \$1,230,000 comprising \$550,000 cash and 125,926 (2,518,518 pre-consolidated) common shares of the Company. The cash consideration is payable in tranches, with \$350,000 paid on February 7, 2020 and the remainder to be paid in installments over the six months following February 7, 2020. A portion of the 125,926 (2,518,518 pre-consolidated) common shares issued is subject to a contractual lock up and will be released to the vendors of EMG in installments over twelve months following the closing of the acquisition.

Immediately after the completed acquisition, the Company took steps to unwind the acquisition due to various operational issues encountered with EMG. On April 16, 2020, the Company and EMG reached a settlement agreement outlined below, that have been completed:

- 1- The Company would retain 200 common shares (20%) of EMG.
- 2- The Company will return 800 common shares (80%) to EMG shareholders (returned).
- 3- EMG would return to the Company 125,926 (2,518,518 pre-consolidated) common shares for cancellation (received and cancelled with a fair value of \$428,148).
- 4- The Company would pay the remaining balance of the committed \$550,000 totaling \$50,000 and also pay \$150,000 to a founding shareholder of EMG (paid).
- 5- The Company will repay \$260,000 in cash loans received from EMG which is included within accounts payable and accrued liabilities (paid).

The fair value of the investment into Even Matchup Gaming Inc. is currently reflected as the current fair market value of EMG’s common shares held by the Company. On June 28, 2021, EMG shares were converted into 1,040,000 common shares of TGS Esports Inc.

- ii. On March 22, 2019, the Company purchased 51,653 common shares (less than 1%) of Playline Ltd. for \$250,829. Playline Ltd. is a private company and its shares cannot be reliably valued using any market-derived indicators. The cost of the investment into Playline Ltd. is currently reflected as the current fair market value of its common shares.

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**4. INVESTMENTS – (continued)**

- iii. On March 26, 2019, the Company purchased 2,000,000 common shares (approximately 4%) of Tiidal Gaming Group Inc. (“Tiidal Gaming”) for \$400,000. Tiidal Gaming was a private company .

On March 11, 2019, the Company entered into an advisory agreement with Tiidal Gaming to provide strategic advisory services which have since been terminated. The Company received 250,000 stock options with an exercise price of \$0.20 for a term of five years. The options received have an estimated fair market value of \$46,017 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.20, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.20 and an expected average life of 5 years. During the year ended March 31, 2020, the Company exercised 250,000 stock options for an additional \$50,000 investment into Tiidal Gaming. As at March 31, 2022, there are no advisory agreement with Tiidal Gaming.

On November 15, 2021, Tiidal Game was approved for listing on the Canadian Securities Exchange and commenced trading on November 17, 2021. The Company’s shares in Tiidal Gaming reflect the forward stock split.

- iv. On August 2, 2019, the Company subscribed for 7,500,000 units of Avatar One E-Sports Capital Corp. (“Avatar”) at \$0.02 each for a total subscription price of \$150,000. Each unit consists of one common share of Avatar and one common share purchase warrant of Avatar, with each such warrant entitling the holder to acquire one additional Avatar common share at a price of \$0.02 for five years. In December 2020, the Company’s 7,500,000 units of Avatar were exchanged into 547,298 common shares in Real Luck Group Ltd. (“Real Luck”) as a result of Real Luck acquiring all of the outstanding common shares of Avatar. Real Luck Group Ltd. is listed on the Canadian Securities Exchange.
- v. On December 3, 2019, the Company purchased 681,818 common shares of Talon Esports Ltd. (“Talon”) at a price of \$0.59 (USD \$0.44) per share for an aggregate investment of \$405,000 (USD \$300,000) which represents approximately 6.5% of Talon. Concurrently, the Company entered into an advisory agreement with Talon which since have been terminated, to provide strategic advisory services. The Company received 681,818 stock options with an exercise price of USD \$0.44 expiring May 13, 2021. The options received have an estimated fair market value of \$198,511 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.44, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.44 and an expected average life of 1.5 years. Subsequent to the year ended March 31, 2021, the options expired unexercised and the Company adjusted the fair value of the stock options to \$Nil. The fair value of the investment into Talon at March 31, 2021 and March 31, 2022 was determined by the most recent financing completed by Talon at \$1.45 (US\$1.15) per share. As at March 31, 2022, there are no advisory agreement with Talon.

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**4. INVESTMENTS – (continued)**

- vi. On May 4, 2020, the Company invested in Anahit Therapeutics Ltd. (“Anahit”), a subsidiary of Anahit International Corp., through the purchase of 50% of the outstanding Class A shares of Anahit and 100% of the Class B shares of Anahit, through the issuance of 1,225,000 (24,500,000 pre-consolidated) common shares of the Company fair valued at \$9,065,000, and 25,000 (500,000 pre-consolidated) share purchase warrants of the Company exercisable at \$2.00 (\$0.10 pre-consolidated) per share for three years fair valued at \$153,707 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$7.40 (\$0.37 pre-consolidated); Risk-free interest rate of 0.28%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 1 year and forfeiture rate of 0%. Expected volatility was determined based on comparison to similar companies as the Company does not have enough history. In addition to the shares and warrants, the Company provided \$350,000 to Anahit through an unsecured non-interest-bearing loan with a maturity date of 12 months for business development of Anahit and has committed to raise additional capital for Anahit six months from the closing of the investment. In the event the Company does not meet this six-month deadline, the Company will issue an option to Anahit to purchase 7,000,000 shares of Anahit at a price of \$0.025 per share.

On September 23, 2020, pursuant to the terms of the August 26, 2020 share exchange agreement with the Class A shareholder of Anahit, the Company acquired an additional 25% of Anahit. As a result of this transaction, the Company’s ownership increased from 50% to 75%. As consideration, the Company issued 639,583 (12,791,667 pre-consolidated) common shares of the Company with a fair value of \$895,417. As a result of the additional acquisition of Anahit, the Company remeasured its previously held interest to its fair value of \$1,872,481. The difference between the carrying amount of the previously held equity interest was recognized as a loss of \$7,427,874 on investment in associate.

On November 13, 2020, the Company gave notice to Anahit that the six month period to come to mutually agreeable terms with respect to the financing commitment as defined in the May 4, 2020 agreement had expired and the Company had hereby given Anahit the option to purchase back 7,000,000 shares at a price of \$0.025 per share.

During the year ended March 31, 2021, the Company recorded an impairment of \$2,615,500 on the remaining balance of its investment in Anahit as the former operators of Anahit has cut-off communications with the Company. The Company also impaired the \$350,000 note receivable from Anahit.

- vii. On December 18, 2020, the Company entered into a share exchange agreement with Way of Will Inc. (“WoW”) and the shareholders of WoW to acquire 100% of the 5,000,000 of the issued and outstanding shares of Class A and Class B shares of WoW, through the issuance of 1,409,536 (28,190,725 pre-consolidated) common shares of the Company fair valued at \$3,382,887. On January 31, 2022, WoW commenced trading on the Canadian Securities Exchange. On January 19, 2022, the Company spun out 4,787,948 shares of WoW to its shareholder at a value of \$0.10 per share. As at March 31, 2022, the Company holds 212,052 shares of WoW.
- viii. On January 5, 2021, the Company subscribed for 10,000,000 common shares of N2 Logics Inc. a private company BC company for cash proceeds of \$150,000. During the year ended March 31, 2021, the Company determined that the investment was impaired, and the investment balance was reduced to \$Nil.
- ix. On November 25, 2021, the Company subscribed for 100,000 units of AMPD Ventures Inc. at a price of \$0.30 per unit. The unit consisted of one common share and one share purchase warrant entitling the Company to purchase one additional common share at a price of \$0.50 per share for a period of two years. As at March 31, 2022, the Company fair values the warrants at \$12,000.

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**4. INVESTMENTS – (continued)**

- x. On January 22, 2022, the Company completed a share exchange agreement to acquire all of the outstanding shares of a private BC Corporation and indirectly acquired Pawtocol Holdings Corp., a Delaware corporation (“Pawtocol”). As consideration the Company issued 15,000,000 common shares of the Company fair valued at \$3,450,000. On March 31, 2022, due to the decline in crypto currency, the Company recorded an impairment of \$3,450,000.

**5. CONVERTIBLE DEBENTURES**

	<b>Liability component</b>	<b>Equity component</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, March 31, 2020	495,412	115,702	611,114
Accretion	18,668	-	18,668
Amortization of discount	56,853	-	56,853
Conversion of debenture	(501,325)	(101,239)	(602,564)
Balance, March 31, 2021	69,608	14,463	84,071
Accretion	6,078	-	6,078
Amortization of discount	4,869	-	4,869
Expiry of conversion feature	-	(14,463)	(14,463)
<b>Balance, March 31, 2022</b>	<b>80,555</b>	<b>-</b>	<b>80,555</b>

On February 14, 2020, the Company closed its first tranche of a convertible debt financing through the issuance of secured convertible debentures in the aggregate principal amount of \$555,555 for gross proceeds of \$500,000 reflecting a 10% discount of the principal amount. The convertible debentures are convertible into common shares at a conversion price of \$2.00 (\$0.10 pre-consolidated) per share and will mature two years from the date of issuance. If the convertible debenture remains outstanding on the one-year anniversary of the maturity date, the principal amount will increase by 10%. The convertible debentures will not bear interest until the maturity date, after which if the principal amount remains unpaid, the convertible debentures will bear an interest rate of 22% per annum. Concurrent to the issuance of the convertible debentures, the Company issued 92,893 (1,857,852 pre-consolidated) share purchase warrants exercisable at \$9.00 (\$0.45 pre-consolidated) per share expiring two years from the date of issuance. On June 1, 2020, \$505,555 of convertible debentures were converted into common share of the Company; accordingly, the Company issued 277,778 (5,555,555 pre-consolidated) common shares on June 15, 2020 and recognized a premium on conversion of \$17,186 (see Note 6).

On February 24, 2020, the Company closed its second and final tranche of a convertible debt financing through the issuance of secured convertible debentures in the aggregate principal amount of \$111,111 for gross proceeds of \$100,000 reflecting a 10% discount of the principal amount. This issuance has the same terms as the first tranche closing on February 14, 2020. Concurrent to the second tranche closing, the Company issued 18,519 (370,371 pre-consolidated) share purchase warrants exercisable at \$3.00 (\$0.15 pre-consolidated) per share expiring two years from the date of issuance. \$27,778 of these convertible debentures were issued to a director of the Company. On January 5, 2021, \$27,778 were converted into 13,889 (277,777 pre-consolidated) common shares of the Company and a premium on conversion of \$4,821 was recognized. On February 24, 2022, these convertible debentures matured.



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**6. SHARE CAPITAL**

**Authorized share capital**

Unlimited number of common shares without par value, special rights or restrictions attached. On June 18, 2021, the Company completed another 20 old shares for one new share consolidation. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

**Issued share capital for the year ended March 31, 2022**

On June 30, 2021, 1,595 common shares were issued pursuant to the exercise of share purchase warrants for total proceeds of \$17,226. As at March 31, 2022, \$17,226 is included in Share subscription receivable.

On November 17, 2021, the Company completed a private placement of 9,656,239 units at a price of \$0.35 per unit for total proceeds of \$3,379,682. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share at \$0.70 per share expiring on November 17, 2023. As at December 31, 2021, \$210,000 is included in Share subscriptions receivable.

On January 12, 2022, the Company issued 15,000,000 common shares to acquire 100% interest in Pawtocol that was fair value at \$3,450,000.

**Issued share capital for the year ended March 31, 2021**

On May 12, 2020, the Company issued 1,225,000 (24,500,000 pre-consolidated) common shares pursuant to the May 5, 2020 agreement with Anahit, fair valued at \$9,065,000. The Company also issued 25,000 (500,000 pre-consolidated) warrants in connection with the acquisition with a fair value of \$153,707 (Note 4)

On May 12, 2020, pursuant to the exercise of share purchase warrants, the Company issued 16,667 (333,333 pre-consolidated) common shares at \$1.20 (\$0.06 pre-consolidated) per share for total proceeds of \$20,000.

On May 19, 2020, the Company closed a private placement of 503,200 (10,064,000 pre-consolidated) common shares at a price of \$2.00 (\$0.10 pre-consolidated) per share for gross proceeds of \$1,006,400. The Company paid cash finders fees of \$40,250 and issued 20,125 (402,500 pre-consolidated) brokers warrants at \$2.00 (\$0.10 pre-consolidated) per share until May 12, 2021. The Company recorded a fair value of the brokers warrants of \$112,294 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$7.40 (\$0.37 pre-consolidated); Risk-free interest rate of 0.28%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 1 year and forfeiture rate of 0%. Expected volatility was determined based on comparison to similar companies as the Company does not have enough history.

On June 1, 2020, 25,000 (500,000 pre-consolidated) common shares were issued on conversion of \$50,000 in convertible debentures, and on June 15, 2020, a further 252,778 (5,055,555 pre-consolidated) common shares were issued on conversion of \$505,555 convertible debentures and recognized a premium on conversion of \$17,186.

On June 2, 2020, pursuant to the exercise of share purchase warrants, the Company issued 778 (15,555 pre-consolidated) common shares at \$10.80 (\$0.54 pre-consolidated) per share for total proceeds of \$8,400.

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**6. SHARE CAPITAL** (continued)

**Issued share capital for the year ended March 31, 2021** (continued)

On June 17, 2020, the Company closed a private placement of 309,431 (6,188,627 pre-consolidated) Units at a price of \$6.60 (\$0.33 pre-consolidated) per Unit for gross proceeds of \$2,042,247. Each Unit comprises one common share and one share purchase warrant exercisable for two years at a price of \$9.00 (\$0.45 pre-consolidated) per common share. The fair value of the warrants issued were determined to be \$433,402 based on the residual method which was allocated to reserves. The Company paid an aggregate cash finders fee of \$97,002 and issued 19,567 (391,346 pre-consolidated) broker warrants with similar terms as the share purchase warrants attached to the Unit. The Company recorded a fair value of the agent's warrants of \$41,302 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$5.20 (\$0.26 pre-consolidated); Risk-free interest rate of 0.3%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 2 years and forfeiture rate of 0%. Expected volatility was determined based on comparison to similar companies as the Company does not have enough history. The Company also paid the Agent an administration and advisory fees of \$18,000 and paid expenses related to the offering, including legal fees and disbursements totalling \$70,625.

On June 18, 2020, pursuant to the exercise of share purchase warrants, the Company issued 8,333 (166,667 pre-consolidated) common shares at \$1.20 (\$0.06 pre-consolidated) per share for total proceeds of \$10,000.

On June 22, 2020, the Company returned to treasury 125,926 (2,518,518 pre-consolidated) common shares pursuant to the April 16, 2020, settlement agreement with EMG. See Note 4.

On September 23, 2020, the Company issued 639,583 (12,791,667 pre-consolidated) common shares pursuant to the terms of the August 26, 2020 agreement with Anahit fair valued at \$895,417. See Note 4.

On September 30, 2020, the Company issued 35,714 (714,285 pre-consolidated) common shares to settle \$50,000 of debt pursuant to a debt settlement agreement with a former director and officer of the Company.

On December 23, 2020, the Company issued 1,409,536 (28,190,720 pre-consolidated) common shares fair valued at \$2.40 (\$0.12 pre-consolidated) per share for a total value of \$3,382,887 pursuant to the December 18, 2020 share exchange agreement with WoW (See Note 4).

On January 4, 2021, pursuant to the exercise of share purchase warrants, the Company issued 13,889 (277,778 pre-consolidated) common shares at \$3.00 (\$0.15 pre-consolidated) per share for total proceeds of \$41,667.

On January 5, 2021, 13,889 (277,777 pre-consolidated) common shares were issued on conversion of \$27,778 in convertible debentures and recognized a premium on conversion of \$4,821.

On January 6, 2021, the Company issued 48,462 (969,230 pre-consolidated) common shares pursuant to a debt settlement agreement for a total of \$126,000.

On February 11, 2021, pursuant to the exercise of share purchase warrants, the Company issued 5,600 (112,000 pre-consolidated) common shares at \$2.00 (\$0.10 pre-consolidated) per share for total proceeds of \$11,200.

On March 26, 2021, pursuant to the exercise of share purchase warrants, the Company issued 963 (19,250 pre-consolidated) common shares at \$2.00 (\$0.10 pre-consolidated) per share for total proceeds of \$1,925.

On March 26, 2021, pursuant to the exercise of share purchase options, the Company issued 10,000 (200,000 pre-consolidated) common shares at \$1.00 (\$0.05 pre-consolidated) per share for total proceeds of \$10,000. The Company transferred \$8,000 from reserves.

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**6. SHARE CAPITAL** (continued)

**Issued share capital for the year ended March 31, 2021** (continued)

During the year ended March 31, 2021, the Company issued, in aggregate, 89,583 (1,791,664 pre-consolidated) common shares relating to restricted share units to certain directors, officers and consultants of the Company recognizing \$314,042 in share-based compensation expense.

**Escrow Shares**

As at March 31, 2022, 33,932 (2021 – 407,174) shares were held in escrow, to be released evenly over a 3-year period from October 24, 2019.

**Share Purchase Warrants**

The continuity of the Company's outstanding warrants is as follows:

	March 31, 2022		March 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
	#	\$	#	\$
<b>Balance, opening</b>	1,198,188	11.40	1,108,192	10.60
Expired	(456,347)	13.52	(258,350)	12.00
Exercised	(1,595)	10.80	(25,778)	1.40
Issued	9,656,239	0.70	374,124	8.00
<b>Balance, ending</b>	<b>10,396,485</b>	<b>1.34</b>	<b>1,198,188</b>	<b>11.40</b>

As at March 31, 2022, the weighted average remaining contractual life of share purchase warrants outstanding was 1.57 years and the weighted average exercise price was \$1.34.

Warrants outstanding as at March 31, 2022 are as follows:

Exercise price	Expiry date	Number of Warrants
\$ 10.80	May 23, 2023	362,299
\$ 10.80	May 23, 2023	23,949
\$ 2.00	May 12, 2023	25,000
\$ 9.00	June 17, 2022	*19,567
\$ 9.00	June 17, 2022	*309,431
\$ 0.70	November 17, 2023	9,656,239
	<b>TOTAL</b>	<b>10,396,485</b>

\* Subsequent to March 31, 2022, 328,998 share purchase warrants expired unexercised.

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**6. SHARE CAPITAL – (continued)**

**Stock Options**

On October 24, 2020, the Company adopted an equity incentive plan under which it is authorized to grant to officers, directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common share of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares. The Option Plan is 10% a rolling plan pursuant to which the number of common shares which may be subject to issuance pursuant to options granted under the Option Plan is 10% and when combined with all other equity compensation securities outstanding shall not be greater than 20% of the common shares issued and outstanding at the date of grant.

On May 14, 2020, 15,000 (300,000 pre-consolidated) stock options were granted to a consultant of the Company. The options are exercisable at \$7.00 (\$0.35 pre-consolidated) per share for three years from date of grant. These stock options vest 25% every four months commencing on the date of grant. The fair value of the options was estimated at \$72,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$7.40 (\$0.37 pre-consolidated), expected volatility - 102% (average based on comparable companies), risk-free interest rate - 0.29%, exercise price of \$7.00 (\$0.35 pre-consolidated) and an expected average life of 3 years. During the year ended March 31, 2022, the Company recorded \$2,170 (2021 - \$69,830) in share-based payments.

On June 17, 2020, 30,000 (600,000 pre-consolidated) stock options were granted to consultants of the Company. These options are exercisable at \$6.60 (\$0.33 pre-consolidated) per share for three years from date of grant. These stock options vest at 1/3 every six months commencing on the date of grant. The fair value of the options was estimated at \$90,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.26 pre-consolidated, expected volatility - 102% (average based on comparable companies), risk-free interest rate - 0.32%, exercise price of \$6.60 (\$0.33 pre-consolidated) and an expected average life of 3 years. During the year ended March 31, 2022, the Company recorded \$6,410 (2021 - \$83,590) in share-based payments.

On November 6, 2020, the Company granted 95,000 (1,900,000 pre-consolidated) stock options to directors, officers and consultants of the Company exercisable at \$1.00 (\$0.05 pre-consolidated) per share expiring on November 6, 2025. These stock options vest at the date of grant. The fair value of the options was estimated at \$57,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions. Expected dividend yield - 0%, share price of \$1.00 (\$0.05 pre-consolidated), expected volatility - 100% (average based on comparable companies), risk-free interest rate - 0.45%, exercise price of \$1.00 (\$0.05 pre-consolidated) and an expected average life of 5 years. During the year ended March 31, 2021, the Company recorded \$57,000 in share-based payments.

On February 1, 2021, the Company granted 5,000 (100,000 pre-consolidated) stock options to a consultant of the Company exercisable at \$2.20 (\$0.11 pre-consolidated) per share expiring on February 1, 2026. These stock options vest at the date of grant. The fair value of the options was estimated at \$8,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions. Expected dividend yield - 0%, share price of \$2.20 (\$0.11 pre-consolidated), expected volatility - 100% (average based on comparable companies), risk-free interest rate - 0.73%, exercise price of \$2.20 (\$0.11 pre-consolidated) and an expected average life of 5 years. During the year ended March 31, 2021, the Company recorded \$8,000 in share-based payments.

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**6. SHARE CAPITAL – (continued)**

**Stock Options – (continued)**

The continuity of the Company's outstanding options is as follows:

	March 31, 2022		March 31, 2021	
	Number of Stock Options #	Weighted Average Exercise Price \$	Number of Stock Options #	Weighted Average Exercise Price \$
<b>Balance, opening</b>	266,666	5.82	131,666	9.00
Exercised	-	-	(10,000)	1.00
Granted	-	-	145,000	2.80
<b>Balance, ending</b>	<b>266,666</b>	<b>5.82</b>	<b>266,666</b>	<b>5.82</b>

As at March 31, 2022, the weighted average remaining contractual life of stock options outstanding was 2.70 years.

Options outstanding as at March 31, 2022 are as follows:

Exercise price	Expiry date	Number of options	Number of options exercisable
\$ 7.00	May 14, 2023	15,000	15,000
\$ 6.60	June 17, 2023	30,000	30,000
\$ 9.00	October 24, 2024	123,333	123,333
\$ 6.60	November 8, 2024	3,333	3,333
\$ 4.60	February 10, 2025	3,333	3,333
\$ 3.60	February 24, 2025	1,667	1,667
\$ 1.00	November 6, 2025	85,000	85,000
\$ 2.20	February 1, 2026	5,000	5,000
		<b>266,666</b>	<b>266,666</b>

**Restricted Share Unit Plan**

RSUs activities were as follows:

	March 31, 2022	March 31, 2021
	#	#
<b>Balance, opening</b>	28,459	72,083
Granted	-	48,459
Released	-	(89,583)
Forfeited	-	(2,500)
<b>Balance, ending</b>	<b>28,459</b>	<b>28,459</b>

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**6. SHARE CAPITAL – (continued)**

**Restricted Share Unit Plan (continued)**

The estimated fair value of the equity settled RSUs granted during the year ended March 31, 2022 was \$5,556 (2021 – \$416,096) and were valued based on the trading price of the common shares on the grant date, which will be recognized as an expense over the vesting period of the RSUs.

On June 17, 2020, the Company granted 15,000 (300,000 pre-consolidated) Restricted Share Units (“RSU”) to a consultant of the Company. The RSU vest at 1/3 every six months with the first vesting on grant date. During the year ended March 31, 2021, the Company recorded \$72,444 as share-based payment and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve. As at March 31, 2022, 15,000 (300,000 pre-consolidated) (March 31, 2021 – 10,000 (200,000 pre-consolidated) RSU have vested and have not been issued. During the year ended March 31, 2022, the Company recorded \$5,556 in share-based payment.

On February 1, 2021, the Company granted 13,459 (269,181 pre-consolidated) RSU to consultants of the Company. The granted RSU shall vest on the date of grant. During the year ended March 31, 2021, the Company recorded \$29,609 as share-based payment and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve. As at March 31, 2022 and 2021, these shares have not been issued.

**7. RELATED PARTY TRANSACTIONS**

Related party transactions were in the normal course of operations and measured at the fair market value. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Transactions with key management and directors

The Company incurred the following transactions for the year ended, with companies controlled by current and former directors and officers of the Company:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Consulting fees	48,000	188,000
Professional fees	-	21,613
Share-based payments	-	185,667
Wages	-	150,711
	<b>48,000</b>	<b>545,991</b>

As at March 31, 2022, the Company owed \$12,800 to a company controlled by an officer of the Company (2021 - \$8,400) which is included within accounts payable and accrued liabilities.

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**8. NOTE RECEIVABLE**

On January 26, 2022, the Company loaned \$40,000 through a promissory note to Lida Resources Inc. (“Lida”). The note bears interest at 10% per annum unless Lida is in default under the terms of the note, interest at the rate of 15% shall apply to all outstanding balance (including accrued interest) until the amounts owing under this Note is brought into good standing. Lida will not be required to make monthly payments and is due on demand. As at March 31, 2022, the Company accrued \$712 in interest income.

On March 4, 2022, the Company loaned \$200,000 through a promissory note to 1320310 B.C. Ltd. (“1320310”). No interest will accrue on the principal amount unless earlier payment is required by the Company. The outstanding principal is due on the earlier of (i) the closing of the acquisition of 1320310 pursuant to the letter of intent dated February 15, 2022 among 1320310 and the Company; and (ii) June 4, 2022 maturity date. Subsequent to March 31, 2022, the Company collected the \$200,000 promissory note.

As at March 31, 2022, the Company loaned \$638,606 (US\$500,000) through a promissory note to Pawtocol LLC, a wholly owned subsidiary of Pawtocol. No interest will accrue on the principal amount unless Pawtocol LLC is in default under the terms of this Note. If Pawtocol LLC is in default, then in addition to the other remedies available to Pawtocol LLC, interest at the rate of 10% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this Note are brought into good standing. Pawtocol LLC will not be required to make monthly payments and is due on demand. On March 31, 2022, the Company wrote-off the note receivable to \$Nil following the impairment of the related investment. Subsequent to March 31, 2022, the Company advanced another \$500,000 to Pawtocol LLC with similar terms.

**9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT**

The following table summarizes the carrying value of financial assets and liabilities as at March 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value through profit or loss</b>		
Investments	1,899,488	3,231,202
<b>Amortized cost</b>		
Cash and cash equivalents	872,317	63,822
Note receivables	240,712	-
Accounts payable and accrued liabilities	597,452	656,045
Lease liability	-	8,737
Convertible debentures	80,555	69,608

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**9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)**

**Fair value measurement**

As at March 31, 2022, financial instruments that are measured at amortized cost on the consolidated statement of financial position are represented by cash and cash equivalents, account payable and accrued liabilities, lease liability, and convertible debentures. The fair values of these financial instruments approximate the carrying value due to their short-term nature.

Financial assets and liabilities that are recognized on the consolidated statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's financial assets measured at fair values through profit or loss are as follows:

<b>March 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Investments	651,286	-	1,248,202

  

<b>March 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Investments	-	-	3,231,202

**Financial risk management**

The Company is exposed in varying degrees to a variety of financial instrument related risks.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account and note receivables. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Subsequent to March 31, 2022, the Company collected \$200,000 of its note receivable. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

*Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.



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**9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)**

*Liquidity risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities which carry net 30 terms and the convertible debentures. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

*Price risk*

Equity price risk is the risk of potential loss to the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at March 31, 2022, the Company's equity investments of \$1,899,488, are subject to fair value fluctuations. If the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the year ended March 31, 2022 would have been approximately \$190,000 higher/lower.

*Capital Management*

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended March 31, 2022.

**10. SEGMENTED INFORMATION**

The Company operates in one business segment: to generate income and achieve long term capital appreciation through investments focused on e-sports, NFT (non-fungible token), metaverse, blockchain and Web 3 sectors.

Geographic information with respect to the Company's assets is as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
Canada	<b>3,156,237</b>	3,536,784
United States	<b>7,170</b>	8,130
<b>Total assets</b>	<b>3,163,407</b>	3,544,914

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**10. SEGMENTED INFORMATION – (continued)**

Geographic information with respect to the Company's liabilities is as follows:

	2022	2021
	\$	\$
Canada	688,017	767,946
United States	-	-
<b>Total liabilities</b>	<b>688,017</b>	<b>767,946</b>

Geographic information with respect to the Company's net loss is as follows:

	2022	2021
	\$	\$
Canada	6,455,584	17,148,828
United States	943	15,930
<b>Net loss for the year</b>	<b>6,456,527</b>	<b>17,164,758</b>

**11. DEFERRED INCOME TAX**

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2022	2021
	\$	\$
Net loss for the year	(6,456,527)	(17,164,758)
Statutory tax rate	27%	27%
Expected income tax recovery	(1,743,262)	(4,634,485)
Non-deductible items	6,425	132,979
True-up	(538,912)	(94,311)
Change in deferred tax assets not recognized	2,275,749	4,595,817
<b>Total income tax recovery</b>	<b>-</b>	<b>-</b>

The Company has the following deferred tax assets for which no deferred tax has been recognized:

	2022	2021
	\$	\$
Non-capital losses	7,016,000	5,618,000
Capital assets	7,000	7,000
Share issuance costs	64,000	89,000
Note receivable and other	172,000	
Investments	3,664,000	2,934,000
Deferred tax assets not recognized	(10,923,000)	(8,648,000)
<b>Net deferred income tax assets</b>	<b>-</b>	<b>-</b>

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**11. DEFERRED INCOME TAX – (continued)**

The Company's non-capital losses in the amount of approximately \$25,598,000 begin to expire in 2035.

**12. SUPPLEMENTAL CASH FLOW INFORMATION**

Non-cash in transactions

For the Year Ended March 31, 2022

Dividend of WoW shares to shareholders - \$478,868  
Shares issued for investment in Pawtocol - \$3,450,000

For the Year Ended March 31, 2021

Shares issued for investment in Anahit-- – \$9,960,417  
Warrants issued for acquisition of Anahit - \$153,707  
Shares issued for investment in WoW – \$3,382,887  
Shares issued for conversion of convertible debts – \$583,333  
Shares issued for settlement of debt – \$176,000  
Shares returned re: reversal of EMG - \$428,148  
Restricted share units issued -\$314,042

Cash paid for interest and taxes

For the year ended March 31, 2022

Interest	\$Nil
Income Taxes	\$Nil

For the year ended March 31, 2021

Interest	\$Nil
Income Taxes	\$Nil

**13. SUBSEQUENT EVENTS**

Subsequent to March 31, 2022

The Company granted 2,520,000 stock options to directors, officers and consultants of the Company. The stock options entitle the holder to purchase one common share at \$0.05 per share expiring on July 20, 2027.

The Company entered into a promissory note agreement with Way of Will Inc. ("WoW") to loan \$65,088 which is unsecured, bears interest at 10% per annum and will accrue on the principal unless WoW default under the terms of the note. If WoW defaults, then interest will be charged at 20% on the outstanding balance.