

# Aquarius AI Announces Proposed Consolidation, Late Filing of Financial Statements and Management Cease Trade Order

Vancouver, British Columbia--(Newsfile Corp. - June 5, 2020) - **Aquarius AI Inc. (TSXV: AQUA) (FSE: 4G5) ("AQUA", or the "Company")** is pleased to announce that it intends to complete a consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidated common share for every ten (10) pre-consolidated common shares (the "**Consolidation**").

Currently, a total of 90,400,026 common shares of the Company are issued and outstanding and, after the Consolidation, the Company will have approximately 9,040,002 issued and outstanding common shares.

The Consolidation is subject to the approval of the TSX Venture Exchange (the "**Exchange**") and, once the Consolidation is approved, a new CUSIP number and letter of transmittal will be sent out to registered shareholders of the Company by the Company's transfer agent, Computershare Trust Company of Canada. The Consolidation is not subject to shareholder approval and no name change will be completed in conjunction with the Consolidation. The Company anticipates the effective date of the Consolidation to take place on or around June 26, 2020.

The board of directors of the Company believe that the Consolidation is in the best interest of its shareholders as it is anticipated that the Consolidation will provide the Company with greater flexibility to arrange the financings it requires as it continues to transition its business.

## **Management Cease Trade Order**

The Company also announces that it will likely miss its filing deadline of June 15, 2020 to file annual consolidated financial statements and accompanying management's discussion and analysis and related CEO and CFO certificates for the financial period ended December 31, 2019 (collectively, the "**Annual Filings**"), as required under applicable Canadian securities laws.

In connection with the Company's inability to file the Annual Filings on time, the Company has applied for a Management Cease Trade Order ("**MCTO**") under National Policy 12-203 - *Management Cease Trade Orders* ("**NP 12-203**") and is waiting for British Columbia Securities Commission approval.

The Company is applying for a MCTO as a result of an audit overrun due to complexities caused by changes to the Company's industry that lead to extensive operation changes, along with issues related to the COVID-19 pandemic which caused significant delays.

The Company expects to file the Annual Filings as soon as they are available, but in any event no later than July 13, 2020 and will issue a news release once the Annual Filings have been filed. Until the Company files the Annual Filings, it will comply with the alternative information guidelines set out in NP 12-203. The guidelines, among other things, require the Company to issue bi-weekly default status reports, in the form of news releases, for so long as the Annual Filings have not been filed.

During the MCTO, the general investing public will continue to be able to trade in the Company's common shares listed on the TSX Venture Exchange. However, the Company's Chief Executive Officer and Chief Financial Officer and such other directors, officers and persons as determined by the applicable regulatory authorities will not be able to trade in the Company's shares, nor will the Company be able to, directly or indirectly, issue securities to or acquire securities from an insider or employee of the Company except in accordance with legally binding obligations to do so existing as of June 15, 2020, being the date of the Company's anticipated continuous disclosure default.

The Company is not currently subject to any insolvency proceedings. If the Company provides any information to any of its creditors during the period in which it is in default of filing the Annual Financial Statements, the Company confirms that it will also file material change reports on SEDAR containing such information.

## **For further information:**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements:**

***Cautionary Note Regarding Forward-Looking Statements:** This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events. Generally, forward-looking statements and information can be identified by the use of forward-looking*

*terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things, completion of the Consolidation and management expectations that it will miss the filing deadline for the Annual Filings and the ability of the Company to file the Annual Filings within the time period described herein.*

*These forward looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things: the Company being unable to file the Annual Filings in the proposed timeframe; the Company completing the Consolidation; the Company not receiving the necessary regulatory approvals in respect of any of the transactions contemplated herein; recent market volatility; and the state of the financial markets for the Company's securities.*

*In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: the Company will be able to file the Annual Filings in the proposed time frame; and the Company will receive the necessary regulatory approvals in respect of each of the transactions contemplated herein.*

*Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.*

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/57383>