

# Aquarius AI Announces Transition into Esports Betting, Management Changes, Private Placement Financing and Proposed Shares for Debt Transaction

Vancouver, British Columbia--(Newsfile Corp. - June 15, 2020) - **Aquarius AI Inc. (TSXV: AQUA) (FSE: 4G5) ("AQUA", or the "Company")** is pleased to announce its intention to reposition its patent pending customer acquisition technology to drive customers to the Company's newly created Esports gambling business, which hopes to build a loyal and lucrative customer base within the Esports gambling sector.

As part of the move into Esports Gambling, Mr. Graham Martin based in London, England will with immediate effect be appointed as President of the Company and will also be joining the Board of Directors. Mr. Martin is a world-renowned gambling entrepreneur, most notably founding Bonne Terre Ltd., better known as Sky Bet. Sky Bet was sold to The Stars Group for approximately C\$5 Billion in 2018.

Mr. Martin originated the first online offshore gaming laws in Alderney, an island within the Bailiwick of Guernsey. He was most recently President of International Development at New Gioco Inc. ("**New Gioco**"), which provides a wide range of gaming products in Italy. New Gioco listed on the Nasdaq in January 2020 at a valuation of approximately C\$54 million. Mr. Martin was also Chairman of Probability Games Corporation, which completed an initial public offering on the London AIM Stock Exchange. Mr. Martin is currently an advisor for a number of other gambling companies and has a strong focus on Esports.

Jesse Dylan, Chairman of the Board of Directors commented, "On behalf of the Board of Directors we are excited to welcome Mr. Graham Martin and we look forward to working together as we expand into the Esports arena."

Furthermore, in order to facilitate this repositioning strategy, the Company has entered into a non-binding Letter of Intent to enter into a commercial arrangement with a leading Esports betting platform provider. The proposed license deal will give the Company exclusive rights to use the Esports betting platform in Canada, as well as non-exclusive rights to the rest of the world including the United States. The platform is a full-service technology solution to provide Esports gambling on a Tote basis, a unique proposition in Esports betting in which the prize fund is pooled and winnings distributed based upon the number of winners in the winning selection. The Company would take a guaranteed fixed fee from the prize fund before winnings are distributed, and as such the Company would not be exposed to any potential for loss from gambling activities.

With regards to the Esports market, Goldman Sachs Investment Research recently noted that 18-25-year olds (Generation Z) now watch more computer games than traditional sports and that esports will reach 276 million viewers globally by 2022. This is a bigger audience than major league real sports such as the NFL. Furthermore, the global esports betting market is growing at 44% CAGR and is projected to be a \$17.2B market by 2020.

Chris Bradley, Chief Executive Officer of the Company commented, "We are delighted to welcome an online gaming legend of the calibre of Graham Martin to help lead the Company to as we aim to become a global force in Esports gambling. Esports is a very lucrative and fast-growing area of gambling as people are moving from betting on real sports to betting on Esports. The synapse between the Aquarius AI customer acquisition technology and the explosive growth of Esports gambling means we are very excited for the future."

In addition, Andrew Gibson, the current Chief Operating Officer, will leave the Company with immediate effect. The Board of Directors would like to thank Andrew for his invaluable assistance in transitioning the Company over the last 12 months. Andrew has been pivotal in addressing a number of legacy issues including trade accounts receivable and payable and leaves the Company in a much stronger position to now move forward with its repositioning strategy.

## **Private Placement**

Furthermore, the Company announces that it wishes to complete a non-brokered private placement offering of up to a maximum of 25,000,000 units of the Company (on a post-consolidation basis) (the "**Units**"), at a price of \$0.10 per Unit to raise gross proceeds of up to \$2,500,000 (the "**Private Placement**").

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder, on exercise thereof, to purchase one additional common share of the Company at a price of \$0.15 per share for a period of 24 months from the completion of the Private Placement.

The Warrants will also include an acceleration provision, which will provide that, if the closing trading price of the Company's common shares on the TSX Venture Exchange (the "**Exchange**"), or such other stock exchange or quotation system on which the Company's common shares are then listed or quoted, is equal to or greater than \$0.25 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry of the Warrants, in which event the expiry date of the Warrants will be the date which is 30 days following the date upon which the Company provides notice of such acceleration to the holders of the Warrants.

The closing of the Private Placement will be subject to completion by the Company of the previously announced 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**"). For additional details regarding the Consolidation, please refer to the

Company's news release dated June 5, 2020.

The Company may pay finder's fees in connection with the Private Placement to certain eligible finders in the form of cash and/or securities. Additionally, certain insiders of the Company may acquire Units under the Private Placement.

The Private Placement is subject to all necessary regulatory approvals, including acceptance from the Exchange. All securities issued in connection with the Private Placement will be subject to a four-month and one day hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

The Company intends to use the proceeds from the Private Placement for general working capital purposes.

### **Shares for Debt Transaction**

The Company also intends to issue 7,263,311 common shares of the Company (on a post-Consolidation basis) (the "**Settlement Shares**") at a price of \$0.10 per share in settlement of outstanding debts totaling C\$726,331.19 (the "**Debt**"), comprised of C\$101,331 owing to arm's length parties and C\$625,000 owing to a related party of the Company (the "**Debt Settlement**"). The Company is proposing to issue the Settlement Shares in order to preserve cash to fund future operations.

Christopher Bradley, the Chief Executive Officer and a director of the Company, will participate in the Debt Settlement by receiving an aggregate of 6,250,000 Settlement Shares. The debt owing to Mr. Bradley was incurred by the Company well before his involvement in management, as the debt represents a portion of the purchase price for patents relating to the design and building of advertising technology platforms to allow highly targeted customer acquisition, which formed the cornerstone of the Company's business for the last couple of years.

The participation by Christopher Bradley is considered a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction is exempt from the formal valuation requirements under MI 61-101 as the Company is not listed or quoted on the markets specified under Item 5.5(b) of MI 61-101 and is exempt from the minority shareholder approval requirements under MI 61-101 as neither the fair market value of the Settlement Shares to be issued to, nor the consideration paid by, the related party will exceed \$2,500,000.

By issuing the Settlement Shares, the Debt will be definitively extinguished and management believes that this will put the Company in a better position to attract new capital and position the Company to unlock value from its current project and acquire new interests.

The closing of the Debt Settlement will be subject to completion by the Company of the Consolidation and will be subject to all necessary regulatory approvals, including acceptance from the Exchange. All securities issued in connection with the Debt Settlement will be subject to a four-month and one day hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

### **For further information:**

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### **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, statements relating to the Company's repositioning of its patent pending customer acquisition technology and statements as to management's expectations and intentions with respect to, among other things, completion of the Consolidation, the Private Placement, the Debt Settlement and the commercial licensing arrangement with an Esports betting platform provider.*

*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 not receiving the necessary regulatory approvals in respect of any of the transactions contemplated herein; the Company being able to execute on the repositioning of its patent pending customer acquisition technology; recent market volatility; the state of the financial markets for the Company's securities; and the ability for the Company to negotiate and*

*execute definitive documentation relating to the commercial licensing arrangement with an Esports betting platform provider.*

*In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that the Company will receive the necessary regulatory approvals in respect of each of the transactions contemplated herein; the Company will be able to execute on the repositioning of its patent pending customer acquisition technology; and the Company will be able to enter into definitive documentation relating to the commercial licensing arrangement with an Esports betting platform provider.*

*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 out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.*

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