NEW WAVE HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended March 31, 2022

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of New Wave Holdings Corp. (the "Company") and describes its financial results for the year ended March 31, 2022. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2022 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") Refer to Note 3 of the March 31, 2022 audited financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar. This MD&A is current as of July 29, 2022.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators, and the Canadian Securities Exchange.

COMPANY BACKGROUND

New Wave Holdings Corp. (formerly New Wave Esports Corp.) ("the Company" or "New Wave") was incorporated under the Business Corporation Act of British Columbia on May 17, 2006. The Company's 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 the company New Wave Holdings (BC) Corp. pursuant to an amalgamation agreement dated June 7, 2019 (announced in the Company's June 18, 2019 news release) as amended effective September 26, 2019, among the Company, 1205619 B.C. Ltd., and New Wave Holdings Corp. On October 28, 2019, the Company began trading on the Canadian Securities Exchange under the stock symbol NWES which was eventually changed to SPOR.

On May 8, 2020, the Company completed a three old shares for one new share consolidation. 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.

QUARTERLY HIGHLIGHTS AND SUBSEQUENT DEVELOPMENTS

- Announced Way of Will Inc. ("WoW") commenced trading on the Canadian Securities Exchange on January 31, 2022. The transaction will be subject to approval of the listing of WoW common shares on the CSE. The Company has announced that it will distributed a portion of the shares of WoW its shareholders on a pro rata basis by way of a dividend in kind. See December 15, 2021 news release on distribution.

- On January 12, 2022, the Company completed the acquisition of all of the issued and outstanding securities of its investment in a private British Columbia corporation ("BCCO") and indirectly acquired Pawtocol

Holdings Corp., a Delaware corporation ("Pawtocol"). The Company issued 15,000,000 common shares to the existing shareholders of the BCCO.

Pawtocol, powered by blockchain technology, is the first pet platform of its kind. Pawtocol connects the physical lives of pets and pet owners with the rapidly expanding digital universe to create the world's most advanced pet community. For the first time pet owners are able to have full control over their information and use it in a meaningful way improving their lives, their pets' lives and millions of others in the pet community all over the world.

As a part of its robust ecosystem, Pawtocol will also be revolutionizing the way pets will exist in the metaverse. Pawtocol is committed to delivering affordable NFT (non-fungible token) creation to its users, which will enable them to mint NFTs of their pets that can live on forever in the metaverse.

- On February 15, 2022, the Company entered into a letter of intent to acquire all of the issued and outstanding securities of its investment in a private British Columbia corporation ("BCCO") and indirectly acquired Convergency LLC, doing business as BlockSt, a Florida corporation. As consideration, the Company is expected to issue 23,500,000 common shares.

  BlockSt was created to compile both a curated marketplace, general non-fungible token marketplace, as well as a social media outlet, into one space. NFT marketplaces are platforms where NFTs can be stored, displayed, traded and in some cases minted (created). These NFTs are minted across numerous different blockchains. The native marketplace that BlockSt has built brings all of these blockchains together. This means that a project built on the ethereum network, and a project built on another network such as Solana, can be bought and sold in the same place. This concept remains true for every single compatible blockchain. Users also have the ability to bridge these tokens between the different blockchains. To date, any relevant network where NFTs can be minted and stored are compatible with the BlockSt platform.

OVERALL PERFORMANCE

The Company continued operations for the year ended March 31, 2022, and incurred a net loss of $6,456,527 primarily driven by the loss on remeasurement of its investments and impairment of Anahit and the engagement of numerous consultants for business advisory services, share-based payments and various activities and related expenses in ramping up operations, although the Company also successfully raised additional equity financing to expand its investment activities, personnel, and marketing efforts. For the year ended March 31, 2022, the Company has made key investments in WoW and Pawtocol, subsequently spun-out the WoW shares as a dividend in kind and successfully completed several financings. The Company expects to continue to raise additional funds through equity and debt financings and seek additional investment opportunities including diversifying its investment portfolio and other similar investments.

(All amounts expressed in Canadian dollars, unless otherwise stated)

INVESTMENTS

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
Equities of e-sport companies:		$					**$**
Public							
AMPD Ventures Inc.	100,000	30,000	-	30,000	(8,000)	-	**22,000**
TGS Esports Inc.	1,040,000	326,000	220,000	-	(162,800)	-	**57,200**
Real Luck Group Ltd.	547,298	150,000	150,000	-	(29,594)	-	**120,406**
Tiidal Gaming Group Inc.	2,866,050	496,017	1,125,000	-	(688,111)	-	**436,889**
Way of Will Inc.	212,052	143,470	500,000	(478,869)	(6,340)	-	**14,791**
		1,145,487	1,995,000	(448,869)	(894,845)	-	**651,286**
Private							
Playline Ltd.	51,653	250,829	250,829	-	-	-	**250,829**
Talon Esports Ltd.	681,818	405,000	985,373	-	-	-	**985,373**
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)	**1,236,202**
Other investments							
AMPD Ventures Inc. - warrants	100,000	-	-	-	12,000	-	**12,000**
Balance	-	5,251,316	3,231,202	3,001,131	(882,845)	(3,450,000)	**1,899,488**

	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
Equities of e-sport companies:		$	**$**	**$**	**$**	**$**	**$**
Private							
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
Other investments							
Talon Esports Ltd.	681,818	-	198,511	-	(198,511)	-	-
Balance	-		3,629,340	12,818,863	(10,380,751)	(2,836,250)	3,231,202

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.

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 was determined by the most recent financing by Talon of $1.45 (US$1,15) which was completed on September 2021 which is currently reflected the current fair market value of its common shares as at March 31, 2022. As at March 31, 2022, there are no advisory agreement with Talon.

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.

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. 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.

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.

LIQUIDITY AND CAPITAL RESOURCES

In management's view, given the nature of the Company's operations, which comprises commercial esports/gaming activities, investing and advising esports companies in business growth, market penetration, and product expansion, the most relevant financial information relates primarily to current liquidity, solvency and planned strategic growth. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its continued ability to raise capital through public equity financings, and upon the generation of profits from its investments, the outcome of which cannot be predicted at this time.

At March 31, 2022, the Company had working capital of $2,474,947, including cash and cash equivalents of $872,317.

The Company's budget is its working capital and believes that the current capital resources is not sufficient to pay overhead expenses and make new investments for the next twelve months and continues to raise additional funding to fund its marketing and general working capital and towards potential investments, if such opportunities arise. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investments. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments in response to changes in economic conditions, including the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

<u>Share Capital Activities</u>

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 subscriptions 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 consist 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 March 31, 2022, $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.

(All amounts expressed in Canadian dollars, unless otherwise stated)

OUTSTANDING SHARE DATA

The following share capital as of date of this document is:

	Balance
Common Shares	30,642,090
Stock-options	2,786,666
RSU	28,459
Warrants	10,069,081

RESULTS OF OPERATION

The Company incurred a net loss of $6,456,527 for the year ended March 31, 2022 compared to $17,164,758 net loss for the comparable year to March 31, 2021. Included in the current year's net loss was the loss on remeasurement of its investments in the amount of $882,845 plus the write-off of investments of $3,450,000 and a write-off of note receivables of $638,606 which relates to the investment in Pawtocol. Included in the prior year's net loss, the Company recorded a loss of $10,380,751 on its remeasurement of its investments, recognized a write-off on investments of $2,836,250 and recognized an impairment on the $350,000 note receivable from Anahit.

The Company had total expenses of $1,482,058 for the current year as compared to the $3,729,977 for the comparable year a decrease of approximately $2,248,000. The majority of the decrease can be attributed to the decrease in share-based compensation from $634,516 down to $14,136 for the current year, due to no new stock options and RSU granted in the current year. Share-based compensation is a non-cash transaction. Professional fees have also decreased from $349,463 down to $287,440 for the current year, due to fewer transactions in the current year. Consulting fees have decreased from $1,271,600 down to $390,000 for the current year due to a decrease in the number of consultants for business advisory and administrative services. Wages have decreased from $215,397 down to $nil for the current year due to the resignation of the former CEO. The current CEO is not receiving any compensation.

OUTLOOK

In the Company's upcoming fiscal year ending March 31, 2023, the Company will seek to, among other things: (i) evaluate additional investment opportunities in the NFT, Metaverse, Blockchain, and Web3 sectors; and (ii) continue to evaluate the current e-sports/gaming portfolio to maximize value.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020
	$	$	$	$	$ restated	$ restated	$ restated	$ restated
Net profit (loss)	(4,565,099)	(1,623,678)	(229,632)	(38,118)	(3,336,319)	(3,974,462)	(8,083,164)	(1,770,813)
Basic profit (loss) per share	(0.23)	(0.15)	(0.04)	(0.01)	(0.66)	(0.86)	(2.11)	(0.70)
Diluted profit (loss) per share	(0.23)	(0.15)	(0.04)	(0.01)	(0.66)	(0.86)	(2.11)	(0.70)

Due to rounding, the figures for the Company's loss per share may not add up to the amount disclosed in the Company's financial statements.

Variances in quarterly results can be due to share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted;

(All amounts expressed in Canadian dollars, unless otherwise stated)

Included in the net loss for September 30, 2020, was a loss of $7,178,183 on the remeasurement of its investment in Anahit. Included in the net loss for December 31, 2020, was an impairment of $2,615,500 on the investment of Anahit and an impairment of $350,000 on the note receivable to Anahit. Included in the net loss for March 31, 2021 was an impairment of $150,000 on its investment in N2 and fair value adjustments to its investments to WoW and Talon Esports Ltd. Included in the net loss for December 31, 2021 was $1,107,183 in unrealized loss which mostly reflects the decline in fair value of its investment in Tiidal Gaming. Included in the net loss for March 31, 2022 was the write-off of the investment in Pawtocol of $3,450,000 and the write-off of the $638,606 in note receivable from Pawtocol.

FOURTH QUARTER

During the fourth quarter ended March 31 2022, the Company recorded a net loss of $4,565,099 as compared to the net loss of $3,336,319 for the comparable quarter. The increase in the net loss in the current fourth quarter can be attributed to the fair value adjustments to its investments and write-off of its investment and note receivable in Pawtocol due to the decline in crypto currency. During the fourth quarter the Company incurred approximately $539,000 in marketing with the majority of the cost paid to MMG Market Medium GmbH and to Sideways Frequency.

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	March 31, 2022	**March 31, 2021**	**March 31, 2020**
	$	**$**	**$**
Income Statement			
Net profit (loss)	(6,456,527)	(17,164,978)	(5,849,467)
Loss per share (basic and diluted)	(0.51)	(4.06)	(5.69)
Balance Sheet			
Total investments	1,899,488	3,231,202	3,629,340
Total assets	3,163,407	3,544,914	4,413,240
Total long-term liabilities	-	-	504,149

Included in the net loss for March 31, 2020 is the recording of the listing cost of $2,175,213 and the recording of $1,378,379 in share-based payments. The increase in the net loss for March 31, 2021 is mainly due to the adjustment to the fair value of its investments and impairment in Anahit totaling $13,561,001. Included in the net loss for March 31, 2022 is the recording of the write-off of investments in Pawtocol of $3,450,000 and the write-off of its note receivable to Pawtocol of $638,606.

(All amounts expressed in Canadian dollars, unless otherwise stated)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities as at March 31, 2021 and 2020:

	2022	2021
	$	$
Fair value through profit or loss		
Investments	1,899,488	3,231,202
Amortized cost		
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

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.

<u>The levels in the hierarchy are:</u>

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:

March 31, 2022	Level 1	Level 2	Level 3
	$	$	$
Investments	651,286	-	1,248,202

March 31, 2021	Level 1	Level 2	Level 3
	$	$	$
Investments	-	-	3,231,202

Management of Industry and Financial Risk

The Company's financial instruments are exposed to certain financial risks, which include the following:

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. 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.

Liquidity risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. 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.

Fair Value
The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. 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.

(All amounts expressed in Canadian dollars, unless otherwise stated)

Transactions with key management and directors

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

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

Related parties balance

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.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

CRITICAL ACCOUNTING ESTIMATES

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.

Significant estimates

Estimates and assumptions where there is significant risk of material adjustments to the 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, judgement 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 judgement in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

PROPOSED TRANSACTIONS

None.

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.

The Company collected the $200,000 note receivable due from 1320310 B.C. Ltd.

The Company advanced another $500,000 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.

RISKS AND UNCERTAINTIES

COVID-19
Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced customer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

Conflict in Ukraine
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 on different industries in general could negatively affect the business.

Going Concern
As at March 31, 2022 the Company has an accumulated deficit of $30,553,678 (2021 - $23,632,745 deficit), no source of operating cash flow and no assurance that sufficient funding will be available. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

Sector Specific Investment Risks
The Company seeks a high return on investment opportunities on its psilocybin and esports sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in these sectors are subject to risks associated with the world prices of related products, economic cycles, exchange rates, taxation changes and political events. Government restrictions can also be factors.

Regulatory Risks
The Company's investment in the psilocybin sector operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Company's investments incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company's investment and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Limited Operating History
The Company has limited operating history as an investment company and has had limited success in its investment sectors. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the psilocybin sector. There is no certainty that the Company will be able to operate profitably.

Key Personnel
The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Lack of Control or significant influence over Companies in which the Company Invests
In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

Due Diligence
The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Fluctuations in the Value of the Company and the Common Shares
The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.

Need to Manage Growth
The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company, is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at **www.sedar.com.**