AQUARIUS AI INC.

FORM 2A LISTING STATEMENT

July 12, 2021

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1. ABOUT THIS LISTING STATEMENT

1.1 General

Unless otherwise indicated:

(i) except where otherwise indicated, all references to dollar amounts and "$" are to Canadian currency;
(ii) any statements in this Listing Statement made by or on behalf of management are made in such persons' capacities as officers of the Company and not in their personal capacities; and
(iii) all information in this Listing Statement is stated as at July 12, 2021, unless otherwise indicated.

1.2 Cautionary Statement Regarding Forward-Looking Statements

The information provided in this Listing Statement, including schedules and information incorporated by reference, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Company and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the available funds of the Company and the anticipated use of such funds;
- investments which may be made by the Company;
- the availability of financing opportunities, competitive, legal and regulatory risks inherent in the Company's industry, risks associated with economic conditions, dependence on management and currency risk; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to control, that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation: risks related to the limited operating history of the Company; risks and uncertainties of future revenues; risks and uncertainties associated with the Company's industry; dependence on or loss of key personnel and the inability to attract and retain qualified personnel; continued growth in key markets; political, economic and other uncertainties; the on-going COVID-19 global pandemic, including the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of that pandemic and the reaction to it that have impacted the Company's operations and plans and will continue to impact the Company's operations and plans for a period of time that remains uncertain; risks related to compliance with laws and regulations and the effect of changes in law and regulatory environment; ability to obtain additional financing; failure to obtain any permits required to operate the business; liabilities and damages related to the Company's business which are uninsured or uninsurable; risks associated with litigation or dispute resolution; volatility of global financial conditions; as well as other risks, uncertainties and other factors, including, without limitation, those referred to in this Listing Statement under the heading "*17. Risk Factors*".

Forward-looking statements are not a guarantee of future performance but, rather, reflect the Company's current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from those anticipated in such statements.

All of the forward-looking statements contained in this Listing Statement are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those which are anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based. Readers are further cautioned that the foregoing list of risks and assumptions is not exhaustive and prospective investors should consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Listing Statement.

The forward-looking statements reflect current expectations regarding future events and operations and speak only as of the date of this Listing Statement. The Company assumes no obligation to update publicly or otherwise revise any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

As of the date of this Listing Statement, the impacts of the COVID-19 pandemic continue to unfold. It is not possible for the Company to reliably estimate the length and severity of these impacts and, as a result, many of the estimates and assumptions contained herein required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company's estimates may change materially in future periods. Readers should carefully review these estimates and assumptions, along with the risk factors contained in "*17. Risk Factors*" below, in light of evolving economic, political and social conditions. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by the foregoing cautionary statements and those made in the Company's other filings with applicable securities regulators in Canada.

1.3 Market and Industry Data

This Listing Statement includes market and industry data relevant to the Company and business that has been obtained from third party sources, including independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes that these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Company has not independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Company is "Aquarius AI Inc.". The Company's registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia V4C 2T5.

2.2 Jurisdiction of Incorporation

Aquarius AI Inc. (formerly Good Life Networks Inc.) (the "Company" or "AQUA") was incorporated under the *Business Corporations Act* (Alberta) on November 11, 2010. The Company was a capital pool company ("CPC") and as such had no business nor business operations. The Company was continued into British Columbia on January 26, 2018 and its name was changed to Good Life Networks Inc. pursuant to the GLN Transaction (as defined below). The Company is a reporting issuer in British Columbia and Alberta and its Common Shares (as defined below) are listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "AQUA".

The Company entered into an arrangement agreement dated October 7, 2016, as amended and restated on December 31, 2017, with Good Life Networks Inc. ("GLN"), a Vancouver-based, digital media company, with respect to a proposed business combination structured as a share exchange by way of plan of arrangement pursuant to an arrangement agreement (the "GLN Transaction"). On January 26, 2018, the Company completed a consolidation (the "Consolidation") of its common shares (the "Common Shares") on the basis of one post-consolidated Common Share for every two pre-consolidated Common shares. Holders of GLN common shares received 0.2601 of a post-consolidated Common Share of the Company. Closing of the GLN Transaction was conditional upon GLN completing a brokered private placement of subscription receipts (the "Subscription Receipts") at a price of not less than $0.25 per subscription receipt to raise gross proceeds of not less than $6,500,000 (the "Brokered Financing"). GLN successfully completed the Brokered Financing on January 19, 2018, raising gross proceeds of $9,200,000. Upon the satisfaction or waiver of certain release condition, including but not limited to the satisfaction of the conditions precedents under the arrangement agreement. The Consolidation, the Subscription Receipts converted into Common Shares and the GLN Transaction closed January 26, 2018.

2.3 Intercorporate Relationships

The Company has the following subsidiaries (See "*General Development of the Business*"):

	Relationship	Ownership Percentage
Good Life Networks USA Inc.** (NV, USA)	Subsidiary	60%
Lighthouse Digital Inc.* (DE USA)	Subsidiary	100%
495 Communications, LLC* (NY USA)	Subsidiary	100%
ImpressionX Inc.* (CA, USA)	Subsidiary	100%

* The Company acquired 495 Communications, LLC ("495") and ImpressionX Inc. ("ImpressionX") on December 17, 2018. ImpressionX was dissolved on December 10, 2019. Lighthouse Digital Inc. and 495 are in the process of dissolving.

** Good Life Networks USA Inc. ("GLN US") was dissolved on September 17, 2020.

2.4 Issuer's requalifying following a fundamental change

This section 2.4 is not applicable to the Company.

2.5 Non-Corporate Issuers or Issuers Outside of Canada

This section 2.5 is not applicable to the Company.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development

Aquarius AI Inc. (formerly Good Life Networks Inc.) was incorporated under the *Business Corporations Act* (Alberta) on November 11, 2010.

Effective January 26, 2018, the Company completed its qualifying transaction with Good Life Networks Inc., a Vancouver-based, private digital media company. The GLN Transaction was completed by way of a share exchange pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia), which included the amalgamation of GLN and Exito Energy II Inc. ("Exito"), resulting in the Company as the continuing entity. Upon completion of the GLN Transaction, the Company continued the business of GLN and changed its name to Good Life Networks Inc. On November 29, 2019, the Company changed its name from Good Life Networks Inc. to Aquarius AI Inc. (see "*4.1 Description of Business*" below).

The Company's Common Shares are listed on the TSXV under the trading symbol "AQUA". The Company's Common Shares also trade on the Frankfurt Stock Exchange under the stock symbol "4G5".

The following is a summary of the general development of the Company's business over its three most recently completed financial years and its most recent subsequent quarter.

During 2018

Upon completion of the GLN Transaction in January 2018, the Company's business was that of a digital technology company.

During 2018, the Company was granted patent pending status by the USPTO on several innovations related to the Company's exchange platform, algorithms and blockchain design:

> Patent 1: SYSTEM AND METHOD FOR ADVERTISING AUCTIONS 19th Jan 2018. The application has been allocated serial number 62/619450. It defines a system and method for conducting advertising auctions in programmatic advertising, creating a new method of matching an advertiser to an online user, with the goal of increasing user engagement with the adverts show.
>
> Patent 2: ONLINE TOKENIZATION OF OUTSTANDING DEBT 23rd Feb 2018. The application has been allocated serial number 62/634333. It defines a system and method for using blockchain to allow accounts receivable (or any debt) to be tokenized (either on a fungible or non-fungible basis) and allow investors to directly or indirectly invest the tokens to fund the debt, with a fixed rate of return agreed upfront.

The Company's initial focus was blockchain/tokenization, utilizing its patent pending technology, as well as customer acquisition of consumer products and services through the development of a Programmatic Marketing Platform (the "Marketing Platform") to intelligently connect digital advertisers to consumers across online display, mobile and video advertising channels, and solve the key challenges that digital advertisers face. The Marketing Platform is powered by the Company's proprietary machine learning technology that uses "Big Data" to intelligently target and connect digital advertisers with consumers.

The Company entered into numerous normal course business relationships with third party companies:

- On March 8, 2018, the Company entered into a commercial agreement with Answer Media, a major publisher technology provider, and its publisher platforms Yield Nexus and Rocket Yield.

- On March 22, 2018, the Company entered into a commercial partnership with Advenue Ltd, a UK leader in data-driven advertising for in-application user.

- On April 12, 2018, the Company's Common Shares commenced listing on the Frankfurt Stock Exchange under the trading symbol "4G5".

- On April 19, 2018, the Company entered into an Advisory Agreement with First Coin Capital to assist in the detailed analysis and planning of the Company NFT based accounts receivable ("AR") blockchain application.

- On May 3, 2018, the Company entered a commercial agreement to integrate with Clickky, a New York based global leader in monetization solutions for mobile applications.

- On July 12, 2018, the Company entered into a commercial partnership, currently under a non-disclosure agreement, with the digital advertising arm of a triple-play (television, mobile, Internet) Fortune 500 United States-based telecommunications company.

- On October 26, 2018, the Company entered into an agreement with AMPD Holdings Corp. (doing business as AMPD Game Technologies) to expand the Company's programmatic advertising technology to the gaming industry.

- On November 8, 2018, the Company entered into an agreement with Einstein Exchange as launch partner for its AR (accounts receivable) blockchain application (U.S. Patent Office, serial No. 62/634,333), pursuant to which Einstein will provide the technology and infrastructure to allow the listing, promotion, sale and redemption of the Good Life AR token, both through accredited investors and via the Einstein Exchange. This agreement was allowed to lapse as relationship was no longer appropriate for the Company's technology usage case due to regulatory changes.

- On December 17, 2018, the Company acquired ImpressionX Inc., a leading connected television (CTV) advertising technology company (See "*3.2 Significant Acquisitions and Dispositions*").

- On December 17, 2018, the Company acquired 495, a leading advertising and content marketing company (See "*3.2 Significant Acquisitions and Dispositions*").

- On December 17, 2018, the Company entered into a commercial agreement with a major Canadian financial institution (the "Bank") to provide three credit facilities (the "Facilities") for working capital and acquisitions.

    - The first credit facility amounted to $5,000,000 (the "First Facility"). The First Facility is due on demand and bears interest rate of prime plus 1.25% per annum with interest payable monthly.

    - The second credit facility amounted to $5,000,000 or USD equivalent. The Second Facility has a revolving term and is for the purpose of financing the acquisition of 495 and future acquisitions (the "Second Facility"). The interest rate on the Second Facility varies based on total funded debt to EBITDA ratio. A standby fee of 0.25% per annum on the daily unused portion of the credit is payable monthly from the date after the initial drawdown. The Second facility is repayable in five years with the first 12 months of interest only, followed by 47 equal monthly installments of principal and interest.

- The third credit facility amounted to $1,115,000 or USD equivalent (the “Third Facility”, and together with the First Facility and the Second Facility, the “Loan”). The Third Facility has a revolving term and is for the purpose of financing the payout of Lerna (as defined herein) liabilities (see “*19. Legal Proceedings and Regulatory Actions*”). The interest rate on the Third Facility varies based on total funded debt to EBITDA ratio. The Third Facility is repayable in 24 monthly installments of principal and interest commencing 30 days after drawdown.

During 2019

During 2019, there was a significant downturn within the advertising technology industry, which had a material and significant impact on the operations of the Company and its two recently acquired companies, 495 and ImpressionX. During this time, the advertising technology industry was adversely affected by a select few large multi-billion-dollar companies, whose strategy has been to consolidate advertising into a small number of companies, thereby creating leverage and then utilizing such leverage to switch the traditional balance of power from publishers to the advertisers. The speed and effectiveness in which this shift took place shocked the industry and led to a number of high-profile investigations being announced by regulators and watchdogs:

> On September 3, 2019, CNN reported that more than half of the United States of America’s state attorneys general were readying an antitrust investigation into a large technology company’s advertising practices.
>
> On September 4, 2019, it was reported that Canada’s Competition Watchdog is seeking information on what companies in the digital economy may be doing to harm competition as part of a ramp up in scrutiny on the practices of digital behemoths.
>
> On September 6, 2019, it was reported by CNN that a large technology company would be hit with antitrust investigation by eight states and the District of Columbia, as announced by New York Attorney General Letitia James.

There have subsequently been multiple articles on this matter and all 50 Attorney Generals in the United States have joined the investigation along with the US Department of Justice.

This shift in the industry landscape resulted in a significant negative impact on the advertising technology sector and has directly negatively impacted the Company two-fold: (i) publishers that the Company represented were told buyers will not purchase from them if they sold through the Company’s platform, which severely impacted its ability to generate revenue through that vertical; and (ii) the Company’s business partners were struggling to maintain operations and clients were at risk of bankruptcy, going out of business and were unable to pay their bills. This forced the Company during the year ended December 31, 2019, to recognize net bad debts of $10,227,552. The amount includes uncollectable trade receivables of $14,790,502, offset by related $4,562,960 trade payables that the Company is not liable for.

The Company also recognized contract settlement fees of $656,470 for breaking the contract with a third party for digital advertising and marketing platform development. As at December 31, 2019, $505,333 was outstanding.

The Company terminated its lease agreement early and derecognized the right-of-use asset and lease liability of $82,361.

On April 24, 2019, the Company, through its wholly owned subsidiary, 495, signed on inMobi, a global mobile advertising platform that reaches over 1.5 billion unique mobile devices.

On July 19, 2019, the Company completed a private placement of 10,587,500 units (each a “2019 Unit”) at price of $0.20 per 2019 Unit for gross proceeds of $2,117,500. Each 2019 Unit consisted of one Common

Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "2019 Warrant"), with each 2019 Warrant entitling the holder thereof to acquire one additional Common Share at a price of $0.35 per additional Common Share for a period of 24 months. The Company paid finders fees consisting of an aggregate of $129,175 in cash, 528,375 compensation options, each exercisable to acquire one Common Share at $0.20 per Common Share for a period of 24 months and 125,000 broker units under the same terms as the 2019 Units.

On November 28, 2019, the Company changed its name to "Aquarius AI Inc."

All other commercial relationships entered into during development and through 2019 were allowed to lapse and/or terminate with no penalties or obligations except as described above.

The only surviving agreement was entered into on April 30, 2019, between the Company and Globex, pursuant to which Globex provides essential infrastructure for the AR blockchain project.

During 2020

Originally focused on advertising technology, in 2020, the Company began to deploy its developed technologies to generate revenues in the E-Sports fantasy and online gaming and betting industry and refocusing its efforts to implement its AR blockchain technology. The Company also worked to restructure its debt.

On January 20, 2020, the Company entered into an amended settlement agreement with Lerna, LLC ("Lerna") and Lernalabs Ltd. ("Lernalabs") to fully settle $851,695 with the issuance of Common Shares (see "*19. Legal Proceedings and Regulatory Actions*").

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of $1,035,010 (see "*3.2. Significant Acquisitions and Dispositions – 495 Communications, LLC*").

On June 12, 2020, the Company completed debt settlements in the aggregate amount of $548,878 owing to two arm's length creditors through the issuance of 11,195,512 Common Shares.

On June 17, 2020, the Company's 60% owned subsidiary, Good Life Network USA Inc. was dissolved.

On July 8, 2020, the Company consolidated its Common Shares on the basis of one post-consolidated Common Share for every ten pre-consolidated Common Shares. The Company had 10,159,554 shares issued and outstanding as of the date of the consolidation.

On July 30, 2020, the Company closed a non-brokered private placement offering of 13,327,450 units (the "2020 Units") of the Company at a price of $0.10 per 2020 Unit to raise gross proceeds of $1,332,745. Each 2020 Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share Purchase Warrant, a "2020 Warrant"), with each 2020 Warrant exercisable to acquire an additional Common Share at a price of $0.15 per additional Common Shares for a period of 24 months.

In August 2020, the Company reached an agreement with the Bank to settle the Loan (as further described above) being in the principal amount of $10,754,619 and accrued interest thereon of $538,896 in exchange for (i) 500,000 Common Share purchase warrants (the "Settlement Warrants") of the Company; and (ii) a cash payment of $825,000. Each Settlement Warrant is exercisable into one Common Share of the Company at a price of $0.275 per Common Share for a period of 24 months from the date of issue. On August 17, 2020, the Company fully settled the Loan with the Bank by issuing Settlement Warrants and making the cash payment.

On October 1, 2020, the Company settled an aggregate of $101,331 in outstanding debt due to arm's length parties in exchange for the issuance 1,013,311 Common Shares.

During October 2020, the Company entered into a letter of intent (the "Letter of Intent") with Podkast Entertainment Corp. (formerly Gemini Digital Corp.) ("Podkast") to license their audio monetization technology. If the transactions contemplated by the Letter of Intent are consummated, the Company will have access to Podkast's technology through a custom white labelled implementation for a period of three years on a revenue share basis. The Company and Podkast are working towards a definitive agreement outlining the terms of the revenue sharing arrangement as contemplated in the Letter of Intent, with a view to completing such agreement by June 2021. Adding audio advertising technology to its current video technology will give the Company the capabilities to monetize content via video, audio, podcasts and streaming. This strategic fit has led the Company to contemplate acquiring Podkast (see *3.2 Significant Acquisitions and Dispositions – Contemplated Acquisition of Podkast Entertainment Corp.*).

On November 12, 2020 the Company entered into a Software Reseller and Platform License Agreement with Backstageplay Inc. ("Backstageplay"), pursuant to which Backstageplay will provide the Company, and its brands, customers and prospects with access to its celebrity and influencer gamification platform which is described at www.backstageplay.com. This agreement remains active.

During 2021

On March 16 and 19, 2021, the Company closed non-brokered private placements of an aggregate of 25,111,983 units (the "2021 Units") at a price of $0.12 per 2021 Unit for gross proceeds of $3,013,437.96 (the "2021 Private Placement"). Each 2021 Unit is comprised of one Common Share and one Common Share purchase warrant (each, a "2021 Warrant"). Each 2021 Warrant is exercisable to acquire an additional Common Share at a price of $0.25 per Common Share for a period of 24 months. In connection with these private placements, the Company also paid finders' fees to eligible finders in consideration for introducing certain subscribers to the Company, in the amount of an aggregate of 679,126 finder's warrants under the same terms as the 2021 Warrants and paid an aggregate of $81,375.20 in cash.

3.2 Significant Acquisitions and Dispositions

495 Communications, LLC

On December 17, 2018, the Company completed the acquisition of 100% of the issued and outstanding shares of 495 under the terms of a definitive share purchase agreement. As a result of the acquisition, 495 became a wholly-owned subsidiary of the Company. 495 is in the business of Connected Television ("CTV") advertising and content marketing. 495 has exclusive rights to advertise on numerous premium CTV channels, where users can watch advertising supported movies and video content. The Company acquired 495 to gain access to its customer base and CTV advertising and content.

The aggregate consideration paid by the Company to acquire 495 was comprised of:

- US$3,500,000 cash less the amount of outstanding indebtedness;
- a cash earn-out, up to a maximum of $5,500,000 based on performance benchmarks; and
- a share/cash earn-out, to be satisfied, at the sole discretion of the Company, in cash or through the issuance of Common Shares, up to a maximum amount of US$6,000,000 for hitting performance benchmarks. The earn-out period is from January 1, 2019 to December 31, 2019, with payment due in January 2020.

On acquisition, the Company recognized a deferred income tax liability of $2,078,437 from the temporary differences arising from the customer relationships, tradenames and trademarks.

In 2019, primarily as a result of the deterioration of the Company's revenues in respect of its advertising and content marketing business related to the business of 495, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of 495 exceeded their estimated fair value and as a result, an impairment charge of $7,792,864 was recorded to write down goodwill for the year ended December 31, 2019.

In addition, management determined that the probability of reaching the performance benchmarks and paying the potential earn-outs has been reduced to a nominal amount. Accordingly, the Company estimated the fair value of the contingent consideration to be $nil and reversed the amount of $8,952,899, with a foreign exchange effect of $101,639.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of an outstanding loan payable of $1,035,010. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD $125,000 in four installments: (i) $25,000 by June 1, 2020 (paid); (ii) $25,000 by September 1, 2020 (paid); (iii) $25,000 by December 1, 2020 (paid); and (iv) $50,000 by March 1, 2020 (paid), together with the issuance of 150,000 Common Shares at a deemed price of $0.50 (issued).

During the three months ended March 31, 2021, repayments of $95,490 (2020 - $70,142) were made toward the outstanding balance of $95,490 in full settlement of the loan

495 will be dissolved.

ImpressionX Inc.

On December 17, 2018, the Company also acquired 100% of the issued and outstanding shares of ImpressionX, a digital advertising company with a focus on CTV, mobile, and digital media platforms. The Company acquired ImpressionX to gain access to its customer base and CTV advertising and content.

The aggregate consideration paid by the Company to acquire ImpressionX was comprised of:

- US$500,000 cash;
- A working capital adjustment of $845,427 recorded in accounts payable of the Company as at December 31, 2019;
- A performance earn-out of up to US $1,000,000 in cash based on agreed-upon milestones. The earn-out period is for the 12-month period following the closing date, with payment due in January 2020;
- A performance earn-out of up to US $2,600,000 in warrants for the 2-year period following the closing date; and
- 291,462 warrants to acquire Common Shares with an exercise price of $1.836 for a period of 5 years.

On acquisition, the Company recognized a deferred income tax liability of $737,057 from the temporary difference arising from the customer relationships.

In 2019, primarily as a result of the deterioration of the Company’s revenues for its advertising and content marketing business related to the business of ImpressionX, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of ImpressionX exceeded their estimated fair value and as a result, an impairment charge of $7,792,864 was recorded to write down goodwill for the year ended December 31, 2019.

During 2019, certain performance benchmarks related to the earn-outs were achieved, and, as a result, the Company paid cash of $234,005 and issued warrants with a fair value of $554,449. Management determined that the probability of reaching the remaining performance benchmarks and paying the potential earn-outs has been reduced to a nominal amount. Accordingly, the Company estimated the fair value of the contingent consideration to be $nil and reversed the amount of $2,467,146.

ImpressionX was dissolved December 10, 2019.

Contemplated Acquisition of Podkast Entertainment Corp.

On June 28, 2021, the Company announced that it entered into agreements with the shareholders of Podkast, pursuant to which such shareholders agreed to sell to the Company a minimum of 31,165,969 shares of Podkast (“Podkast Shares”) representing 75% of the issued and outstanding Podkast Shares (the ‘Podkast Acquisition”). The Company intends to complete the Podcast Acquisition concurrently with the posting of the Common Shares on the Canadian Securities Exchange. Podkast is in the business of providing audio and video subscription platform technology to clients and offering additional services such as customer acquisition, advertising and NFT creation to allow their clients to sell audio, video and music content to fans. Once the Podkast Acquisition is completed, the Company intends to use its technology to support Podkast’s subscription platform technology and NFT creation ability to facilitate the sale of audio, video and music content.

The consideration payable pursuant to the Podkast Acquisition is one Common Share for each common share of Podkast issued and outstanding. The completion of the Podkast Acquisition is conditional upon the requisite approval of the Company and Podkast (including, without limitation, approval of the respective board of directors of the Company and Podkast) and receipt of any other applicable regulatory and stock exchange approval. The Company notes that Podkast and the Company have two directors in common, Messrs. Dylan and Valaitis, and that Messrs. Dylan and Valaitis shall abstain from voting to approve the Podkast Acquisition. The Company further notes that as a condition to listing on the Canadian Securities Exchange, the Common Shares issued in connection with the Podkast Acquisition shall be subject to escrow, wherein the Common Shares will not be released until the Company files, on the System for Electronic Document Analysis and Retrieval (SEDAR), a business acquisition report (in Form 51-102F4) regarding the Podkast Acquisition within 75 days after the completion of the Podkast Acquisition.

Information Concerning Podkast

Podkast was incorporated on April 28, 2016 as Empire Digital Corporation and set out to create a mobile application (“App) under the name Empire The App (“ETA”). ETA was designed and created with the vision that it would be a place where content creators such as Kid Carson, could showcase their work. Live audio, podcasts, quizzes, giveaways and merchandise all featured heavily in the App, with geolocation to provide details on local concerts and events and even sell tickets on a commission basis.

Development of ETA continued from Podkast formation until mid-2018, when it became clear that most consumers were only interested in using apps they already had on their devices. Research showed that by this time the average number of downloads of apps by the average mobile user was 0.1 per month, showing the challenges the app faced getting downloaded and used. Without access to a huge marketing budget to push a significant “pay per download” marketing campaign, it was clear Podkast needed to reposition in line with market trends.

In mid-2018 Podkast’s focus was repositioned to create a Demand Side Platform (DSP) for advertisers, providing a ‘Host-Read’ advertising platform for content creators who were already creating content for the App.

Host read ads are adverts that are read by the host of the content. Rather than a pre-recorded advert playing during an advert, the host reads the advert and weaves it into the content. These ads, while sold and measured in the same way as traditional advertising, sound much more organic and relevant to an audience. Performance of such ads was typically twice as effective, which results in advertisers being willing to pay more for such adverts.

In order to facilitate this move, a number of highly skilled advertising technology resources were brought into Podkast, along with design and salespeople. Podkast also changed its name to “Gemini Digital Corp.” This team went on to build a robust DSP and during late 2019 and early 2020, the DPS was ready for beta launch.

While DSP went into beta to huge praise from peers, Podkast's operations were impacted by COVID-19, which reduced advertising budgets globally and brought the rollout of the DSP to a halt. During this time, Podkast recognized new opportunities stemming from the COVID-19 pandemic, being home created content, and in particular, the growth in popularity of podcasting. Podcasting growth was so significant that large industry players such as Spotify and Apple Music started to buy up podcast talent.

As the trend for consumers embracing subscription payment models accelerated, Podkast decided to move away from advertising and create a podcast subscription-based service, targeted specifically at small and medium sized content creators. At this time, Podkast changed its name to "Podkast Entertainment Corp." and secured the domain name Podkast.com, a play on the term Podcast.

The primary focus of Podkast.com is to provide a subscription-based platform that content creators can use to secure their unique content behind a paywall and provide access to their fans for a monthly subscription fee. Podkast typically retains 20% of the subscription fee for providing the Podkast platform service.

In order to support the product launch, a number of vertical leaders have been secured by the Company to provide leadership and figurehead the initial offering. These include NBA Basketball player Ron Artest and Dr Mike Roizen, who recently featured on Oprah for his work in the field of providing peoples real age based around their diet and medical history.

A large coast to coast radio advertising campaign launched in February 2021, covering large urban parts of Canada. These advertisements drove both content creators and listeners to the Podkast platform to listen to free content as part of the launch promotion. The aim was to build brand awareness and get new content creators to join our beta launch program as well as generate listeners for well-known content creators who use the platform.

Currently, Podkast is working to add NFT services to the Podkast platform, which will allow content creators to package their digital content for sale to their fans. This can be audio, video, images, rights to front row seats at a concert or even coupons to obtain merchandise at a concert or store.

By way of an explanation, NFT's are a token that is linked to a computer program that stores within it a number of pieces of information, which in its simplest form is who owns the digital artwork, like a certificate of authenticity you may get with a physical painting upon purchase. The specific rules around ownership and resale are defined in the NFT, so, unlike physical artwork, an NFT based artwork can have rules around resale and split future profits from resale. These resale rules execute automatically and so it's not possible to circumvent these rules, all of which are stored on the blockchain for all to see.

Podkast currently has six consultants, including Owen Sagness, Kid Carson, Jordan McCloskey, Jesse Dylan and Gene Valaitis and employs a design and marketing firm, SMV Ltd. Podkast currently holds a talent contract with Stingray Group Inc. to supply the talent for the z953 Radio Station (available in the Greater Vancouver Area), morning show and related activities. Podkast also has exclusive content contracts with former NBA Basketball player Ron Artest (AKA Metta Sandiford-Artest), Dr Mike Roizen, Montreux Jazz Festival, Inside the Music and Lacala Vision.

Podkast currently has 41,429,625 common shares issued and outstanding and 4,263,100 common share purchase warrants issued and outstanding, each of which convert into one common share at exercise prices and with the expiry dates noted in the table below:

Date of Issue	**Number of Warrants**	**Exercise Price**	**Expiry Date**
January 31, 2020	3,750,000	$0.25	January 31, 2023
January 04, 2021	25,600	$0.20	January 04, 2023

January 31, 2021	487,500	$0.20	January 31, 2026

3.3 Trends, Commitments, Events or Uncertainties

As a technology development company currently with limited revenues, the Company needs to raise more capital to meet ongoing operational and administrative financial requirements. In the past, the Company has had to raise, by way of equity financings, considerable funds to meet such needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion, or at all, will limit the Company's growth and impact its success and survival.

In December 2019, a novel strain of coronavirus, known as COVID-19, surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. Efforts to slow the spread of COVID-19 could severely impact the operation and development of the Company's projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the operation or development of one or more of the Company's projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and stock price.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Company's stock price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Except as disclosed elsewhere in this Listing Statement, the Company is not aware of any trend, commitment, event or uncertainty presently known to management and reasonably expected to have a material effect on the Company's business, financial condition, or results of operations. Risks are more fully set out below in Section 17 under the heading "*Risk Factors*".

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

Since completing the original qualifying transaction in respect of the GLN Transaction in January 2018, the Company's business is that of a digital technology company. The Company's initial focus was on customer acquisition of consumer products and services through the development of the Marketing Platform to intelligently connect digital advertisers to consumers across online display, mobile and video advertising channels, and solve the key challenges that digital advertisers face. The Marketing Platform is powered by the Company's proprietary machine learning technology that uses "Big Data" to intelligently target and connect digital advertisers with consumers.

The Company's technology developers, since 2016, have been using machine learning, the branch of artificial intelligence involving systems that learn from data. Large volumes of data are gathered, and the Company's proprietary learning algorithms are designed to generalize from that data to other cases of interest. Rapidly shifting data combined with a large volume of data requires training algorithms, which are the foundation of the Company's Marketing Platform.

The Marketing Platform allows advertisers to manage their purchasing of online display advertising in real-time using real-time bidding ("RTB"). RTB is a method of buying online display advertising in which ad spots (called impressions) are released in an auction that occurs in 100 milliseconds. The Company purchases impressions for advertisers through publishers, ad networks and exchanges. The Marketing Platform benefits advertisers by enabling them to manage their bid amounts, target specific performance metrics and achieve consumer targeting goals.

The Marketing Platform is the cornerstone of the Company's business, providing industry leading insights and data. This allows the Company to match their clients to buyers in a way that provides significant and sustainable value to both. The large volume of data accumulated allows the Company to forecast algorithmically the needs and wants of the brands they represent, maximizing the efficiency for their partners while increasing their margins and profitability.

The Company repositioned its business during 2020. The repositioning strategy utilized the technology the Company has developed since 2016 to power customer acquisition for several consumer products and services, including the Company's blockchain Accounts Receivable ("AR Block") product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333). The Company's existing Marketing Platform, when used in these new markets, will give the Company a significant customer acquisition advantage.

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This AR Block application has the potential to transform the entire accounts receivable ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched accounts receivable cycles.

The Company believes that this AR Block solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward. The Company's twin development streams of looking at both fungible and non-fungible token ("NFT") basis has resulted in multiple potential usage cases of its AR Block technology beyond just AR. The Company has developed both an NFT model as well as a fungible token model, and is making both available to its customers. As part of the Company's token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens (e.g., Bitcoin).

The Company's primary business objectives over the next 12 months are the following:

12 Month Business Objectives

	Objectives	**Timeline**	**Estimated Cost**
Technology & Regulatory Development	Build out AR Block technology platforms. 1) Investor Platform 2) Corporation Platform 3) AR Client Platform	6 months	$175,000
Technology Development	Continue to develop and reposition the Marketing Platform for usage in AR Block and to incorporate NFTs for media and entertainment content through Podkast	4 months	$100,000
Sales & Marketing	Sign contracts with companies who have AR to tokenize through the platform and secure investors into the AR token to facilitate AR funding	6 months	$150,000

Operations	Research expansion of operations into mining tokens	6 months	$50,000

Build Out AR Block Platforms

The Company will develop the three technology platforms that form the basis of the platform product offering. The first platform consists of an admin for the Company to allow overseeing of all transactions, reporting and compliance. The second is a platform for AR investors who can see the performance of their investment and the 'mark to market' value of the tokens they hold. The third platform is for companies who wish to factor their AR, so put forward their invoices and track incoming payments. The Company will seek to design and build these platforms, test and then release them for client use.

The AR token held by investors based on their initial investment is held by an approved agent and can be either held or traded via a secondary exchange in order to provide investor liquidity. This liquidity is provided by integrating the Company's platform into an approved secondary exchange for this purpose. The Company will seek to design and implement this integration.

The Company has a duty to ensure compliance with anti-money laundering ("AML") and Know Your Customer ("KYC") obligations for all financial and token-based transactions. The Company plans to integrate an independent third party supplier to provide this service and ensure its obligations are fully satisfied.

Continue to develop and reposition the Marketing Platform

The Company will continue to develop its Marketing Platform for the benefit of all key business areas including AR Block and customer acquisition within the platform of Podkast. As the online marketing landscape moves quickly the Company needs to both move the platform inline with industry trends as well as build specific components related to its owned and operated business areas. The Company will seek to have a robust customer acquisition tool that drives value customers to its properties in a cost effective and scalable manner.

Identify AR companies and AR investors

The Company has two core requirements in order to successfully transact through its product. The first is identifying and signing up companies who have a desire to factor their AR and can meet the Company's AR criteria. These companies will be sought by the Company's sales team. Examples of this are large online publishers such as news and current affairs, entertainment and online video sites. The industry is estimated to be worth over US $10 Billion across all potential industry verticals. The second is identifying and securing investors into the AR token to ensure that there are adequate funds available to pay out on securitized AR. These investors will be sought by the Company's sales team.

Mining Operations

As part of the Company's token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens for both its own AR token as well as Bitcoin. Mining of tokens is a vitally important process in the confirmation of token transactions. This convention is meant to keep token users, such as a customer purchasing an item with Bitcoin, honest and avoid issues such as double processing. In order for the Company to confirm their AR token, this mining process needs to occur on a regular basis. The Company can also use its extensive expertise in this area to mine Bitcoin, for which it is paid in Bitcoin. With a single Bitcoin currently valued at around US $60,000, the utilization of the Company's expertise in this area could provide a valuable additional revenue stream. Therefore, the Company will seek to investigate the commercial viability of inhouse mining of tokens, and ultimately formulate a business plan into the space if deemed viable by the Company's management.

Total Funds

The Company has historically relied upon sales revenues and equity financings to satisfy its capital requirements and may require further equity capital to finance its development and sales and marketing of its AR Block and Marketing Platform activities moving forward. There can be no assurance that the Company will be able to achieve adequate sales revenues and/or obtain sufficient financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay or scale back its technology development and/or its sales and marketing programs.

The Company had a working capital deficit as at the three months ended March 31, 2021 of $713,880. However, of the $1,918,328 current liabilities outstanding, approximately $390,823 is owed to related parties with no defined repayment terms, a further $434,931 the Company disputes is payable and believes it will be writing down or settling and approximately $868,393 (US$688,000) is in the process of being written down as these costs are associated with subsidiaries that are being dissolved.

The Company has incurred losses as it continued to develop its technology products. The Company may continue to be dependent on supplemental equity financings.

Currently the Company has sufficient funds to meet its requirements for the coming year, including all of those described in the table entitled "12 Month Business Objectives" above. It will continue to improve its cash positions by focusing on sales, improving profitability and equity financings.

Use of Funds

The following table sets forth the estimated working capital and estimated use of funds for the next 12 months:

Item	Funds Allocated
Total Funds Available	
Estimated Working Capital of the Company at May 31, 2021	**$980,000**
Principal Purposes for the Available Funds	
Cost associated with achieving business objectives and milestones	$475,000
General and administrative costs for 12 months(1)	$425,000
Sales and Marketing (over and above business objectives and milestones)	$50,000
Expenses related to the Listing Statement	$20,000
Unallocated working capital	$10,000
Total	**$980,000**

Notes:
(1) General and administrative costs are broken down as follows: (i) rent ($90,000), (ii) general office expenditures ($48,000), (iii) consulting and management fees ($252,000), and (iv) professional and regulatory fees ($35,000).

The Company has not yet achieved positive operating cash flow and there are no assurances that the Company will not experience negative cash flow from operations in the future. To the extent that the Company has negative operating cash flow in future periods, it may need to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

The Company intends to spend the funds available to it as stated in this Listing Statement. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry in which the Company will operate, projects may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see "*17. – Risk Factors*").

Although the Company does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines or estimates set out above, due to the evolving nature of the COVID-19 pandemic and its impacts, these timelines and estimates may require adjustment in the future. See "*17. Risk Factors*".

Competitive Conditions

Blockchain

The Company has been working to refocus its business during 2020 due to the collapse of its advertising technology business. The repositioning strategy utilizes the technology the Company has developed since 2016 to power customer acquisition for several consumer products and services, such as Esports and online gaming. The majority of the Company's time and resources will be focused on furthering the AR Block product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333).

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This blockchain application has the potential to transform the entire AR ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched AR cycles. The Company has developed both an NFT model as well as a fungible token model, and is making both available to its customers.

In addition, since mid-2020, when the regulations around AR and blockchain tokenization became concretized, the Company has done considerable work to move forward to implement its AR Block solution with its repositioned customer acquisition technology. The Company has now also moved forward to create a crypto/blockchain based platform to allow the tokenization of AR, allowing accredited investors to invest in regulated security tokens that are used in the provision of AR factoring services.

Customer Acquisition

The market for customer acquisition is a hotly contested one as being able to find active and engaged customers is key to the success of any business. It is typical for a business to use a third-party vendor for their customer acquisition as building and utilizing such technology is complex, time consuming and requires specialist skills.

A key strength of the Company is it has its own skilled customer acquisition resources in-house, having invested considerable time and resources to develop the Marketing Platform, the Company believes this is a distinct advantage over potential competitors.

The main benefit of owning its own technology stack includes:

- access to the core data in which to make educated decisions and refine plans;
- any learning is available exclusively to the Company, providing a competitive advantage; and
- there is no margin share, which can be as high as 35% of the revenue, to be paid to a third-party vendor.

Underpinning the Company's Marketing Platform is a pending patent, which has already been deemed novel by the International Searching Authority for the PCT ("Patent Cooperation Treaty"). Once a technology product or service is deemed novel by the PCT it is considered patentable and can move to the next phase of the process. The PCT covers over 140 countries and positions the Company to protect its rights in one or all these jurisdictions.

The Company has already repositioned its Marketing Platform for use with its own AR Block solution. The Company first invented the AR Block solution in mid-2017 prior to its public market debut in January 2018, with the AR patent being refined and submitted in February 2018 (US Patent Office serial number 62/634333).

The Company is seeking to aggressively roll out this AR Block solution to be the first known company to fully implement such a project. The Company believes that they have a robust and achievable path to implementation, backed by the patent that is currently pending.

The Company believes that this solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward.

While there is a probability that competitors will develop an alternate but competitive solution, the Company is uniquely placed through its ownership of the patent pending customer acquisition engine (i.e., the Marketing Platform) and its ownership of the patent pending AR Block solution, along with its skilled team, to deliver the project more quickly and more robustly.

It should also be noted that there are no current known active implementations of this AR Block solution, and as such, it is possible that there are further regulatory changes, industry changes or other hurdles currently unknown that impact on the effectiveness of the Company's offering.

Furthermore, the Company's inventions around NFTs are likely to have several further usage cases around digitising assets for sale outside of AR. This provides a very probable future growth area for the Company and is gaining traction in popularity with the Company's customers. Usage cases for the technology include but are not limited to the sale of video and audio clips, artwork, music, books and other digital assets.

Examples of some entities currently operating in businesses similar to the Company are as follows:

Competitor	Description of Business	Operations Location	Exchange
Dapper Labs	Dapper Labs emphasizes blockchain for entertainment and sells non-fungible tokens (NFTs) Dapper has developed Flow, an open-source blockchain launched in 2020. Dapper Labs says Flow allows NFT marketplaces and other decentralized applications to handle demand without extremely high transaction costs or environmental concerns. Recently raised US$305M, at a valuation of $2.6BN	Vancouver, Canada	Private Company
Topps	Long standing, existing candy and sports memorabelia (trading cards) business going from analogue to digital utilizing NFTs.	New York, USA	Planning to list on NASDAQ in 2021

Employees and Consultants

The Company does not currently employ full time employees but has consulting agreements with Jesse Dylan Consultancy, an operating entity controlled by Jesse Dylan, Executive Chairman of the Company; Gurlach Ltd. a UK based company controlled by Christopher Bradley, Chief Executive Officer of the Company; and

Ms. Ying Xu; Chief Financial Officer of the Company; the Company engages the services of other consultants on an as needed basis to provide specific services to the Company. (See "*15. Executive Compensation*" and "*22. Materials Contracts*").

Bankruptcy

The Company nor any of its operating subsidiaries has been the subject of any bankruptcy, receivership or similar proceedings in the current fiscal year, nor within the last three most recently completed financial years.

Material Restructuring

See "*3.2 – Significant Acquisitions and Dispositions – 495 Communications, LLC*", and "*3.2 – Significant Acquisitions and Dispositions – ImpressionX Inc.*"

4.2 Asset-backed Securities Mineral Properties

The Company has no asset backed securities.

4.3 Mineral Properties

The Company has no mineral properties.

4.4 Oil and Gas Operations

The Company has no oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table provides a brief summary of the financial information of the Company as at and for the fiscal years ended December, 2020, 2019 and 2018, and the three months ended March 31, 2021.

Item	Three Months Ended March 31, 2021	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Revenues	$Nil	$Nil	$8,358,386	$20,077,289
Direct Expenses	$Nil	$Nil	($5,968,349)	($12,798,261)
Operating Expenses	($629,498)	($2,452,328)	($20,856,218)	($6,284,603)
Other Income (Loss)	($478,537)	$12,394,418	($27,709,749)	($2,264,855)
Net (Loss) Gain	($1,066,083)	$9,942,090	($25,359,883)	($1,939,376)
Total Assets	$1,204,448	$57,831	$837,185	$45,918,382
Current Liabilities & Long term debt	$2,729,864	$3,592,759	$15,858,211	$38,302,524
Basic & Diluted loss per share	($0.04)	$0.54	($2.97)	($0.31)
Dividends declared	$Nil	$Nil	$Nil	$Nil

5.2 Quarterly Information

The following table summarizes certain amounts for each of the eight most recently completed quarters ending at the end of the most recently completed financial year:

Three Months Ended	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total Revenue	$Nil	$Nil	$Nil	$Nil
Direct Expenses	$Nil	$Nil	$Nil	$Nil
Gross Profit	$Nil	$Nil	$Nil	$Nil
Net (Loss) Gain	($1,084,776)	($734,690)	$10,590,425	$824,361
Gain (Loss) per share	($0.04)	($0.03)	$0.60	$0.09

Three Months Ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total Revenue	$Nil	($89,137)	$751,971	$3,077,988
Direct Expenses	$Nil	$711,217	($542,731)	($1,641,798)
Gross Profit	$Nil	($800,351)	$209,240	$1,436,190
Net (Loss) Gain	($852,215)	($2,167,065)	($3,329,834)	($19,128,999)
Gain (Loss) per share	($0.10)	($0.25)	($0.04)	($2.43)

The information above is selective and readers are encouraged to read the Company's audited financial statements and the Management Discussion and Analysis ("MD&A") attached to this Listing Statement as Appendices A through D.

5.3 Dividends

The Company has not declared dividends on any of its shares in the past and does not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the directors of the Company and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the directors of the Company deems relevant. See "*17. Risk Factors*".

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Company shall be, prepared in accordance with IFRS.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Please refer to Appendix "C" for the Company's MD&A for the most recently completed fiscal year ended December 31, 2020, and to Appendix "D" for Company's MD&A for the three months ended March 31, 2021.

7. MARKET FOR SECURITIES

The Common Shares are currently listed on the TSXV under the symbol "AQUA", however, the Company intends to delist its Common Shares from the TSXV and to list them instead on the Canadian Securities

Exchange. The Company's Common Shares also trade on the Frankfurt Stock Exchange under the stock symbol "4G5".

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the expected capitalization of the Company, as of the date hereof, the three months ended March 31, 2021 and the year ended December 31, 2020.

Designation of Security	Amount Issued as of May 31, 2021	Amount Issued as of March 31, 2021	Amount Outstanding as of December 31, 2020
Common Shares	51,043,797	51,043,797	24,850,315
Warrants	32,527,523	32,527,523	7,817,914
Stock Options granted	429,338	429,338	429,338
Fully Diluted Common Shares	**84,000,650**	**84,000,650**	**33,097,567**

9. OPTIONS TO PURCHASE SECURITIES

9.1 Stock Option Plan

The Company adopted a 10% rolling stock option plan (the "Plan") on March 28, 2013. As of the date of this Listing Statement the Company is able to grant up to 5,104,380 incentive stock options of which, there are 429,338 currently granted. Current outstanding options are as follows:

Position	Number of options	Date of grant	Exercise price[1]	Closing price on date of grant[1]	Closing price May 31, 2021	Expiry date
Director/ Officer	140,000	January 30, 2018	$2.50	$2.00	$0.13	January 30, 2023
Employee/ Consultant	162,500	January 30, 2018	$2.50	$2.00	$0.13	January 30, 2023
Director/ Officer	51,500	December 18, 2018	$1.50	$1.95	$0.13	December 30, 2023
Employee/ Consultant	75,338	December 18, 2018	$1.50	$1.95	$0.13	December 30, 2023

Notes:
(1) Adjusted to reflect 10:1 share consolidation completed in July 2020.

Summary of the Plan

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company.

The granting of such options is intended to align the interests of such persons with that of the shareholders.

The Plan is consistent with the requirements of the TSXV and provides the following:

- the maximum aggregate number of Common Shares that can be issued pursuant to the exercise of options granted under the Plan, is 10% of the Company's current issued and outstanding share capital (on a non-diluted basis);

- stock options granted under the Plan will have an expiry date not to exceed five years from the date of grant;

- any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Plan;

- stock options will vest as required by regulators and/or as may be determined by the administrator of the Plan, or in the absence of such body, the Board;

- the minimum exercise price of any stock options issued under the Plan will be determined by the Board at the time of grant, subject to the requirements of the TSXV, if any;

- stock options granted will expire 90 days after an optionee ceases to be involved with the Company, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Company;

- the Company cannot grant options to any one consultant in any 12-month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding common shares of the Company;

- the Company cannot grant options in any 12-month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than one-fourth (1/4) of the options vested in any three month period;

- in connection with the exercise of an option, as a condition to such exercise the Company may require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and

- if a change of control, as described in the Plan, occurs, the vesting of all options and the time for the fulfilment of any conditions or restrictions on such vesting shall be accelerated to a date or time immediately prior to the effective time of the change of control event, subject to any required approval of the TSXV.

10. DESCRIPTION OF THE SECURITIES

10.1 General

The Company's authorized share capital consists of unlimited Common Shares without par value. As at the date of this Listing Statement, 51,043,798 Common Shares are issued and outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, purchase for cancellation or surrender rights. The articles of the Company do not have any sinking or purchase fund provisions and do not have provisions permitting or restricting the issuance of additional securities and any other material restrictions. The articles of the Company also do not have any provisions requiring a securityholder to contribute additional capital.

10.2 Debt Securities

This item is not applicable

10.3 Other Securities

This item is not applicable.

10.4 Modification of Terms

The rights of the holders of Common Shares may be modified only in accordance with the provisions in the Company's articles or the provisions of the *Business Corporations Act* (British Columbia).

10.5 Other attributes

This item is not applicable.

10.6 Prior Sales

(a) Prior Sales of the Company

The following table summarizes the sales of Common Shares by the Company for the 12 months prior to the date of this Listing Statement.

Allotment Date	Price (Deemed) per share	Number of Shares	Reason for Issuance
March 22, 2021	$0.15	67,500	Warrant Exercise
March 19, 2021	$0.15	39,000	Warrant Exercise
March 19, 2021	$0.12	3,750,000	Private Placement
March 16, 2021	$0.12	21,541,983	Private Placement
March, 11, 2021	$0.15	975,000	Warrant Exercise
November 10, 2020	$0.15	100,000	Warrant Exercise
November 4, 2020	$0.15	250,000	Warrant Exercise
October 1, 2020	$0.10	1,013,311	Settlement of Debt
July 30, 2020	$0.10	13,327,450	Private Placement
June 12, 2020	$0.10 - $2.50	1,119,551[1]	Settlement of Debt

Notes:
(1) Adjusted for share consolidation completed in July 2020.

(b) Prior Sales of Podkast

The following table summarizes the sales of Podkast Shares by Podkast for the 12 months prior to the date of this Listing Statement.

Allotment Date	Price (Deemed) per share	Number of Shares	Reason for Issuance
June 25, 2020	($0.20)	250,000	Services
July 27, 2020	$ 0.20	2,350,000	Subscription
July 27, 2020	($0.20)	275,000	Services
September 01, 2020	$0.20	3,000,000	Subscription
December 07, 2020	$0.20	250,000	Subscription
December 23, 2020	$0.20	50,000	Subscription
January 4, 2021	$0.20	400,000	Subscription
January 13, 2021	$0.20	500,000	Subscription

10.7 Stock Exchange Price

The following table provides the trading data of the Company's Common Shares which currently trade on the TSXV.

Date	High ($)	Low ($)	Volume
May 2021	0.160	0.130	1,230,645
April 2021	0.175	0.150	1,523,418
March 2021	0.250	0.130	13,389,003
February 2021	0.220	0.070	14,384,385
January 2021	0.085	0.060	1,131,319
October – December 2020	0.240	0.055	5,406,060
July – September 2020	0.285	0.015	2,130,654
April – June 2020	0.020	0.005	17,200,392
January – March 2020	0.020	0.005	9,684,601
October – December 2019	0.040	0.010	22,321,915
July – September 2019	0.220	0.015	14,658,665
April – June 2019	0.540	0.180	17,424,396
January – March 2019	0.550	0.165	27,970,199

Notes:
(1) Adjusted for 10:1 share consolidation completed in July 2020.

11. ESCROWED SECURITIES

This item is not applicable.

12. PRINCIPAL HOLDERS

To the knowledge of the Company's directors and officers, there are no persons or companies who or which beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of any class of voting securities of the Company. To the knowledge of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or other similar agreement. To the knowledge of the Company none of the principal shareholders is an associate or affiliate of any other principal shareholder.

13. DIRECTORS AND OFFICERS

13.1 – 13.5 Directors and Officers

The following table sets forth the name of all directors and officers of the Company, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number and percentage of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Municipality of Residence[1] Position with the	Principal Occupation or Employment	Date Appointed	Number and Percentage of Shares held
Christopher Bradley[2] County Durham, United Kingdom ***Chief Executive Officer, & Director***	Mr. Bradley is an experienced technologist with a decade in AdTech technology design and architecture. Architected and designed the database infrastructure for the UK's first internet bank. After becoming an ad tech entrepreneur, he built and ran several businesses leading to a sale of his greeting cards business to Hallmark Cards plc. Chris has built platforms for some of the icons of the internet including Local Inc., systems that scale and generate tens of millions of dollars in revenues. He has invented a number of patentable technology solutions, particularly around blockchain and large scalable technology solutions.	December 12, 2019	Nil
Ying Xu British Columbia, Canada ***Chief Financial Officer, Secretary & Director***	Ying Xu, CPA, CA is the partner and co-founder of Ethos CPA LLP. brings a multifaceted accounting, finance, industry and assurance experience to her role at the Company. Ying's experience includes providing assurance and financial services to Canadian and US public and private companies with Chinese operations as well as a range of advisory services for Chinese companies listed on North American exchanges. Ying has served as the Canadian CFO for a major international retail chain. She also held a position of Senior Assurance Manager with MNP LLP, a national accounting firm for many years. She began her career in accounting as an auditor with Ernst & Young in Vancouver where she articled and earned her Chartered Accountancy designation.	December 12, 2019	Nil

Michael Woodman professionally known as Jesse Dylan [2,] British Columbia, Canada ***Executive Chair – Director*** ***Former CEO***	Mr. Woodman, professionally known as Jesse Dylan, is an award-winning broadcaster and best-selling author. Mr. Dylan as worked with many big media corporations, including Rogers, Corus Entertainment, Standard Broadcasting, CBS and SiriusXM. Mr. Dylan has won the ACTRA award for On-Air Personality of the Year and Best Radio Program Worldwide at the New York International Festival of Radio. Mr. Dylan is uniquely qualified to bridge traditional media with the fast-paced world of programmatic and has hand-picked his team to do just that. Mr. Dylan is considered a World Class Connector. As a member of management of the Company, Mr. Dylan has an understanding of the accounting principles used to prepare the Company's financial statements and the ability to assess the general application of such accounting principles, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.	January 26, 2018	1,250,000 2.45%
Eugene Valaitis[,2] British Columbia, Canada ***Director***	Mr. Valaitis' principal occupation for the last five years has been acting as a business, marketing and management consultant to international direct selling corporations. Mr. Valaitis is a multiple award winning broad-caster and marketing expert. During his over 25 years in radio and television Mr. Valaitis earned multiple ACTRA awards and recognition from the New York Radio Festival. Mr. Valaitis is a seasoned executive with over a decade of experience in VP level positions guiding the marketing and sales teams of multinational corporations in the U.S., Hong Kong, Mexico and Dubai.	January 26, 2018	Nil
Graham Martin London, United Kingdom **President &** ***Director***	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.	January 26, 2018	Nil

Notes:
(1) The information as to common shares beneficially owned or controlled has been provided by the directors and officers themselves
(2) A member of the Audit Committee

All of the directors of the Company will be appointed to hold office until the next annual general meeting of shareholders or until their successors are duly elected or appointed, unless their office is earlier vacated.

Audit Committee

The Audit Committee assists the Company's Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholder and reviews the Company's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

The Company currently has established only one committee, being its Audit Committee, the members of which are Messrs. Valaitis, Bradley and Dylan.

Name of Member	Independent(1)	Financially Literate(2)
Jesse Dylan	No	Yes
Eugene Valaitis	Yes	Yes
Christopher Bradley	No	Yes

Notes:
(1) A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President or Secretary, is deemed to have a material relationship with the Company.
(2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
(3) Each member of the Audit Committee will be a director and the majority of the audit committee will not be an executive officer, employee or control person of the Company. The Company will rely on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – Composition of the Audit Committee.

13.6 – 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

No director, officer or promoter of the Company, except as otherwise disclosed:

(a) is, at the date of this Listing Statement, or has been, within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company, including any personal holding company of such director, chief executive officer or chief financial officer that, while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order, or an order that denied the other relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(ii) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days issued after the that person issued after the director, chief executive officer or chief financial officer ceased to be a director or executive officer and which resulted from an event that occurred while the person was acting in such capacity;

(b) is, at the date of this Listing Statement, or has been, within 10 years before the date of this Listing Statement, a director or executive officer of any company (including the Company and any personal holding company of such director or executive officer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) nor any personal holding company has, within 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person or their personal holding company.

No director or officer of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

In connection with the Company's inability to file its financial statements, MD&A and related officer certifications ("Annual Filings") for the year ended December 31, 2019, on time, the Company applied for a Management Cease Trade Order ("MCTO") under National Policy 12-203 – *Cease Trade Orders for Continue Disclosure Defaults*. The British Columbia Securities Commission ("BCSC") approved and issued the MCTO, specifically naming Christopher Bradley, CEO and Ying Xu, CFO, effective as of June 16, 2020, in connection with the delay by the Company in filing Annual Filings. The Company felt this was necessitated due to complexities caused by changes to the Company's industry that led to extensive operational changes, along with issues related to the COVID-19 pandemic, which caused significant delays. The BCSC subsequently revoked the MCTO on July 14, 2020.

Also, due to the significant complexities caused by the changes to the Company's industry (see "*4. Narrative Description of Business – During 2019*), the Company was subject to a Cease Trade Order ("CTO") issued by the BCSC on September 5, 2019 for failure to file its interim financial statements, MD&A and related officer certifications for six months ended June 30, 2019 (the "Quarterly Filings"). The Company completed and filed the Quarterly Filings and the CTO was revoked on November 20, 2019.

On or around September 10, 2010, Jesse Dylan filed a consumer credit proposal with Campbell Saunders Ltd. to restructure his affairs. All creditors accepted the proposal and on January 23, 2017, Mr. Dylan received a Certificate of Full Performance.

13.10 Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals that are directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under *Business Corporations Act* (British Columbia). See "*17 – RiskFactors*".

13.11 Management

The following summarizes certain information concerning the Company's directors and officers:

Christopher Bradley, CEO and Director, Age 46

Mr. Bradly is an experienced technologist with a decade in advertising technology design and architecture. Mr. Bradley architected and designed the database infrastructure for the United Kingdom's first internet bank. After becoming an advertising technology entrepreneur, Mr. Bradley built and ran several businesses leading to a sale of his greeting cards business to Hallmark Cards plc. Mr. Bradley has built platforms for some of the icons of the internet, including Local Inc., systems that scale and are proven generators of revenues. Mr.

Bradley has invented a number of patentable technology solutions, particularly around blockchain and large scalable technology solutions.

Mr. Bradley, in his capacity as the Chief Executive Officer of the Company, is an independent contractor, providing his services on a full-time basis through Gurlach Ltd. ("Gurlach"), a private company partly owned by Mr. Bradley. Gurlach, through Mr. Bradley (as service provider), provides management services to the Company. The Company has entered into an agreement effective August 31, 2019 with Gurlach ("Gurlach Agreement"), pursuant to which Mr. Bradley, as service provider under the Gurlach Agreement, provides management consulting services to the Company in accordance with the terms of the Gurlach Agreement for an annual fee of $240,000. The Gurlach Agreement also states that the Company shall also reimburse Gurlach for all reasonable expenses incurred by Mr. Bradley in the provision of services under the Gurlach Agreement. Gurlach is eligible to receive a cash bonus equal up to 50% of the total fees paid to Gurlach in the year at the discretion of, and as determined by, the Board. By mutual agreement, Gurlach and the Company have agreed to reduce the annual fee to $120,000 per annum beginning April 2, 2021 and continuing until mutual agreement between the Company and Gurlach.

Pursuant to the Gurlach Agreement, Gurlach is also entitled to the then annual fee as well as any unpaid cash bonuses in the event of termination without cause. In addition, all unvested stock options will immediately vest and become exercisable. If termination of the Gurlach Agreement is due to the death of Mr. Bradley, as service provider, Mr. Bradley's estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years. Neither Gurlach nor Mr. Bradley are not subject to any non-competition restrictions but Gurlach and Mr. Bradley are subject to non-disclosure terms under the Gurlach Agreement.

Michael Woodman (professionally known as Jesse Dylan), Executive Chairman, Age 65

Mr. Dylan is the former CEO of the Company and is an award-winning broadcaster and best-selling author. Mr. Dylan has worked with numerous big media corporations, including Rogers, Corus Entertainment, Standard Broadcasting, CBS and SiriusXM. Mr. Dylan has won the ACTRA award for On-Air Personality of the Year and Best Radio Program Worldwide at the New York International Festival of Radio. Mr. Dylan is uniquely qualified to bridge traditional media with the fast-paced world of programmatic. In his role has former CEO of the Company, Mr. Dylan has developed an understanding of the accounting principles used to prepare the Company's financial statements and the ability to assess the general application of such accounting principles, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

Mr. Dylan, in his capacity as the Executive Chairman of the Company, is an independent contractor, providing his services on a full-time basis through Jesse Dylan Consultancy ("JDC"), a private company wholly owned by Mr. Dylan. JDC, through Mr. Dylan (as service provider), provides management services to the Company.

The Company has entered into an agreement dated effective August 31, 2019 with JDC (the "JDC Agreement"), pursuant to which Mr. Dylan, as service provider under the JDC Agreement, provides executive management consulting services to the Company in accordance with the terms of the JDC Agreement for an annual fee of which is currently $240,000. The JDC Agreement also states that the Company shall also reimburse JDC for all reasonable expenses incurred by Mr. Dylan in the provision of services under the JDC Agreement. JDC is eligible to receive a cash bonus equal up to 50% of the total fees paid to JDC in the year at the discretion of, and as determined by, the Board. By mutual agreement, JDC and the Company have agreed to reduce the annual fee to $120,000 per annum beginning April 2, 2021 and continuing until mutual agreement between the Company and JDC.

Pursuant to the JDC Agreement, JDC is entitled to the then annual fee as well as any unpaid cash bonuses in the event of termination without cause or in the case of a change of control (as defined in the JDC Agreement). In addition, all unvested stock options will immediately vest and become exercisable. If termination of the JDC Agreement is due to the death of Mr. Dylan, as service provider, his estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years. Neither JDC nor Mr. Dylan are subject to any non-competition restrictions but Mr. Dylan and JDC are subject to non-disclosure terms under the JDC Agreement.

Ying Xu, Chief Financial Officer and Director, Age 46

Ying Xu, CPA, CA is the partner and co-founder of Ethos CPA LLP.; and brings a multifaceted accounting, finance, industry and assurance experience to her role in the Company. Ms. Xu's experience includes providing assurance and financial services to Canadian and US public and private companies with Chinese operations as well as a range of advisory services for Chinese companies listed on North American exchanges. Ms. Xu has also led corporate due diligence for both mergers and acquisitions and corporate reverse-takeover projects in a range of industries including aviation, energy, mining and the winery business.

Prior to joining the firm, Ms. Xu served as the Canadian CFO for a major international retail chain. She also held a position of Senior Assurance Manager with MNP LLP, a national accounting firm for many years. Ms. Xu began her career in accounting as an auditor with Ernst & Young in Vancouver where she articled and earned her Chartered Accountant designation.

Ms. Xu, in her capacity as the CFO and director of the Company, is an independent contractor, providing her services on a part-time basis, pursuant to a services agreement between the Company and Ms. Xu (the "Xu Services Agreement"). The Xu Services Agreement may be terminated by either party upon 14 days' written notice. Ms. Xu is not subject to any non-competition or non-disclosure agreement.

Eugene Valaitis, Director, Age 64

Mr. Valaitis is a business, marketing and management consultant to international direct selling corporations. Mr. Valaitis is a multiple award-winning broadcaster and marketing expert. During his over 25 years in radio and television, Mr. Valaitis earned multiple ACTRA awards and recognition from the New York Radio Festival. Mr. Valaitis is a seasoned executive with over a decade of experience in VP level positions guiding the marketing and sales teams of multinational corporations in the U.S., Hong Kong, Mexico and Dubai.

Mr. Valaitis, in his capacity as a director of the Company, provides his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Company and is not subject to any non-competition or non-disclosure agreements.

Graham Martin, Director, Age 61

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. Mr. Martin 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 industry.

Mr. Martin, in his capacity as President and director of the Company, provides his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Company and is not subject to any non-competition or non-disclosure agreements.

14. CAPITALIZATION

The following tables provide information about the Company's capitalization as of the date of this Listing Statement, each with reference to the Company's outstanding Common Shares:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)[1]	51,043,798	84,000,659	100%	100%
Held by Related Persons[2](B)	(1,250,000)[1]	(3,191,500)	2.45%	3.7%
Total Public Float (A-B)	49,793,798	80,809,159	97.55%	96.20%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions (C)	(23,861,983)	(47,723,966)	46.75%	56.82%
Total Tradeable Float (A-C)	25,931,815	33,085,193	50.80%	39.38%

Notes:

(1) Includes the following share issuances which are subject to hold period trading restrictions: 21,541,983 Common Shares have a hold period which expires on July 17, 2021 and 3,570,000 Common Shares have a hold period expiring on July 20, 2021.

(2) Related Persons or employees of the Company, or persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held). See below.

Public Security-holders (Registered)

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	1	1
100 – 499 securities	4	730
500 – 999 securities	6	3,691
1,000 – 1,999 securities	9	12,372
2,000 – 2,999 securities	2	4,981
3,000 – 3,999 securities	4	13,001
4,000 – 4,999 securities	0	0
5,000 or more securities	40	26,652,673
Totals	**66**	**26,687,449**

Public Security-holders (Beneficial)

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities	744	23,861
100 – 499 securities	727	152,344
500 – 999 securities	269	169,049
1,000 – 1,999 securities	324	399,653
2,000 – 2,999 securities	159	358,948
3,000 – 3,999 securities	97	324,130
4,000 – 4,999 securities	52	224,969
5,000 or more securities	458	21,453,396
Totals	**2,829**	**23,106,350**

Non-Public Security-holders (Registered)

Size of Holding	Number of holders	Total number of Shares
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	1	1,250,000
Totals	**1**	**1,250,000**

14.1 Convertible/Exchangeable Securities

The following table details securities convertible or exchangeable into Common Shares.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of Common Shares upon conversion / exercise
Stock Options – Exercisable at $2.50 Expire January 30, 2023	302,500	302,500
Stock Options – Exercisable at $1.50 Expire December 30, 2023	74,000	74,000
Stock Options – Exercisable at $2.00 Expire July 15, 2021	52,838	52,838
Warrants – Exercisable at $1.88 Expire January 26, 2023	120,500	120,500
Warrants – Exercisable at 291,462 Expire December 18, 2023	291,462	291,462
Warrants – Exercisable at 3.66 Expire July 22, 2024	119,075	119,075
Warrants – Exercisable at $1.94 Expire July 22, 2024	219,196	219,196
Warrants – Exercisable at $.015 Expire July 29, 2022	250,000	250,000
Warrants – Exercisable at $0.15 Expire July 30, 2022	5,236,181	5,589,306
Warrants – Exercisable at $0.275 Expire August 12, 2022	500,000	500,000
Warrants – Exercisable at $0.25 Expire March 16, 2023	21,935,509	21,935,509
Warrants – Exercisable at $0.25 Expire March 19, 2023	3,855,600	3,855,600
TOTAL	**32,956,861**	**33,309,986**

14.2 Other Listed Securities

The Company does not have any other listed securities reserved for issuance that are not included in section 14.1 or 14.2.

15. EXECUTIVE COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

The objectives, criteria and analysis of the compensation of the directors and the Named Executive Officers (as defined herein) of the Company will be determined by the Board as it deems appropriate. The ongoing compensation of the non-executive directors will be determined by the Board. Compensation may be comprised of cash, equity awards, or a combination of both. The Company will also reimburse expenses incurred by such persons for acting as directors of the Company.

No additional compensation will be paid to Company directors that also serve as Named Executive Officers. See the Company's "*Statement of Executive Compensation*" attached as Appendix "E" to this Listing Statement.

The named executive officers of the Company consist of Michael Woodman, Executive Chairman; Christopher Bradley, the Chief Executive Officer, and Ying Xu, the Chief Financial Officer of the Company. (the "Named Executive Officers").

Option Based Awards

The Company's Plan allows for a rolling 10% of the issued and outstanding Common Shares for issuance upon the exercise of the stock options granted pursuant to the Plan. See "*9. – Options to Purchase Securities*" for a summary of the Plan.

Employment Contracts

Other than as described below, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Company or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Company or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Gurlach is a private company partly-owned by Christopher Bradley, CEO. Gurlach, through Mr. Bradley (as service provider), provides management services to the Company. The Company has entered into the Gurlach Agreement pursuant to which Mr. Bradley, as service provider under the Gurlach Agreement, provides management consulting services to the Company in accordance with the terms of the Gurlach Agreement annual fee of which is currently $240,000. The Gurlach Agreement also states that the Company shall also reimburse Gurlach for all reasonable expenses incurred by Mr. Bradley in the provision of services under the Gurlach Agreement. Gurlach is eligible to receive a cash bonus equal up to 50% of the total fees paid to Gurlach in the year at the discretion of, and as determined by, the Board.

Pursuant to the Gurlach Agreement, Gurlach is also entitled to then annual fee as well as any unpaid cash bonuses in the event of termination without cause. In addition, all unvested stock options will immediately vest and become exercisable. If termination of the Gurlach Agreement is due to the death of Mr. Bradley, as service provider, Mr. Bradley's estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years. See "*Appendix E – Statement of Executive Compensation*" for further details.

Mr. Dylan, in his capacity as the Executive Chairman of the Company, is an independent contractor, providing his services on a full-time basis through JDC, a private company wholly owned by Mr. Dylan. JDC, through Mr. Dylan (as service provider), provides management services to the Company.

JDC is a private firm wholly-owned by Michael Woodman professionally known as Jesse Dylan, Executive Chairman. JDC, through Mr. Dylan (as service provider), provides management services to the Company. The Company has entered into the JDC Agreement pursuant to which Mr. Dylan, as service provider under the JDC Agreement, provides executive management consulting services to the Company in accordance with the terms of the JDC Agreement for an annual fee of which is currently $240,000. The JDC Agreement also states that the Company shall also reimburse JDC for all reasonable expenses incurred by Mr. Dylan in the provision of services under the JDC Agreement. JDC is eligible to receive a cash bonus equal up to 50% of the total fees paid to JDC in the year at the discretion of, and as determined by, the Board.

Pursuant to the JDC Agreement, JDC is entitled to the then annual fee as well as any unpaid cash bonuses in the event of termination without cause or in the case of a change of control (as defined in the JDC Agreement). In addition, all unvested stock options will immediately vest and become exercisable. If termination of the JDC Agreement is due to the death of Mr. Dylan, as service provider, his estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years. See "*Appendix E – Statement of Executive Compensation*" for further details.

Ying Xu, Chief Financial Officer of the Company is engaged pursuant to the Xu Services Agreement under which Ms. Xu is paid a monthly fee of $6,000. The Xu Services Agreement may be terminated by either party upon 14 days' written notice.

Pension Plan Benefits for Directors

The Company is not expected to, and has no plan to, have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than Named Executive Officers, at, following, or in connection with retirement.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed herein, no director, executive officer or senior officer the Company, or any associates of such persons, is indebted to the Company and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

17. RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of development of its products and services. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Listing Statement.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared coronavirus COVID-19 ("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, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these will continue to affect the Company's business, financial condition and results of operation in particular will all depend on future developments which are highly uncertain and many of which are outside the control of the Company and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of additional waves), potential mutations of the COVID-19 virus, the ability of governments to administer COVID-19 vaccines to the public in a timely manner, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it.

Given the uncertainties, the Company cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of COVID-19 on the Company's business and operations remain unknown, the rapid spread of COVID-19 could have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, all of which may have a material adverse impact on the Company's business, financial condition and operations.

The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; (v) required 14-day quarantine for any employees returning from out of country travel.

Company Specific Risks

Limited operating history and uncertainty of future revenues

The Company has a limited operating history and trading record, and it is, therefore, difficult to evaluate the Company's business and future prospects. In particular, the Company is at an early stage of development with operating losses expected to continue for the foreseeable future. The future success of the Company is dependent on the Company's directors' ability to implement its strategy. While the directors are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by developing companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, while at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the business, financial condition and results of operations.

Dependence on key executives, personnel and contractors

The success of the Company to a significant extent depends on the Company's directors, management and other key personnel and contractors. The directors believe that Company's future success will depend largely on its ability to attract and retain highly skilled and qualified personnel and contractors and to expand, train and manage its employee and contractor base. There can be no guarantee that suitably skilled and qualified individuals will be identified and employed or contracted on satisfactory terms or at all. If the Company fails to recruit or retain the necessary personnel or contractors, or if the Company loses the services of any of its key executives, its business could be materially and adversely affected.

Litigation risks

Legal proceedings may arise from time to time in the course of the Company's business. The directors cannot preclude that litigation may not be brought against the Company in the future from time to time or that it may not be subject to any other form of litigation. The Company may find it difficult, impossible or very costly to enforce the rights it may have under agreements it may enter into. Please see "*19. Legal Proceedings and Regulatory Actions*" for the current legal proceedings involving the Company.

Insurance and uninsured risks

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

No history of dividends

The Company has not paid dividends on its Common Shares since incorporation. The Company intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the Board and will depend upon the capital requirements of the Company, results of operations and such other factors as the Board considers relevant.

General economic climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital, and industrial disruption have an impact on demand, business costs and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Conflicts of Interest

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Ability to Protect Proprietary Offering

Any failure to protect the Company's proprietary Marketing Platform and AR Block could harm its business and competitive position. There can be no assurance that any steps the Company has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to the Company's technology. As at the date hereof, the Company does not have patent protection on its technology or registered any trademarks but instead may, as necessary, rely on a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws and other common law intellectual property protections in the U.S. and Canada. In addition, the Company uses contracts, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, other contractual rights and technical measures to protect its intellectual property. The Company has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third party development of the Company's technology. The laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the U.S. If the Company resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to the Company's proprietary rights if it is unsuccessful in such proceedings. Moreover, the Company's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that the Company may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent the Company from engaging in actions necessary to its business, products, or services.

Retaining and Attracting Customers

To sustain or increase the Company's revenue, the Company must add new clients and encourage any existing clients to purchase additional offerings. As the digital industry matures and as competitors introduce lower cost or differentiated products or services that compete with, or are perceived to compete with, the Company's products or services, its ability to complete sales with new and existing advertisers based on the Company's current offerings, pricing, technology platform and functionality could be impaired. If the Company fails to retain or cultivate the spending of newer, lower-spending clients, it will be difficult for it to sustain and grow its revenue. Even with long-time clients, the Company may reach a point of saturation at which it cannot continue to grow revenue from those clients because of internal limits that they may place on the allocation of their budgets to a particular provider or for other reasons not known to management.

The Company has invested significant resources in its sales and marketing teams to educate potential and prospective advertisers and advertising agencies about the value of the Marketing Platform and AR Block. Sales staff is often required to explain how the Company's Marketing Platform and AR Block can optimize advertising campaigns in real time. The Company's business depends in part upon advertisers' confidence, and the confidence of the advertising agencies that represent those advertisers, that use of real-time advertising exchanges to purchase inventory is superior to other methods of purchasing digital advertising. The Company often spends substantial time and resources responding to requests for proposals from potential advertisers and their advertising agencies, including developing material specific to the needs of such potential advertisers. The Company may not be successful in attracting new advertisers despite its investment in business development, sales and marketing. The Company continues to be substantially dependent on its sales team to obtain new customers and to drive sales from existing customers. Management of the Company believes that there is significant competition for sales personnel with the skills and technical knowledge that it requires. The Company's ability to achieve significant revenue growth depends, in large part, on its success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support its growth. New hires require significant training and it may take significant time before they achieve full productivity. Recent hires and planned hires may not become productive as quickly as expected, and the Company may be unable to hire or retain sufficient numbers of qualified individuals in the markets where it does business or plans to do business. In addition, if the Company grows rapidly, a large percentage of its sales team will be new to the Company and its offerings. If the Company is unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to its existing customer base, its business will be adversely affected.

No Long-Term Customer Commitments

The Company's customers will do business by placing insertion orders for particular advertising campaigns. If the Company performs well on a particular campaign, then the advertisers or the advertising agency representing such advertisers may place new insertion orders with the Company for additional advertising campaigns. The Company generally will have no commitment from an advertiser beyond the campaign governed by a particular insertion order. Insertion orders may be cancelled by advertisers or their advertising agencies prior to the completion of the campaign without penalty. As a result, the Company's success is dependent upon its ability to outperform competitors and win repeat business from existing advertisers, while continually expanding the number of advertisers for whom it provides services. In addition, it is relatively easy for advertisers and the advertising agencies that represent them to seek an alternative provider for their advertising campaigns because there are no significant switching costs, and agencies often have relationships with many different providers, each of whom may be running portions of the same advertising campaign. Because the Company does not have long-term contracts, management may not accurately predict future revenue streams and there can be no assurance that current advertisers will continue to use the Company's Marketing Platform and AR Block, or that the Company will be able to replace departing advertisers with new advertisers that provide the Company with comparable revenue.

Failure to Properly Manage Growth

Growth in the Company's business may strain the Company's management, financial, and other resources. The Company relies heavily on information technology, or IT, systems to manage critical functions such as advertising campaign management and operations, data storage and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage any future growth effectively, the Company must expand its sales, marketing, technology and operational staff, invest in research and development of its Marketing Platform and/or new offerings, enhance its financial and accounting systems and controls, integrate new personnel or contractors, and successfully manage expanded operations. As the Company grows, it will incur additional expenses, and its growth may place a strain on resources, infrastructure and ability to maintain the quality of its offering. Accordingly, the Company may not be able to effectively manage and coordinate growth so as to achieve or maximize future profitability.

Reliance on Third Parties

The Company anticipates that it will continue to depend on various third party relationships in order to grow its business. The Company continues to pursue additional relationships with third parties, such as technology and content providers, real-time advertising exchanges, market research companies, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third party data and services. The Company's agreements with channel partners and providers of technology, computer hardware, co-location facilities, content and consulting services and real-time advertising exchanges are typically non-exclusive, in that they do not prohibit these third parties from working with the Company's competitors or from offering competing services. These third parties can generally terminate their arrangements with the Company at any time. The Company's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce purchases of the Company's offerings. In addition, these third parties may not perform as expected under the Company's agreements with them, and the Company may have disagreements or disputes with such third parties, which could negatively affect the Company's brand and reputation.

In particular, the Company's continued growth depends on its ability to source computer hardware, including servers built to its specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of its services. Similarly, disruptions in the services provided at co-location facilities that the Company relies upon can degrade the level of services that it can provide, which may harm the Company's business. The Company also relies on its integration with many third party technology providers to execute its business on a daily basis. The Company must efficiently direct a large amount of network traffic to and from its servers to consider billions of bid requests per day, and each bid typically must take place in approximately 100 milliseconds. The Company relies on a third party domain name service, or DNS, to direct traffic to its closest data center for efficient processing. If the Company's DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across the Company's servers as well as impairing or preventing web browser connectivity to the Company's Marketing Platform, which may harm its business.

Personnel

The loss of any member of the Company's management team, and in particular, its co-founders, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company’s business and operating results.

At present and for the near future, the Company will depend upon a relatively small number of employees and contractors to develop, market, sell and support its Marketing Platform and AR Block. The expansion of technology, marketing and sales of its Marketing Platform and AR Block will require the Company to find, hire, and retain additional capable employees or subcontractors who can understand, explain, market, and sell its technology. There is intense competition for capable personnel in all of these areas, and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

In addition, as the Company moves into new geographies, it will need to attract and recruit skilled employees in those areas. The Company has no experience with recruiting in geographies outside of Canada and the U.S., and may face additional challenges in attracting, integrating and retaining international employees.

Lack of Transparency Over Fees and Net CPMs

Despite programmatic media’s focus on efficiency, advertisers are often paying significantly higher CPMs (cost per thousand) for programmatic non-guaranteed buys than a publisher receives net of fees. By itself, this pricing model is not problematic, as transactional technology has a concrete value in the purchase cycle and needs to be priced accordingly. However, the lack of transparency, where technology fees are not broken out from CPMs, results in buyers and sellers evaluating inventory value and return on investment based on limited information.

Cyclical Nature of Industry

The advertising industry is cyclical and tends to peak in Q2 and more so in Q4. Q1 and Q3 tend to be the softest quarters. This trend carries through to online advertising where this pattern is also seen, with Q4 budgets and therefore revenues typically much larger than the other three quarters. This follows consumer spending cycles and advertisers keen to spend budgets in Q4 when consumers are spending heavily for the holiday season.

Possible failure to complete the Podkast Acquisition

The Podkast Acquisition is subject to completion of certain closing conditions and normal commercial risk that the Podkast Acquisition may not be completed on the terms negotiated or at all. If closing of the Podkast Acquisition does not take place, the Company’s business, financial conditions and results of operations may be materially adversely affected.

Risks Associated with Insertion Orders

The Company operates in business relationships under the terms of Insertion Orders (“IO”). These IOs are typically open ended but can be terminated at short notice. Equally they have no minimum and maximum spend and the ability to generate revenue is dependent on the Company’s ability to secure appropriate users and match them to the appropriate advertisers.

Volatility of Blockchain Related Operations

As is typical with any relatively new technology, there is significant volatility in consumer, client and public sentiment. This volatility could translate into both a significant increase or a decrease of adoption of its blockchain AR technology, which may or may not be related to the actual business or product performance.

This could impact growth rate, investor confidence or even in the worst case the viability of the AR factoring business.

Financial and Accounting Risks

Additional Financing

There can be no certainty that the Company's financial resources and revenue from sales will be sufficient for its future needs. The Company may need to incur significant expenses for growth, operations, research and development, as well as sales and marketing of its Marketing Platform and AR Block. In addition, other unforeseen costs could also require additional capital. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company's ability to fund ongoing operations. If additional financing is raised by the issuance of Common Shares or other securities convertible into Common Shares, control of the Company may change and shareholders of the Company may suffer dilution. If adequate funds are not available, or not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and continue operations. Any debt financing that is secured in the future could involve restrictive covenants relating to the Company's future capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the Company's MD&A, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of the Common Shares. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non- financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such the Company has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR, as defined in National Instrument 52-109 – *Certification of Disclosure In Issuers' Annual and Interim Filings*, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Competition

The existing and anticipated markets for the Company's Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, the Company's customers could develop their own solutions. Many of the Company's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does the Company. They may be able to respond more quickly than the Company can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering programmatic and real time bidding solutions, the Company also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. The Company also competes for a share of advertisers' total online advertising budgets, including traditional advertising media, such as direct mail, television, radio, cable and print.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of the Company's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect the Company's competitive position.

As a result of these and other factors, the Company may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, as the AR blockchain landscape matures and existing financial services businesses become familiar with the benefits of the technology, it is probable that those competitors will likely attempt to enter the same market. Given their significantly greater capitalization, client base and experience it is likely that they could compete effectively with the Company.

Use of Third-Party Cookies

The widespread use of the internet across the globe is attributable in part to the ability of internet users to access valuable content quickly and free of charge. Digital media content providers, or publishers, who support the creation and distribution of this content do so largely by selling advertisements on their properties, similar to the business model of television and radio broadcasters. Internet users' online activity generates a vast amount of data, such as advertising viewed and responded to, and advertisers' websites visited, and is valuable to advertisers seeking to reach an optimal audience. Online, it is possible to serve advertisements to potential consumers based upon inferred interests. These interests may be inferred in part based on web-browsing history. The use of web browsing history to inform advertising purchase decisions is commonly referred to as "interest-based" or "online behavioral" advertising. Advertisers are willing to make a greater investment in, and pay a higher rate for, digital advertising when this interest-based data can be used to inform decisions about purchasing advertising impressions to reach desired consumers.

The use of interest-based online advertising has come under scrutiny globally by consumer advocacy organizations and regulatory agencies that focus on online privacy. More specifically, these groups have voiced concern about the use of "cookies" (small text files) and other online tools to record an internet user's browsing history, and the use of that information to deliver advertisements online based on inferred interests of the internet user.

The Company relies upon access to large volumes of data, including web browsing history, primarily through cookies in connection with its Marketing Platform. The Company's cookies are known as "third party cookies" because they are placed on individual browsers when internet users visit a website owned by a publisher, advertiser or other first party that has given the Company permission to place cookies. These cookies are placed through an internet browser on an internet user's computer and correspond with a data set that is kept on the Company's servers. The Company's cookies record certain information, such as when an internet user views an advertisement, clicks on an advertisement, or visits one of the Company's advertiser's websites through a browser while the cookie is active. The Company uses these cookies to help it achieve advertisers' campaign goals, to help it ensure that the same internet user does not unintentionally see the same advertisement, to report aggregate information to advertisers regarding the performance of their advertising campaigns and to detect and prevent fraudulent activity. The Company also uses data from cookies to help it decide whether to bid on, and how to price, an opportunity to place an advertisement in a certain location, at a given time, in front of a particular internet user. Without cookie data, the Company may bid on advertising without as much insight into activity that has taken place through an internet user's browser. A lack of cookie data may detract from the Company's ability to make decisions about which inventory to purchase for an advertiser's campaign, and undermine the effectiveness of its Marketing Platform.

Cookies may easily be deleted or blocked by internet users. Most commonly used internet browsers allow internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their computers at any time. Certain internet users also download free or paid "ad blocking" software that prevents third party cookies from being stored on a user's computer. If more internet users adopt these settings or delete their cookies more frequently than they currently do, the Company's business could be harmed. In addition, some internet browsers block third party cookies by default, and other internet browsers may implement similar features in the future. Unless such default settings in browsers are altered by internet users to accept third party cookies, fewer of the Company's cookies may be set in browsers, adversely affecting its business.

Certain international jurisdictions have adopted and implemented legislation that negatively impacts the use of cookies for online advertising, and additional jurisdictions may do so in the future. Currently, although the Canadian Anti-Spam Legislation ("CASL") requires consent to install a computer program, CASL provides a deemed express consent for the installation of a cookie. Limitations on the use or effectiveness of cookies may impact the performance of the Marketing Platform. The Company may be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies to compensate for the lack of cookie data. The Company may not be able to develop or implement additional tools that compensate for the lack of cookie data. Moreover, even if the Company is able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than the Company's current use of cookies.

Potential "Do Not Track" Standards

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. In 2010, the U.S. Federal Trade Commission ("FTC"), issued a staff report criticizing the advertising industry's self-regulatory efforts as too slow and lacking adequate consumer protections. In 2012, a subsequent staff report was issued by the FTC, indicating that the FTC had brought enforcement actions against various online advertisers for failure to honour consumer opt outs. The FTC emphasized a need for simplified notice, choice and transparency to the consumer regarding collection, use and sharing of data, and suggested implementing a "Do Not Track" browser setting that allows consumers to choose whether to allow "tracking" of their online browsing activities. All major internet browsers have implemented some version of a "Do Not Track" setting. Microsoft's Internet Explorer 10 and 11 include a "Do Not Track" setting that is selected by default. However, there is no definition of "tracking," no consensus regarding what message is conveyed by a "Do Not Track" setting and no industry standards regarding how to respond to a "Do Not Track" preference. The World Wide Web Consortium chartered a "Tracking Protection Working Group" in 2011 to convene a multi-stakeholder group of academics, thought leaders, companies, industry groups and consumer advocacy organizations, to create a voluntary "Do Not Track" standard for the web. The group has yet to agree upon a standard. The "Do-Not-Track Online Act of 2013" was introduced in the U.S. Senate in February 2013. If a "Do Not Track" browser setting is adopted by many internet users, and the standard either imposed by legislation or agreed upon by standard setting groups, prohibits the Company from using non-personal information as it currently does, then that could hinder growth of advertising and content production on the web generally, cause the Company to change its business practices and adversely affect its business.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of the Company expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as internet protocol (or IP) address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for the Company's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The *Personal Information Protection and Electronic Documents Act* and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, the Company collects and stores IP addresses. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, if there is a data breach, there is a potential for claims for damages by consumers whose personal information has been disclosed without authorization. Evolving and changing definitions of personal information, within the Canada, the U.S. and elsewhere, especially relating to classification of machine or device identifiers, location data and other information, have in the past, and may cause the Company to, in the future, change business practices, or limit or inhibit the Company's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, and to offer certain privacy protections with respect to such information, such measures may not always be effective.

In addition, while the Company takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. The Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm the Company's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Infringement of Intellectual Property Rights

If the Company's proprietary Marketing Platform or AR Block platform violates or is alleged to violate third party proprietary rights, the Company may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect the Company's business.

Circumstances outside of the Company's control could pose a threat to its intellectual property rights. Effective intellectual property protection may not be available in the U.S., Canada or other countries in which the Marketing Platform or AR Block business is offered in the future. In addition, the efforts that have been taken to protect the Company's intellectual property rights may not be sufficient or effective. Any impairment of the Company's intellectual property rights could harm its business, its ability to compete and harm its operating results.

The Company does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. The Company receives representations from advertisers that the content of the advertising that the Company places on their behalf is lawful. The Company also relies on representations from its advertisers that they maintain adequate privacy policies that allow the Company to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering the Company's offerings. If any of these representations are untrue and the Company's advertisers do not abide by laws governing their content or privacy practices, the Company may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open Source Software Components

The Company's Marketing Platform, including its computational infrastructure, relies on software licensed to it by third party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that the Company make available source code for modifications or derivative works the Company creates based upon the type of open source software the Company uses. If the Company combines its proprietary software with open source software in a certain manner, the Company could, under certain open source licenses, be required to release the source code of its proprietary software to the public. This would allow the Company's competitors to create similar solutions with lower development effort and time and ultimately put the Company at a competitive disadvantage.

Although the Company monitors its use of open source software to avoid subjecting its products to conditions it does not intend, the terms of many open source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its services. Moreover, the Company cannot guarantee that its processes for controlling its use of open source software will be effective. If the Company is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its Marketing Platform on terms that are not economically feasible, to re-engineer its Marketing Platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect the Company's business, operating results and financial condition.

Unanticipated Problems Associated with the Marketing Platform and AR Block

The Company depends upon the sustained and uninterrupted performance of its Marketing Platform and AR Block to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because the Company's software is complex, undetected errors and failures may occur, especially when new versions or updates are made. The Company's Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite the Company's plans for quality control and testing measures, its Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, the Company may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its software. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against the Company by its customers and other parties.

Mobile Advertising

The Company's success in the mobile advertising channel depends upon the ability of its Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom the Company does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If the Company's Marketing Platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wishes to impair the Company's ability to provide advertisements on them or the Company's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, the Company's ability to generate revenue could be significantly harmed.

Obsolescence

The Company's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's Marketing Platform obsolete or relatively less competitive. The Company's future success will depend upon its ability to continue to develop and expand its Marketing Platform and AR Block and to address the increasingly sophisticated needs of its customers. The Company may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of the Company's offering to purchase offerings of competitors instead.

Catastrophic Events

The Company's maintains servers at co-location facilities in Canada that it uses to deliver advertising campaigns for its advertisers. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in one or more of its co-location facilities, it could take several days, if not weeks, to recreate this data from multiple sources, which could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business and results of operations, and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Economic, Political and Market Conditions

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect the Company's business prospects. This uncertainty may cause general business conditions in Canada and the U.S. and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of the Company's offerings, and expose the Company to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Company's Common Shares

Market for Company's Common Shares

Technology stocks have historically experienced high levels of volatility and the Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments in Canada, the U.S., and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases or sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

17.1 PROMOTERS

Mr. Jesse Dylan, Executive Chairman of the Company may be considered to be a promoter of the Company, as that term is defined in the *Securities Act* (British Columbia). Information about Mr. Dylan is disclosed elsewhere in this Listing Statement in connection with his role as a director of the Company. See "*Directors and Officers*" and "*Executive Compensation*" for details.

Mr. Dylan (i) holds directly and/or indirectly an aggregate of 1,250,000 Common Shares (representing 2.45% of the Company's current issued and outstanding Common Shares); (ii) holds an aggregate of 1,500,000 warrants and 137,500 stock options entitling him to purchase up to an aggregate of 1,637,500 additional Common Shares; and (iii) is currently entitled to receive annual compensation of $120,000 per year in his capacity as Executive Chairman.

Mr. Dylan is also entitled to receive stock options under the Plan. See "*Options and Other Rights to Purchase Securities of the Company*"; "*Directors and Executive Officers – Cease Trade Orders or Bankruptcies,* *Penalties or Sanctions*"; and "*Interest of Management and Others in Material Transactions*" for disclosure regarding Mr. Dylan.

18. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as described below, as of the date of this Listing Statement, there are no current legal proceedings material, and no contemplated legal proceedings known to be material, to the Company or its expected subsidiaries, to which the Company or its expected subsidiaries is a party or of which any of the Company or its expected subsidiaries' respective property is the subject matter.

Lerna and Lernalabs

On April 22, 2015, the Company issued a secured promissory note in the amount of US$150,000 to Lerna, as part of the acquisition of AmpMobile (the "Promissory Note"). The Promissory Note had a term of one year and interest of 24% per annum.

On March 30, 2016, the Company entered into a secured and subordinated loan agreement (the "Loan Agreement") with Lernalabs, a company incorporated in Cyprus, and related to Lerna, pursuant to which Lernalabs advanced US$453,165 to the Company by way of promissory notes. In addition, US$66,500 was received by the Company for which no promissory note has been issued (the "Undocumented Loan", and together with the Promissory Note and the Loan Agreement, the "Loan Arrangements").

Concurrent with the Loan Agreement, the Company entered into a consulting services agreement (the "Consulting Services Agreement") with Lernalabs pursuant to which Lernalabs agreed to provide consulting services to the Company for a term of three years commencing March 1, 2016 in exchange for a payment of US$1,500,000 due on the date that is the later of (i) 13 months from the date of listing of the Company's Common Shares for trading on an exchange (as defined in the agreement); and (ii) 18 months from March 1, 2016. The Consulting Services Agreement also provides that the Company will pay Lernalabs a monthly fee of US $15,000. The Company terminated the Consulting Services Agreement on August 17, 2016.

In December 2016, the Company filed civil claims in the Supreme Court of British Columbia against, among others, Lerna, Lernalabs and the lawyers (collectively "Lerna and Lernalabs") responsible for negotiating the various agreements with Lerna and Lernalabs (the "Claims"). The Company asserted that Lerna and Lernalabs breached the terms of the AmpMobile asset purchase agreement and further such parties made misrepresentations to induce the Company to enter into the Loan Agreement and Consulting Services Agreement with Lerna and Lernalabs.

On January 4, 2017, Lerna and Lernalabs filed a counterclaim in Supreme Court of British Columbia against the Company with respect to the acquisition of AmpMobile, seeking payment for the Loan Arrangements principal in the amount of US$669,665 and interest accrued at 24% per annum (the "Lerna Action").

During the year ended December 31, 2018, the Company made a cash payment in the amount of $1,020,440 to settle all the amounts owing to Lerna and Lernalabs under the Loan Arrangements.

Lerna and Lernalabs advised the Company that they intended to bring another counterclaim against the Company provided in draft form to legal counsel for the Company on or around March 7, 2019 (the "Proposed Counterclaim");

The Company and Lerna and Lernalabs agreed to resolve all matters between them arising out of the Claims, Lerna Action and the Proposed Counterclaim on the terms set out below:

In July 2019, the Company entered into a settlement agreement with Lerna and Lernalabs, pursuant to which the Company agreed to pay to Lerna and Lernalabs the sum of US $650,000 in full and final settlement, to be paid in deferred instalments with the final payment due December 19, 2019. The Company made the first instalment payment of US $100,000 during the year ended December 31, 2019, but failed to make additional payments and was, therefore, subject to an interest penalty of US $100,000. As at December 31, 2019, the amount of $851,695 (US $650,000) remains payable. On January 20, 2020, the Company entered into an amended settlement agreement with Lerna and Lernalabs pursuant to which the Company agreed to issue 750,000 Common Shares to Lerna and Lernalabs in full settlement of the amount owing of $851,695. The fair value of the 750,000 Common Shares was determined to be $75,000. The liability as at December 31, 2019 was reduced to $75,000. The 750,000 Common Shares were issued on June 12, 2020 in full settlement.

As of the date of this Listing Statement, the Company has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to provincial and territorial securities legislation or by a securities regulatory authority, within the three years immediately preceding the date hereof, nor has any party entered into a settlement agreement with a securities regulatory authority within the three years immediately preceding the date hereof, or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Company's securities or would be likely to be considered important to a reasonable investor making an investment decision.

19. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer, insider or promoter of the Company or any associate or affiliate of any such person or company has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company.

Other than services as directors, executive officers and employees of the Company, the Company has not acquired any assets or other than as described below, been provided any services in any material transaction, or in any proposed material transaction, from any director, executive officer, insider or promoter of the Company.

During the year ended December 31, 2019, an amount of $835,000 (2018 - $1,011,782) was paid/due to Chris Bradley for the acquisition of patents; development projects.

20. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Company's auditor is Smythe LLP, Suite 1700, 475 Howe Street, Vancouver, British Columbia Canada V6C 2B3.

The Company's transfer agent is Computershare, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia Canada V6C 3B9.

21. MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business, the Company has no other current material contracts.

21.1 Special Agreements

Not applicable.

21.2 Co-tenancy, Unitholders or Limited Partnership Agreements

Not applicable.

22. INTEREST OF EXPERTS

No person or corporation whose profession or business gives authority to a statement made by the person or corporation and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company and no such person is a promoter of the Company or an associate or affiliate of the Company. Smythe LLP, Chartered Professional Accountants, is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

23. OTHER MATERIAL FACTS

There are no other material facts about the Company or its securities that are not disclosed under any other item of this Listing Statement and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company or its securities.

24. FINANCIAL STATEMENTS

Please refer to Appendix “A” for the Company’s annual audited financial statements for the fiscal years ended December 31, 2020, 2019 and 2018 and to Appendix “B” for the Company’s interim financial statements for the three months ended March 31, 2021.

APPENDIX "A"
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

AQUARIUS AI INC.

Consolidated Financial Statements
December 31, 2020 and 2019
(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AQUARIUS AI INC.

Opinion

We have audited the consolidated financial statements of Aquarius AI Inc. (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in shareholders' equity (deficiency) for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the 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 Company as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit of $26,915,807 as of December 31, 2020. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits 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 audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' 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 auditors' report. We have nothing to report in this regard.

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

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- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the 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 auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

Smythe LLP | smythecpa.com

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
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201 – 1825 Bowen Rd
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AQUARIUS AI INC.
Consolidated Statements of Financial Position
December 31, 2020 and 2019
(Expressed in Canadian Dollars)

		2020		2019
Assets (note 12)				
Current				
Cash	$	554	$	100,767
Accounts receivable, net		-		597,765
GST receivable (note 18)		54,360		102,915
Prepaids		2,917		35,738
	$	57,831	$	837,185
Liabilities				
Current				
Accounts payable and accrued liabilities (notes 8, 16, 17)	$	2,412,472	$	3,267,661
Loan payable (note 13)		95,490		1,091,936
Bank debts (note 12)		-		10,890,042
Due to a related party (note 8)		245,890		-
Other liabilities (note 10)		484,931		559,931
		3,238,783		15,809,570
Derivative Liability (notes 6(c))		353,976		48,641
		3,592,759		15,858,211
Shareholders' Equity (Deficiency)				
Share Capital (notes 6, 21)		21,896,849		20,296,209
Translation Reserve		(254,658)		(140,149)
Reserves (note 6)		1,738,688		1,680,811
Deficit		(26,915,807)		(36,881,535)
Equity (Deficiency) Attributable to Owners of the Company		(3,534,928)		(15,044,664)
Non-Controlling Interest (note 11)		-		23,638
		(3,534,928)		(15,021,026)
	$	57,831	$	837,185

Approved on behalf of the Board:

"Jesse Dylan"
……………………………………………….
Jesse Dylan, Director

"Cliff Dumas"
……………………………………………….
Cliff Dumas, Director

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

AQUARIUS AI INC.
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

		2020		2019
Revenues	$	-	$	8,358,386
Direct Expenses		-		5,968,349
Gross Profit		-		2,390,037
Operating Expenses				
Accretion and interest (note 12)		432,374		-
Amortization		-		705,125
Bad debts (note 18)		96,797		10,227,552
Financing costs		-		867,017
General and administrative (note 15)		1,767,251		5,720,279
Marketing and sales		155,906		1,119,582
Research and development		-		2,004,502
Share-based compensation (note 6(d))		-		212,161
		2,452,328		20,856,218
Operating Income (Loss)		(2,452,328)		(18,466,181)
Other income		38,956		-
Impairments and write-offs (notes 16, 20)		859,725		(10,259,692)
Foreign exchange gain (loss)		3,631		(144,797)
Gain on debt settlement (note 17)		11,662,753		855,135
Loan and litigation settlement fee (note 10)		-		(75,000)
Contract settlement fees (note 19)		-		(656,470)
Fair value changes of derivative liability (note 6(c))		(170,647)		1,037,256
Income (loss) Before Income Taxes		9,942,090		(27,709,749)
Deferred income tax recovery (note 7)		-		2,815,494
Net Income (Loss)	$	9,942,090	$	(24,894,255)
Net Income (Loss) Attributed to:				
Owners of the Company	$	9,942,090	$	(24,895,233)
Non-controlling interest		-		978
	$	9,942,090	$	(24,894,255)
Translation adjustment		(114,509)		(465,628)
Comprehensive Income (Loss)	$	9,827,581	$	(25,359,883)
Comprehensive Income (Loss) Attributed to:				
Owners of the Company	$	9,827,581	$	(25,360,861)
Non-controlling interest		-		978
	$	9,827,581	$	(25,359,883)
Basic and Diluted Loss Per Share (note 14)	$	0.54	$	(2.97)

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

AQUARIUS AI INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital						
	Number	Amount	Reserves	Translation Reserve	Deficit	Non-Controlling Interest	Total
Balance, December 31, 2018	**7,734,109**	**$17,805,727**	**$ 1,448,294**	**$ 325,479**	**$(11,986,302)**	**$ 22,660**	**$ 7,615,858**
Units issued from private placement	1,058,750	2,117,500	-	-	-	-	2,117,500
Agents units	12,500	25,000	-	-	-	-	25,000
Share issuance costs	-	(220,625)	-	-	-	-	(220,625)
Agents options	-	(81,256)	81,256	-	-	-	-
Options exercised	213,310	576,051	(60,900)	-	-	-	515,151
Share-based compensation	-	-	212,161	-	-	-	212,161
Warrants exercised	21,333	73,812	-	-	-	-	73,812
Cumulative translation adjustment	-	-	-	(465,628)	-	-	(465,628)
Net loss for the year	-	-	-	-	(24,895,233)	978	(24,894,255)
Balance, December 31, 2019	**9,040,002**	**$20,296,209**	**$ 1,680,811**	**$ (140,149)**	**$ (36,881,535)**	**$ 23,638**	**$ (15,021,026)**
Warrants exercised	350,000	52,500	-	-	-	-	52,500
Shares issued for debt settlement	2,132,862	345,017	-	-	-	-	345,017
Shares issued from private placement	13,327,450	1,332,745	-	-	-	-	1,332,745
Share issuance costs	-	(71,745)	-	-	-	-	(71,745)
Agent's warrants	-	(57,877)	57,877	-	-	-	-
Cumulative translation adjustment	-	-	-	(114,509)	-	-	(114,509)
Wind-up of a subsidiary	-	-	-	-	23,638	(23,638)	-
Net income for the year	-	-	-	-	9,942,090	-	9,942,090
Balance, December 31, 2020	**24,850,314**	**$21,896,849**	**$ 1,738,688**	**$ (254,658)**	**$ (26,915,807)**	**$ -**	**$ (3,534,928)**

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

AQUARIUS AI INC.
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	2020	2019
Operating Activities		
Net income (loss) for the year	$ 9,942,090	$ (24,894,255)
Items not involving cash		
Amortization	-	705,125
Bad debts	96,797	10,227,552
Interest and accretion	432,374	-
Impairments and write-offs	(859,725)	10,259,692
Share-based compensation	-	212,161
Financing costs	-	163,575
Gain/loss on debt settlement	(11,662,753)	(855,135)
Litigation settlement fee	-	75,000
Fair value change in derivative liability	170,647	(1,037,256)
Deferred income tax recovery	-	(2,815,494)
Foreign exchange gain (loss)	(122,582)	41,895
	(2,003,152)	(7,917,140)
Changes in non-cash working capital		
Accounts receivable	579,283	4,739,336
GST receivable	(48,242)	51,488
Prepaids	14,042	56,357
Deposit	-	2,004,502
Due to a related party	245,890	-
Accounts payable and accrued liabilities	692,006	(2,764,649)
Cash Used in Operating Activities	(520,173)	(3,830,106)
Investing Activities		
Purchase of equipment	-	(1,385)
Purchase of intangibles	-	(26,900)
Acquisition of ImpressionX	-	(234,005)
Cash Used in Investing Activities	-	(262,290)
Financing Activities		
Proceeds from share issuances	1,332,745	2,117,500
Share issuance costs	(71,745)	(195,625)
Loan payments	(70,142)	-
Obligation to issue shares	-	50,000
Amounts drawn from credit facility	-	1,620,938
Principal repaid on credit facility	-	(700,333)
Principal repayments on lease	-	(55,767)
Proceeds from exercise of options	-	515,151
Proceeds from exercise of warrants	52,500	73,812
Repayment of Scotia bank loan	(825,000)	-
Cash Provided by Financing Activities	418,358	3,425,676
Foreign Exchange Effect on Cash	1,602	(13,773)
Outflow of Cash	(100,213)	(680,493)
Cash, Beginning of Year	100,767	781,260
Cash, End of Year	$ 554	$ 100,767

Supplemental disclosure of cash flow information (note 22)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aquarius AI Inc. (the "Company" or "Aquarius") was incorporated under the Business Corporations Act on August 17, 2011.

Effective January 28, 2018, the Company closed its qualifying transaction (the "Transaction") with Good Life Networks Inc. ("GLN"), a Vancouver-based, digital media private company. The Transaction was completed by way of a share exchange pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia) (the "Arrangement"), which included the amalgamation of GLN and Exito Energy II Inc. ("Exito") to form the Company as the resulting issuer. The Company continued the business of GLN, as described below. The transaction was considered a reverse takeover ("RTO") since the legal acquiree is the accounting acquirer, as the former shareholders of GLN obtained a controlling interest of the resulting issuer after the completion of the Transaction.

The Company changed its name from Good Life Networks Inc. to Aquarius AI Inc. on November 29, 2019. The trading ticker symbol is "AQUA". The Company continues to trade on the Frankfurt Stock Exchange under the stock symbol "4G5"

The Company is a marketing technology business that is currently repositioning to focus on customer acquisition and using technology to generate revenues in the online gaming, gambling and betting space. The principal office of the Company is located at 595 Howe Street 10th floor, Vancouver, BC V6C 2T5, Canada.

On July 8, 2020, the Company consolidated its common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares held. The 90,400,027 pre-consolidated common shares issued and outstanding were adjusted to 9,040,003 post-consolidated common shares. As required by International Accounting Standards ("IAS") 33 *Earnings per Share*, all references to share capital, common shares outstanding, warrants outstanding, options outstanding, and per share amounts in these consolidated financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the one-for-ten share consolidation.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. For the year ended December 31, 2020, the Company had cash outflows from operating activities of $520,173 (2019 - $3,830,106) and as at December 31, 2020, has an accumulated deficit of $26,915,807 (2019 - $36,881,535).

The Company has no revenue during the twelve months ended December 31, 2020 and does not have sufficient cash to meet its administrative overhead, service its obligations or maintain its interests. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond an approximately twelve-month period. Management's plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations.

The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs. Further, the Company's ability to continue as a going concern is dependent upon the successful results from its activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations, none of which is in any way certain that the Company can achieve. The Company has now started the process of repositioning its technology that may provide opportunities for monetization. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

If the going concern basis was not appropriate for these consolidated financial statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used on the consolidated statements of financial positions. Such adjustments could be material which would significantly impact the financial statements and the Company's ability to operate.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Except as described in note 2(b), significant accounting policies have been consistently applied in the presentation of these consolidated financial statements.

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on April 30, 2021.

(b) Basis of presentation

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value. These consolidated financial statements have prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars and the Company and its subsidiaries' functional currency is US dollars.

(c) Consolidation

These consolidated financial statements include accounts of the Company and the following controlled entities at December 31, 2020 and 2019:

(Expressed in Canadian Dollars)

	Relationship	Percentage
Good Life Networks USA Inc.**	Subsidiary	60%
Lighthouse Digital Inc.	Subsidiary	100%
495 Communications, LLC*	Subsidiary	100%
ImpressionX Inc.*	Subsidiary	100%

* The Company acquired 495 Communications, LLC (“495”) and ImpressionX Inc. (“ImpressionX”) on December 17, 2018. ImpressionX was dissolved on December 10, 2019. 495 is in the process of dissolution.

** Good Life Networks USA Inc. (“GLN US”) was dissolved on June 17, 2020.

All intercompany balances and transactions are eliminated on consolidation. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

(d) Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include:

(i) Share-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes Option Pricing Model (“Black-Scholes”) utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Significant areas requiring the use of judgments include:

(i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its platform development and working capital requirements.

(ii) The Company records expected credit losses (“ECL”) related to accounts receivable that are considered to be uncollectable. The ECL is based on the Company’s knowledge of the financial condition of its customers, the aging of the receivables, the current business environment and historical experience. A change to those factors could impact the ECL and the provision for bad debts.

(iii) The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

(iv) Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.

(v) Contingencies are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgement, including assessing whether a present obligation exists, assessing factors that may mitigate or reduce the obligation, and determining a reliable estimate of the amount of cash outflow required to settle the obligation. The Company is required to both determine whether loss is probable and whether the loss can be reasonably estimated. The uncertainty involved with the time and amount at which a contingency may be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(vi) Contingent consideration and the allocation of fair value of assets acquired. The determination of fair value of assets acquired and contingent consolidation requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require the most judgment and include estimates of future cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to the periods presented.

(a) Income taxes

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income 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 the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(b) Share issue costs

The Company accounts for share issue costs by deferring the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

(c) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

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 Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares 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 the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

(d) Share-based compensation

Share-based compensation to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes option pricing model, which incorporates all market vesting conditions. For employee share options, the number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(e) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income or loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Stock options and share purchase warrants are typically dilutive when the Company has net income for the period and the average market price of the common shares during the period exceeds the exercise price of the stock option and/or share purchase warrant.

Shares held in escrow are excluded from the determination of basic income (loss) per share if the release from escrow is other than time based.

(f) Financial instruments

The following table shows the classification of financial instruments:

	Classification
Cash	Fair value – P&L
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank debts	Amortized cost
Due to a related party	Amortized cost
Loan payable	Amortized cost
Other liabilities	Amortized cost
Derivative liability	Fair value – P&L

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income (loss).

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the

initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(g) Foreign currency translation

The functional currency of the Company and its subsidiaries is the United States dollar, and accounts denominated in currencies other than the United States dollar have been translated as follows:

- Monetary assets and liabilities at the exchange rate at the consolidated statement of financial position date;
- Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
- Shareholders' equity items at historical exchange rates; and
- Revenue and expense items at the rate of exchange in effect on the transaction date.

The Company's presentation currency is the Canadian dollar. For presentation purposes, all amounts are translated from the United States dollar functional currency to the Canadian dollar presentation currency for each period. Statement of financial position accounts, with the exception of equity, are translated using the exchange rate at the end of each reporting period, transactions on the statement of comprehensive income (loss) are recorded at the average rate of exchange during the period, and equity accounts are translated using historical actual exchange rates.

Exchange gains and losses arising from translation to the Company's presentation currency are recorded as translation adjustment, which is included in translation reserve in the statement of shareholders' equity (deficiency).

(h) Derivative liability

The Company classifies equity instruments that do not meet the definition of equity as derivative liabilities which are fair valued each reporting period subsequent to the initial issuance unless the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed. The Company uses the Black-Scholes option pricing model to fair value these instruments. All changes in the fair value are recorded in the consolidated statements of comprehensive income (loss).

(i) Accounting standards issued but not yet effective

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published, but are not yet effective, and have not been early-adopted by the Company. The Company does not expect these new pronouncements to have a significant impact on its consolidated financial statements.

4. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified at fair value through profit and loss ("FVTPL"); accounts receivable is classified at amortized cost; and accounts payable and accrued liabilities, due to relates party, loan payable, bank debts and other liabilities are classified at amortized cost. The carrying values of these instruments, other than bank debts, approximate their fair values due to their short term to maturity. The carrying value of bank debts approximates fair value as they were at market rates of interest. Contingent consideration and derivative liability are classified at FVTPL using level 3 of the fair value hierarchy.

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major Canadian financial institution and the Company's concentration of credit risk for cash and maximum exposure thereto is $554 (2019 - $100,767).

With respect to its accounts receivable, the Company assesses the credit rating of all customers. The Company's credit risk with respect to accounts receivable and maximum exposure thereto is $nil (2019 - $597,765). Accounts receivable are shown net of provision of credit losses of $nil (2019 – $nil).

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due. At December 31, 2020, the Company has $554 (2019 - $100,767) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of $2,412,472 (2019 - $3,267,661) are due within three to six months. Loan payable of $95,490 (2019 - $1,091,963), bank debts of $nil (2019 – $10,890,042), due to a related party of $245,890 (2019 - $nil) and other liabilities of $484,931 (2019 - $559,931) are due within twelve months.

The Company manages its liquidity risk by raising additional funds through equity or debt financing to fund its current liabilities and operations.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate, foreign currency and other price risk.

(i) Interest rate risk

The Company is exposed to floating interest rate risk related to its bank debts.

(Expressed in Canadian Dollars)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company also exposed to foreign currency risk that options and warrants that have exercise price which is different from its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at December 31, 2020 and 2019, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	2020	**2019**
	CAD$	CAD$
Cash	554	25,153
Accounts receivable	-	597,765
Accounts payable and accrued liabilities	(1,425,829)	(1,223,439)
Loans payable	(95,490)	(1,091,936)
Other liabilities	(484,931)	(434,931)
Due to a related party	(245,890)	-
	(2,251,586)	(2,127,388)

A 10% (2019 - 10%) change in the US dollar against the Canadian dollar at December 31, 2020 would result in a change of approximately $225,000 (2019 - $213,000) in comprehensive income (loss).

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

5. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity (deficiency) and debt obligations. The Company's objectives in managing its capital are to maintain its ability to continue as a going concern, to further develop its business and ensure compliance with covenants of any applicable credit facility and other financing facilities. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to meet its strategic goals.

The Company manages the capital structure and makes adjustments to it depending on economic conditions and the rate of anticipated expenditures. The Company may issue shares or seek debt or streaming financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Company is not subject to externally imposed capital requirements.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

During the year ended December 31, 2020

Pursuant to a warrant exercise the Company issued 350,000 shares at $0.15 for gross proceeds of $52,500.

During the year ended December 31, 2020, 1,232,862 shares were issued with a fair value of $255,017 to settle accounts payable amounts owing to various lenders of $650,209, resulting in a gain of $395,192.

On July 30, 2020, the Company completed a private placement for gross proceeds of $1,332,745 through the issuance of 13,327,450 units. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant shall be exercisable into one common share for 24 months at an exercise prices of $0.15 per share.

The Company paid $71,745 cash commission and issued 253,956 agents' warrants to purchase common shares at $0.15 per share until July 30, 2022. The agents' warrants were valued using the Black-Scholes model resulting in fair value of $57,877.

750,000 common shares were issued in full settlement of Lerna and Lernalabs loan of $75,000. The fair value of the 750,000 common shares was determined to be $75,000.

150,000 common shares were issued with a fair value of $15,000 to the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of 16,397 together with the cash payments described in note 13.

During the year ended December 31, 2019

36,250 options were exercised at a price of $2.00 per option for proceeds of $72,500, and 177,060 options were exercised at a price of $2.50 per option for proceeds of $442,651.

21,333 warrants were exercised at a price of $3.46 per warrant for proceeds of $73,812.

On July 15, 2019, the Company completed a private placement for gross proceeds of $2,117,500 through the issuance of 1,058,750 units. Each unit consists of one common share of the Company and one-half of one common share purchase warrant common shares. Each full warrant shall be exercisable into one common share for 24 months at an exercise price of $3.50 per share.

(Expressed in Canadian Dollars)

The Company paid $195,625 cash commission and issued 12,500 units at $2.00 as corporate finance fees and issued 52,838 agents' options to purchase common shares at $2.00 per share until July 15, 2021. The agent's options were valued using the Black-Scholes model resulting in fair value of $81,256 which was recorded as share issuance costs.

(c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2018	899,371	$ 2.70
Issued	873,896	3.13
Exercised	(21,333)	3.46
Outstanding, December 31, 2019	1,751,7934	$ 2.92
Issued	7,417,681	0.16
Expired	(1,001,701)	3.48
Exercised	(350,000)	0.15
Outstanding, December 31, 2020	7,817,914	$ 0.35

The following warrants were outstanding at December 31, 2020:

Grant Date	**Expiry Date**	**Exercise Price**	**Number of Warrants**	**Exercisable**
January 26, 2018	January 26, 2023	$ 1.88	120,500	120,500
December 18, 2018	December 18, 2023	$ 1.84	291,462	-
July 22, 2019	July 22, 2024	$ 3.66	119,075	119,075
July 22, 2019	July 22, 2024	$ 1.94	219,196	219,196
July 30, 2020	July 30, 2022	$ 0.15	6,567,681	6,567,681
August 17, 2020	August 17, 2022	$ 0.275	500,000	500,000
			7,817,914	7,526,452

The weighted average contractual life of warrants as at December 31, 2020 is 1.73 years (December 31, 2019 - 1.97 years).

On July 30, 2020, the Company granted 253,956 finders' warrants in connection with the private placement. All finders' warrants are exercisable at $0.15 per share until July 30, 2022. The fair value of these warrants were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.26%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	261.63%

(Expressed in Canadian Dollars)

On August 17, 2020, the Company granted 500,000 settlement warrants in connection with full settlement of bank loan. Each settlement warrant shall be exercisable into one common share of the Company for 24 months at a price of $0.275 per share until August 17, 2022. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.26%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	261.45%

Some of the Company's warrants with a $CAD exercise price have been recognized as a derivative liability given the functional currency of the Company is the US$, as they did not meet the "fixed-for-fixed" criteria. The following is a summary of the Company's warrant derivative liabilities as at December 31, 2020 and 2019:

Balance, December 31, 2018	$	555,058
Warrants issued in for earn-out		554,449
Change in fair value of derivative liability		(1,037,256)
Functional currency translation adjustment		(23,610)
Balance, December 31, 2019	$	48,641
Warrants issued for settlement of bank loan		128,655
Change in fair value of derivative liability		170,647
Functional currency translation adjustment		6,033
Balance, December 31, 2020	$	353,976

The fair value of the derivative liabilities as at December 31, 2020 was determined using the following weighted average assumptions:

- Risk-free interest rate 0.21%
- Expected term (in years) 1.65
- Estimated dividend yield 0%
- Weighted-average estimated volatility 213.33%

(Expressed in Canadian Dollars)

(d) Stock options

Options transactions and the number of options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2018	1,052,506	$ 2.30
Option Exercised	(213,310)	2.42
Forfeited	(346,500)	2.22
Expired	(38,750)	2.00
Granted	52,838	2.00
Outstanding, December 31, 2019	506,784	$ 2.30
Expired	(77,446)	2.50
Outstanding, December 31, 2020	429,338	$ 2.27

When the Company issues stock options, it records a share-based compensation in the year or period which the options are granted and/or vested. The expense is estimated using the following assumptions. Due to the lack of historical pricing information for the Company, the expected volatility is based on an average of historical prices of a comparable group of companies within the same industry. The risk-free interest rate is based on yield curves on Canadian government zero coupon bonds with a remaining term equal to the expected life of the stock options. The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Based on the best estimate, management applied the estimated forfeiture rate of 0%.

On July 15, 2019, the Company granted 52,838 agent's options in connection with the private placement. All agent's options are exercisable at $2.00 per share until July 15, 2021. The fair value of these options were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.59%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	168.03%

For the year ended December 31, 2020, the Company recognized share-based compensation of $nil (2019 - $212,161) relating to the stock options that vested during the period.

(Expressed in Canadian Dollars)

The following options were outstanding at December 31, 2020:

Grant Date	Expiry Date	Exercise Price	Number of Options	Exercisable
January 30, 2018	January 30, 2023	$ 2.50	302,500	302,500
December 18, 2018	December 31, 2023	$ 1.50	74,000	74,000
July 15, 2019	July 15, 2021	$ 2.00	52,838	52,838
			429,338	429,338

The weighted average contractual life for the remaining options as at December 31, 2020 is 2.05 years (December 31, 2019 - 2.60 years).

7. INCOME TAXES

As at December 31, 2020, the Company has non-capital losses of approximately $13,943,000 available that may be carried forward and applied against future income for Canadian income tax purposes. The non-capital losses will begin to expire in 2033.

Management continually evaluates the likelihood that its deferred tax assets could be realized. The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable that sufficient taxable income will exist in the future to utilize deferred tax assets.

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

		2020		2019
Equipment	$	196,422	$	196,422
Share issue costs		673,478		904,507
Intangible assets		933,448		933,448
Derivative liability		176,233		54,674
Non-capital losses carried forward		13,943,475		23,361,196
Unrecognized deductible temporary differences	$	15,923,056	$	25,450,247

(Expressed in Canadian Dollars)

Income tax expense differs from the amount that would be computed by applying the combined corporate income tax rate of 27.00% (2019 – 27.00%) to loss before income taxes. The reasons for the differences are as follows:

		2020		2019
Income (loss) before tax	$	9,942,090	$	(24,894,255)
Statutory tax rate		27%		27%
Expected income tax benefit		2,684,364		(6,721,449)
Permanent differences		-		79,242
Change in timing difference		27,641)		(17,916)
Unrecognized (recognized) benefit of deferred tax		(2,375,040)		3,586,369
Other adjustments for tax purposes		(309,324)		258,260
	$	-	$	(2,815,494)

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Company paid wages and benefits of $17,552 (2019 - $476,298) and share-based compensation of $nil (2019 - $63,092) to companies controlled by directors/officers and family members of directors/officers.

At December 31, 2020, included in accounts payable and accrued liabilities was $266,970 (December 31, 2019 - $33,555) owing to officers and directors. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

As at December 31, 2020, included in due to a related party was $245,890 (December 31, 2019 – $nil) owing to a company controlled by directors/officers. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

The Company's directors/officers acquired 1,000,000 units pursuant to the private placement which was taken place on July 30, 2020. The issuance of units is considered to be a related party transaction within the meaning of TSX Venture Exchange Policy (note 6(b)).

In 2018, the Company acquired certain patents from a company controlled by an officer of the Company in the amount of $625,000, which remains unpaid as at December 31, 2020 and is included in accounts payable and accrued liabilities.

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

(Expressed in Canadian Dollars)

Key management compensation

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the years ended December 31, 2020 and 2019 were as follows:

		2020		2019
Management and consulting fees	$	698,884	$	1,077,021
Share-based compensation	$	-	$	107,328

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment: digital branding and advertising. As at December 31, 2020, the Company earned $nil (2019 - $8,358,386) revenue from United States customers.

Significant Customers - During the year ended December 31, 2019, one customer had sales exceeding 10% of the Company's annual revenues for a combined total of $1,257,703.

10. OTHER LIABILITIES AND CONTINGENCIES

		2020		2019
Legal fees – others	$	434,931	$	434,931
Settlement of Lerna and Lernalabs		-		75,000
Obligation to issue shares		50,000		50,000
	$	484,931	$	559,931

Lerna and Lernalabs

In July 2019, the Company entered into a settlement agreement with Lerna and Lernalabs. pursuant to which the Company agreed to pay to Lerna and Lernalabs the sum of US $650,000 in full and final settlement, to be paid in deferred instalments with the final payment due December 19, 2019. The Company made the first instalment payment of US $100,000 during the year ended December 31, 2019 but failed to make additional payments and was therefore subject to an interest penalty of US $100,000. As at December 31, 2019, the amount of $851,695 (US $650,000) remains payable. On January 20, 2020, the Company entered into an amended settlement agreement with Lerna and Lernalabs pursuant to which the Company agreed to issue 750,000 common shares to Lerna and Lernalabs in full settlement of the amount owing of $851,695. In addition, a further 185,000 common shares owned by an officer of the Company were transferred to another officer of the Company. The fair value of the 750,000 common shares was determined to be $75,000. The liability as at December 31, 2019 was reduced to $75,000. During the year ended December 31, 2020, 75,000 common shares were issued in full settlement of the debt.

As at December 31, 2020, a payable of $434,931 remains outstanding which is due to the lawyers responsible for negotiating the various agreements with Lerna and Lernalabs.

(Expressed in Canadian Dollars)

11. NON-CONTROLLING INTEREST

The Company's 60% owned subsidiary, Good Life Network USA Inc. ("GLN US"), was dissolved on June 17, 2020. As at December 31, 2020, the non-controlling interest in GLN US was reduced to $nil.

The summarized financial information of the subsidiary in 2019 is as follows: Current asset of $1,027, current liabilities of $217,063, and net income of $2,445 with non-controlling interests of $978.

12. BANK DEBT

On December 17, 2018, the Company entered into a commercial agreement with a major Canadian financial institution (the "Bank") to provide four credit facilities ("Facilities") for working capital and acquisitions. On November 5, 2019, the Company entered into a restructuring agreement with the Bank to consolidate the Facilities into two Canadian dollar loans (the "Restructured Loans") pursuant to which the Bank agreed to defer enforcement of the security until November 5, 2021 (the "Maturity Date"). The loan balances are as follows:

	2020	2019
Loan A	$ -	$ 3,000,000
Loan B	-	7,754,619
Accrued interest	-	135,423
	$ -	$ 10,890,042

Loan A bears interest at a rate of prime per annum with interest payable monthly. The Company must repay 50% of interest accrued in cash monthly, with the remaining 50% payable on the Maturity Date. Loan A is fully repayable on the Maturity Date.

Loan B bears interest at a rate of prime plus 5% per annum with interest payable monthly. Interest is accrued and becomes payable on the Maturity Date. Loan B repayments are due as follows;

i. USD $300,000 no later than September 23, 2020;
ii. USD $50,000 no later than December 31, 2020;
iii. USD $600,000 no later than September 23, 2021; and
iv. The remaining balance of principal and interest on the Maturity Date

The borrowing conditions outlined in the Restructured Loan agreement required the Company to submit monthly, quarterly and other financial information to the Bank. The Restructured Loan agreement incorporated incentives to reduce the amount repayable to the Bank.

During the year ended December 31, 2019, the Company paid interest of $609,728 towards the credit facilities.

The Company was not in compliance with the above covenants at December 31, 2019. Accordingly, the entire bank debt balance was classified as current liability.

In August 2020, the Company reached an agreement with the Bank to settle all outstanding debt in exchange for (i) 500,000 common share purchase warrants (the "Settlement Warrants") of the Company; and (ii) a cash payment of $825,000. Each Settlement Warrant is exercisable into one common share of the Company at a price of $0.275 per share for a period of 24 months from the date of issue.

(Expressed in Canadian Dollars)

During the year ended December 31, 2020, 500,000 common share purchase warrants were issued to the Bank in full settlement of the outstanding bank loan of $10,890,042 and its accrued interest of $403,473 together with the cash payments of $825,000. The settlement warrants were valued using the Black-Scholes model resulting in fair value of $128,655, resulting in a gain of $10,339,860. The warrants issued are presented as a derivative liability as they do not meet the fixed-for-fixed criteria. All securities and registrations required by the settlement agreement have been discharged.

13. LOAN PAYABLE

The Company signed a promissory note agreement related to the acquisition of 495 for $1,035,010. The loan was repayable on or before February 1, 2019. The loan begins accruing interest at a rate of 6% per annum in the event the principal is not repaid on the due date. The loan is unsecured.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of $16,397. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD $125,000 in four installments:

- i) USD $25,000 by June 1, 2020 (paid);
- ii) USD $25,000 by September 1, 2020 (paid);
- iii) USD $25,000 by December 1, 2020 (paid subsequent to year end);
- iv) USD $50,000 by March 1, 2021 (paid subsequent to year end); and
- v) issuance of 150,000 common shares (issued).

During the year ended December 31, 2020, repayments of $70,142 (2019 - $nil) were made toward the outstanding balance of the loan and 150,000 common shares with a fair value of $15,000 (2019 - $nil) were issued in connection with the mutual release agreement. As at December 31, 2020, the outstanding balance is $95,490 (December 31, 2019 - $1,091,936), including interest payable of $nil as at December 31, 2020 (December 31, 2019 - $56,926). A gain of $927,701 from settlement of debt was recognized in the statement of comprehensive income (loss).

14. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted loss per share for the relevant years is based on the following:

		2020		2019
Net Income (loss) for the year	$	9,942,090	$	(24,894,255)
Basic and diluted weighted average number of common shares outstanding		18,298,434		8,392,194
Basic and diluted earnings (loss) per share	$	0.54	$	(2.97)

Anti-dilutive options that are not included in the diluted earnings per share calculation were 429,338 for the year ended December 31, 2020.

Anti-dilutive warrants that are not included in the diluted earnings per share calculation were 7,526,452 for the year ended December 31, 2020.

(Expressed in Canadian Dollars)

15. GENERAL AND ADMINISTRATIVE EXPENSES

		2020		2019
Office, software and general	$	157,665	$	674,084
Accounting, legal and audit		289,966		698,467
Consulting		898,739		1,310,719
Management fees		228,571		841,469
Insurance		18,865		66,454
Rental		-		171,777
Travel		8,482		552,901
Wages and salaries		164,963		1,404,408
Total	$	1,767,251	$	5,720,279

16. IMPAIRMENT AND WRITE-OFFS

The Company has impaired and written off the following during the year ended December 31, 2020 and 2019:

		2020		2019
Intangible assets (note 20)	$	-	$	10,468,597
Goodwill related to 495 (note 20)		-		7,792,864
Goodwill related to ImpressionX (note 20)		-		2,292,733
Office equipment and software		-		84,812
Dissolution of GLN US		(347,607)		-
Dissolution of ImpressionX		-		1,040,732
Write-offs related to 495 *		(512,118)		-
Change in fair value of contingent consideration				
495 (note 20)		-		(8,952,900)
ImpressionX (note 20)		-		(2,467,146)
Total	$	(859,725)	$	10,259,692

***** During the year ended December 31, 2020, the Company wrote off certain balances in 495 including trade payables of $549,379 that the Company is not liable for, accounts receivable of $18,482 and prepaids of $18,779.

17. GAIN ON DEBT SETTLEMENT

During the year ended December 31, 2019, the Company settled payable amounts with ImpressionX former owners, resulting in a gain of $855,135 recognized in the consolidated statement of comprehensive income (loss).

During the year ended December 31, 2020, the Company settled accounts payable amounts by issuance of common shares with fair value lower than their carrying values, resulting in a gain of $395,192 recognized in the consolidated statement of comprehensive income (loss) (note 6(b)).

The Company settled all outstanding bank debt with the bank, resulting in a gain of $10,339,860 recognized in the consolidated statement of comprehensive income (loss) (note 12).

The Company settled loan payable amounts with the former owner of 495, resulting in a gain of $927,701 recognized in the consolidated statement of comprehensive income (loss) (note 13).

18. BAD DEBTS

During the year ended December 31, 2019, the Company recognized net bad debts of $10,227,552 in the consolidated statements of comprehensive income (loss). The amount includes uncollectable trade receivables of $14,790,502, offsetting by related $4,562,950 trade payables that the Company is not liable for.

During the year ended December 31, 2020, the Company recognized bad debts of $96,797 in the consolidated statements of comprehensive income (loss). The amount is related to uncollectable GST receivable.

19. SETTLEMENT ON CONTRACT FEES

During the year ended December 31, 2019, the Company recognized a contract settlement expense of $656,470 for breaking the contract with a third party for digital advertising and marketing platform development. During the year ended December 31, 2019, $151,137 was settled by cash payment. During the year ended December 31, 2020, the remaining balance of $505,333 was settled by issuance of shares (see note 6(b)).

20. ACQUISITIONS

495 Communications, LLC
On December 17, 2018, the Company closed the acquisition of 100% of the issued and outstanding shares of 495 Communications, LLC ("495") under the terms of a definitive share purchase agreement. As a result of the acquisition, 495 operates as a wholly-owned subsidiary of the Company. 495 is in the business of Connected Television ("CTV") advertising and content marketing. 495 has exclusive rights to advertise on numerous premium CTV channels, where users can watch advertising supported movies and video content. The Company acquired 495 to gain access to its customer base and CTV advertising and content.

The aggregate consideration paid by the Company to acquire 495 comprised of:
- (i) US $3,500,000 cash less the amount of outstanding indebtedness;
- (ii) a cash earn-out, up to a maximum of $5,500,000 for performance benchmarks; and
- (iii) a share/cash earn-out, to be satisfied, at the sole discretion of the Company, in cash or through the issuance of common shares of the Company up to a maximum amount of US $6,000,000 for hitting performance benchmarks. The earn-out period is from January 1, 2019 to December 31, 2019, with payment due in January 2020.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and liabilities assumed were recorded at their estimated fair values at the acquisition date.

(Expressed in Canadian Dollars)

The provisional allocation of the purchase consideration to the total fair value of net assets acquired is as follows:

Fair value of net assets acquired	$
Cash	1,023,259
Accounts receivable	3,450,650
Other current assets	25,481
Customer relationships	5,860,607
Tradenames & trademarks	1,837,307
Accounts payable	(3,292,593)
Other current liabilities	(50,769)
Deferred income tax liability	(2,078,437)
Identifiable net assets acquired	6,775,505
Goodwill	7,792,864
	14,568,369
Consideration Paid	$
Cash	4,693,850
Loan payable (note 23)	1,023,259
Fair value of earn-outs	8,851,260
	14,568,369

On acquisition, the Company recognized a deferred income tax liability of $2,078,437 from the temporary differences arising from the customer relationships, tradenames and trademarks. The resulting goodwill represents the established growth potential and synergies between 495 and the Company.

Developments in 2019

In 2019, primarily as a result of the Company's deterioration of its revenues for its advertising and content marketing business related to the business of 495, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of 495 exceeded their estimated fair value (note 16). In measuring the recoverable value of goodwill, the Company used a discounted cash flow model but determined it could not reliably estimate future revenue streams. The Company compared the indicated fair value using level 3 assumptions to the carrying value of goodwill, and as a result of the analysis, an impairment charge of $7,792,864 was recorded to write down goodwill for the year ended December 31, 2019.

In addition, management determined that the probability of reaching the performance benchmarks and paying the potential earn-outs has been reduced to a nominal amount. Accordingly, the Company estimated the fair value of the contingent consideration to be $nil and reversed the amount of $8,952,900 with a foreign exchange effect of $101,639 (note 16).

ImpressionX

On December 17, 2018, the Company acquired 100% of the issued and outstanding shares of ImpressionX Inc. ("ImpressionX") under the terms of a definitive share purchase agreement. As a result of the acquisition, ImpressionX operates as a wholly owned subsidiary of the Company.

ImpressionX is a digital advertising company with a focus on CTV, mobile, and digital media platforms. Customers consist of advertisers seeking to publish their content on mobile, digital and CTV platforms. The Company acquired ImpressionX to gain access to its customer base and CTV advertising and content.

The aggregate consideration paid by the Company to acquire ImpressionX comprised of:

(i) US $500,000 cash;
(ii) A working capital adjustment of $845,427 recorded in accounts payable of the Company as at December 31, 2019;
(iii) A performance earn-out of up to US $1,000,000 in cash based on agreed-upon milestones. The earn-out period is for the 12-month period following the closing date, with payment due in January 2020;
(iv) A performance earn-out of up to US $2,600,000 in warrants for the 2-year period following the closing date; and
(v) 291,462 warrants with an exercise price of $1.836 and term of 5 years.

The warrants issued on acquisition date have an estimated fair value of $388,919, calculated using the Black-Scholes option pricing model assuming a share price of $1.95, average risk-free interest rate of 1.93%, a 0% dividend rate and volatility of 85%. The warrants issued are presented as a derivative liability as they do not meet the fixed-for-fixed criteria.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and liabilities assumed were recorded at their estimated fair values at the acquisition date.

(Expressed in Canadian Dollars)

The provisional allocation of the purchase consideration to the total fair value of net assets acquired is as follows:

Fair value of net assets acquired	$
Accounts receivable	3,994,324
Customer relationships	2,722,433
Accounts payable	(3,148,897)
Deferred income tax liability	(737,057)
Identifiable net assets acquired	2,830,803
Goodwill	2,292,733
	5,123,536

Consideration Paid	$
Cash	670,550
Working capital adjustment	845,427
Warrants	388,919
Fair value of earn-outs	3,218,640
	5,123,536

On acquisition, the Company recognized a deferred income tax liability of $737,057 from the temporary difference arising from the customer relationships. The resulting goodwill represents the established growth potential and synergies between ImpressionX and the Company.

Developments in 2019

In 2019, primarily as a result of the Company's deterioration of its revenues for its advertising and content marketing business related to the business of ImpressionX, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of ImpressionX exceeded their estimated fair value note 16). In measuring the recoverable value of goodwill, the Company used a discounted cash flow model but determined it could not reliably estimate future revenue streams. The Company compared the indicated fair value using level 3 assumptions to the carrying value of goodwill, and as a result of the analysis, an impairment charge of $2,292,733 was recorded to write down goodwill for the year ended December 31, 2019.

During 2019, certain performance benchmarks related to the earn-outs were achieved and as a result, the Company paid cash of $234,005 and issued warrants with a fair value of $554,449. Management determined that the probability of reaching the remaining performance benchmarks and paying the potential earn-outs has been reduced to a nominal amount. Accordingly, the Company estimated the fair value of the contingent consideration to be $nil and reversed the amount of $2,467,146 (note 16).

21. COMMITMENTS

Consideration paid to certain consultants from private placement proceeds:

On July 30, 2020, the Company closed a private placement for gross proceeds of $1,332,745 (the "July Offering"), and indicated that the proceeds from July Offering would be used for general working capital. On July 30, 2020, the Company announced the closing of the July Offering (note 6(b)), $165,000 of the aggregate gross proceeds of $1,332,745, a portion of which was raised through the consultants, were to satisfy the Company's obligations under the consulting agreements.

(Expressed in Canadian Dollars)

22. SUPPLEMENTAL CASH FLOW DISCLOSURE

		2020		2019
Additional Information				
Accounts receivable written off to bad debts	$	-	$	14,790,502
Accounts payable and accrued liabilities written off to bad debts	$	-	$	4,562,950
Shares issued for debt settlement	$	345,017	$	-
Warrants issued for bank loan settlement	$	128,655		-
Gain on settlement of accounts payable	$	395,192	$	855,135
Interest paid on bank debt	$	-	$	609,528
Prepaids written off on dissolution of entity	$	18,779	$	-
Accounts receivable written off on dissolution of entity	$	18,482	$	-
Accounts payable and accrued liabilities written off on dissolution of entity	$	1,585,417	$	-

23. SUBSEQUENT EVENTS

(a) On March 19, 2021 the Company announced it has completed a non-brokered private placement offering of an aggregate total of 25,111,983 units of the Company, at a price of $0.12 per unit to raise aggregate gross proceeds of $3,013,438. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder, on exercise thereof, to purchase one additional common share of the Company at a price of $0.25 per share for a period of 24 month from the completion of the private placement.

In connection with the non-brokered private placement, the Company issued 679,126 agents' warrants. The agents' warrants have an exercise price of $0.25 per share for a period of 24 months from the completion of the private placement.

(b) Subsequent to the year ended December 31, 2020, 1,081,500 common shares were issued upon the exercise of warrants. The warrants were exercised at a price of $0.15 for gross proceeds of $162,225.

(c) Subsequent to the year ended December 31, 2020, the Company entered into a settlement agreement with a third party to settle a claim against the Company for $67,200. The settlement amount was paid subsequent to year end in full settlement of the claim. As at December 31, 2020, the settlement amount of $67,200 was included in accounts payable and accrued liabilities on the consolidated statement of financial position.

(d) Subsequent to the year ended December 31, 2020, the Company settled a claim against the Company with a former consultant for $70,087 (US $55,000). As at December 31, 2020, the settlement amount of $70,087 was included in accounts payable and accrued liabilities on the consolidated statement of financial position.

APPENDIX "B"
INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

AQUARIUS AI INC. (FORMERLY GOOD LIFE NETWORKS INC.)

Condensed Consolidated Interim Financial Statements
For the Three Months ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

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

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

AQUARIUS AI INC. (FORMERLY GOOD LIFE NETWORKS INC.)
Condensed Consolidated Interim Statements of Financial Position
March 31, 2021 and December 31, 2020
(Expressed in Canadian Dollars)

		March 31, 2021		December 31, 2020
Assets				
Current				
Cash	$	1,131,178	$	554
GST receivable		73,270		54,360
Prepaids		-		2,917
	$	1,204,448	$	57,831
Liabilities				
Current				
Accounts payable and accrued liabilities (note 7)	$	1,412,507		2,412,472
Loan payable (note 10)		-		95,490
Due to a related party (note 7)		20,890		245,890
Other liabilities (note 8)		484,931		484,931
		1,918,328		3,238,783
Derivative Liability (notes 6(c))		811,536		353,976
		2,729,864		3,592,759
Shareholders' Equity (Deficiency)				
Share Capital (note 6)		24,895,086		21,896,849
Translation Reserve		(273,351)		(254,658)
Reserves (note 6)		1,834,739		1,738,688
Deficit		(27,981,890)		(26,915,807)
Equity (Deficiency) Attributable to Owners of the Company		(1,525,416)		(3,534,928)
	$	1,204,448	$	57,831

Approved on behalf of the Board:

"Jesse Dylan"
………………………………………………
Jesse Dylan, Director

"Christopher Bradley"
………………………………………………
Christopher Bradley, Director

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

AQUARIUS AI INC. (FORMERLY GOOD LIFE NETWORKS INC.)
Condensed Consolidated Interim Statements of Comprehensive Loss
Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Three Months Ended	
	March 31, 2021	**March 31, 2020**
Operating Expenses		
Financing costs	$ **-**	$ 231,733
General and administrative	**604,022**	527,051
Marketing and sales	**25,476**	3,229
	629,498	762,013
Operating Loss	**(629,498)**	(762,013)
Recovery of bad debt	**-**	2,364
Foreign exchange loss	**(20,976)**	(134,590)
Fair value changes of derivative liability (note 6(c))	**(457,561)**	26,146
Net Loss	$ **(1,066,083)**	$ (868,093)
Translation adjustment	**(18,693)**	15,578
Comprehensive Loss	$ **(1,084,776)**	$ (852,515)
Comprehensive Loss Attributed to:		
Owners of the Company	$ **(1,084,776)**	$ (848,398)
Non-controlling interest	**-**	(4,117)
	$ **(1,084,776)**	$ (852,515)
Basic and Diluted Loss Per Share (note 11)	$ **(0.04)**	$ (0.10)

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

AQUARIUS AI INC. (FORMERLY GOOD LIFE NETWORKS INC.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital						
	Number	**Amount**	**Reserves**	**Translation Reserve**	**Deficit**	**Non-Controlling Interest**	**Total**
Balance, December 31, 2019	**9,040,003**	**$ 20,296,209**	**$ 1,680,811**	**$ (140,149)**	**$ (36,881,535)**	**$ 23,638**	**$ (15,021,026)**
Cumulative translation adjustment	-	-	-	19,695	-	(4,117)	15,578
Net loss for the period	-	-	-	-	(868,093)	-	(868,093)
Balance, March 31, 2020	**7,968,753**	**$ 18,395,222**	**$ 1,680,811**	**$ (120,454)**	**$ (37,749,628)**	**$ 19,521**	**$ (15,873,541)**
Balance, December 31, 2020	**24,850,314**	**$ 21,896,849**	**$ 1,738,688**	**$ (254,658)**	**$ (26,915,807)**	**$ -**	**$ (3,534,928)**
Units issued from private placement (note 6(b))	25,111,983	3,013,438	-	-	-	-	3,013,438
Warrants exercised	1,081,500	162,225	-	-	-	-	162,225
Share issuance costs	-	(81,375)	-	-	-	-	(81,375)
Agents' warrants	-	(96,051)	96,051	-	-	-	-
Cumulative translation adjustment	-	-	-	(18,693)	-	-	(18,693)
Net loss for the period	-	-	-	-	(1,066,083))	-	(1,066,083)
Balance, March 31, 2021	**51,043,797**	**$ 24,895,086**	**$ 1,834,739**	**$ (273,351)**	**$ (27,981,890)**	**$ -**	**$ (1,525,416)**

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

AQUARIUS AI INC. (FORMERLY GOOD LIFE NETWORKS INC.)
Condensed Consolidated Interim Statements of Cash Flows
Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating Activities		
Net loss for the period	$ **(1,066,083)**	$ (868,093)
Items not involving cash		
Financing costs	**-**	231,734
Fair value change in derivative liability	**457,560**	(26,146)
Foreign exchange gain	**(18,693)**	21,611
	(627,216)	(640,894)
Changes in non-cash working capital		
Accounts receivable	**-**	446,799
GST receivable	**(18,910)**	(12,433)
Due from related party	**(225,000)**	-
Prepaids	**2,917**	1,165
Accounts payable and accrued liabilities	**(999,965)**	147,097
Interest paid	**-**	(4)
Cash Used in Operating Activities	**(1,868,174)**	(58,270)
Financing Activities		
Proceeds from private placement	**3,013,438**	-
Share issuance costs	**(81,375)**	-
Loan repayment	**(95,490)**	-
Proceeds from warrants exercise	**162,225**	-
Cash Provided by Financing Activities	**2,998,798**	-
Inflow (Outflow) of Cash	**1,130,624**	(58,270)
Cash, Beginning of Period	**554**	100,767
Cash, End of Period	$ **1,131,178**	$ 42,497

* There are no investing activities during three months ended March 31, 2021 and 2020.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aquarius AI Inc. (formerly Good Life Networks Inc.) (the “Company” or “Aquarius”) was incorporated under the Business Corporations Act on August 17, 2011.

Effective January 28, 2018, the Company closed its qualifying transaction (the “Transaction”) with Good Life Networks Inc. (“GLN”), a Vancouver-based, digital media private company. The Transaction was completed by way of a share exchange pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia) (the "Arrangement"), which included the amalgamation of GLN and Exito Energy II Inc. (“Exito”) to form the Company as the resulting issuer. The Company continued the business of GLN, as described below. The transaction was considered a reverse takeover (“RTO”) since the legal acquiree is the accounting acquirer, as the former shareholders of GLN obtained a controlling interest of the resulting issuer after the completion of the Transaction.

The Company changed its name from Good Life Networks Inc. to Aquarius AI Inc. on November 29, 2019. The trading ticker symbol is “AQUA”. The Company continues to trade on the Frankfurt Stock Exchange under the stock symbol "4G5"

The Company’s business is that of a digital technology company with a mandate to develop and/or acquire technologies to monetize in-house or develop and sell to third parties or find joint venture partners for further development and monetization. The principal office of the Company is located at 595 Howe Street 10th floor, Vancouver, BC V6C 2T5, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal of business. For the period ended March 31, 2021, the Company had a net loss of $1,066,083 (2020 - $868,093) and cash outflows from operating activities of $1,868,174 (2020 - $58,270) and as at March 31, 2021, has an accumulated deficit of $27,981,890 (December 31, 2020 - $26,915,807).

The Company has no revenue during the three months ended March 31, 2021 and does not have sufficient cash to meet its administrative overhead, service its obligations or maintain its interests. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond an approximate twelve-month period. Management’s plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations.

The Company’s ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs. Further, the Company’s ability to continue as a going concern is dependent upon the successful results from its activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations, none of which is in any way certain that the Company can achieve. The Company has now started the process of repositioning its technology that may provide opportunities for monetization. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

If the going concern basis was not appropriate for these consolidated financial statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used on the unaudited consolidated statements of financial positions. Such adjustments could be material which would significantly impact the financial statements and the Company's ability to operate.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

The extent to which the Company's operating and financial results are affected by COVID-19 will depend on various factors and consequences beyond its control such as the duration and scope of the pandemic; additional actions taken by business and government in response to the pandemic and the speed and effectiveness of response to combat the virus.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with international Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended December 31, 2019 of Aquarius AI Inc. These condensed consolidated interim financial statements do not include all the disclosures required for the annual audited financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2020.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of the Company on May 31, 2021.

(b) Basis of presentation

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value. These consolidated financial statements have prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars and the Company and its subsidiaries' functional currency is US dollars.

(Expressed in Canadian Dollars)

(c) Consolidation

These condensed consolidated interim financial statements include accounts of the Company and the following controlled entities:

	Relationship	Percentage
Good Life Networks USA Inc.**	Subsidiary	60%
Lighthouse Digital Inc.	Subsidiary	100%
495 Communications, LLC*	Subsidiary	100%

* The Company acquired 495 Communications, LLC (“495”) on December 17, 2018. 495 is in the process of dissolution.

** Good Life Networks USA Inc. (“GLN US”) was dissolved on June 17, 2020.

All intercompany balances and transactions are eliminated on consolidation. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

(d) Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include:

(i) Share-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes Option Pricing Model (“Black - Scholes”) utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Significant areas requiring the use of judgments include:

(i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its platform development and working capital requirements.

(ii) The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

(iii) Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company’s forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.

(iv) Contingencies are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgement, including assessing whether a present obligation exists, assessing factors that may mitigate or reduce the obligation, and determining a reliable estimate of the amount of cash outflow required to settle the obligation. The Company is required to both determine whether loss is probable and whether the loss can be reasonably estimated. The uncertainty involved with the time and amount at which a contingency may be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(v) Contingent consideration and the allocation of fair value of assets acquired. The determination of fair value of assets acquired and contingent consolidation requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require the most judgment and include estimates of future cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting standards issued but not yet effective

A the date of authorization of these condensed interim consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published, but are not yet effective, and have not been early-adopted by the Company. The Company does not expect these new pronouncements to have a significant impact on its condensed interim consolidated financial statements.

4. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified at fair value through profit and loss (“FVTPL”); accounts receivable is classified at amortized cost; and accounts payable and accrued liabilities, loan payable, bank debts and other liabilities are classified at amortized cost. The carrying values of these instruments, other than bank debts, approximate their fair values due to their short term to maturity. The carrying value of bank debts approximates fair value as they were at market rates of interest. Contingent consideration and derivative liability are classified at FVTPL using level 3 of the fair value hierarchy.

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major Canadian financial institution and the Company’s concentration of credit risk for cash and maximum exposure thereto is $1,131,178 (December 31, 2020 - $554).

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. At March 31, 2021, the Company has $1,131,178 (December 31, 2020 - $554) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of $1,412,507 (December 31, 2020 - $2,412,472) are due within three to six months. Loan payable of $nil (December 31, 2020 - $95,490) and other liabilities of $484,931 (December 31, 2020 - $484,931) are due within twelve months.

The Company manages its liquidity risk by raising additional funds through equity or debt financing to fund its current liabilities and operations.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises two types of risk: interest rate and foreign currency risk.

(i) Interest rate risk

The Company is exposed to floating interest rate risk related to its bank debts.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company’s assets and liabilities will fluctuate due to changes in foreign exchange rates.

(Expressed in Canadian Dollars)

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company also exposed to foreign currency risk that options and warrants that have exercise price which is different from its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at March 31, 2021 and December 31, 2020, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	March 31, 2021	December 31, 2020
	CAD$	CAD$
Cash	1,131,178	554
Accounts payable and accrued liabilities	(733,888)	(1,425,829)
Loans payable	-	(95,490)
Other liabilities	(484,931)	(484,931)
Due to a related party	(20,890)	(245,890)
	(108,531)	(2,251,586)

A 10% (2020 - 10%) change in the US dollar against the Canadian dollar at March 31, 2021 would result in a change of approximately $11,000 (December 31, 2020 - $225,000) in comprehensive income (loss).

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

5. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity (deficiency) and debt obligations. The Company's objectives in managing its capital are to maintain its ability to continue as a going concern, to further develop its business and ensure compliance with covenants of any applicable credit facility and other financing facilities. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to meet its strategic goals.

The Company manages the capital structure and makes adjustments to it depending on economic conditions and the rate of anticipated expenditures. The Company may issue shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Company is not subject to externally imposed capital requirements.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

No shares were issued during the three months period ended March 31, 2020.

During the period ended March 31, 2021

Pursuant to a warrant exercise the Company issued 1,081,500 shares at $0.15 for gross proceeds of $162,225.

On March 16, 2021, the Company completed a private placement for gross proceeds of $3,013,438 through the issuance of 25,111,983 units. Each unit consists of one common share of the Company and one common share purchase warrant. Each full warrant shall be exercisable into one common share for 24 months at an exercise prices of $0.25 per share.

The Company paid $81,375 cash commission and issued 679,126 agent's warrants to purchase common shares at $0.25 per share until March 16, 2023. The agent's warrants were valued using the Black-Scholes model resulting in fair value of $96,051.

During the year ended December 31, 2020

Pursuant to a warrant exercise the Company issued 350,000 shares at $0.15 for gross proceeds of $52,500.

During the year ended December 31, 2020, 1,232,862 shares were issued with a fair value of $255,017 to settle accounts payable amounts owing to various lenders of $650,209, resulting in a gain of $395,192.

On July 30, 2020, the Company completed a private placement for gross proceeds of $1,332,745 through the issuance of 13,327,450 units. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant shall be exercisable into one common share for 24 months at an exercise prices of $0.15 per share.

The Company paid $71,745 cash commission and issued 253,956 agents' warrants to purchase common shares at $0.15 per share until July 30, 2022. The agents' warrants were valued using the Black-Scholes model resulting in fair value of $57,877.

750,000 common shares were issued in full settlement of Lerna and Lernalabs loan of $75,000. The fair value of the 750,000 common shares was determined to be $75,000.

150,000 common shares were issued with a fair value of $15,000 to the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of $16,397 together with the cash payments described in note 10.

(Expressed in Canadian Dollars)

(c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2019	1,751,934	$ 2.92
Issued	7,417,681	0.16
Expired	(1,001,701)	3.48
Exercised	(350,000)	0.15
Outstanding, December 31, 2020	7,817,914	$ 0.35
Issued	25,791,109	0.25
Exercised	(1,081,500)	0.15
Outstanding, March 31, 2021	32,527,523	$ 0.28

The following warrants were outstanding at March 31, 2021:

Grant Date	Expiry Date	Exercise Price	Number of Warrants	Exercisable
January 26, 2018	January 26, 2023	$ 1.88	120,500	120,500
December 18, 2018	December 18, 2023	$ 1.84	291,462	-
July 22, 2019	July 22, 2024	$ 3.66	119,075	119,075
July 22, 2019	July 22, 2024	$ 1.94	219,196	219,196
July 30, 2020	July 30, 2022	$ 0.15	6,313,725	6,313,725
July 30, 2020	July 22, 2022	$ 0.15	253,956	253,956
August 17, 2020	August 17, 2022	$ 0.275	500,000	500,000
March 16, 2021	March 16, 2023	$ 0.25	25,111,983	25,111,983
March 19, 2021	March 19, 2023	$ 0.25	3,855,600	3,855,600
			32,527,523	32,236,061

The weighted average contractual life of warrants as at March 31, 2021 is 1.87 years (December 31, 2020 – 1.73 years).

On March 16, 2021, the Company granted 679,126 finders' warrants in connection with the private placement. All finders' warrants are exercisable at $0.25 per share until March 16, 2023. The fair value of these warrants were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.23%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	224.01%

(Expressed in Canadian Dollars)

On August 17, 2020, the Company granted 500,000 settlement warrants in connection with full settlement of bank loan. Each settlement warrant shall be exercisable into one common share of the Company for 24 months at a price of $0.275 per share until August 17, 2022. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.26%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	261.45%

On July 30, 2020, the Company granted 253,956 finders' warrants in connection with the private placement. All finders' warrants are exercisable at $0.15 per share until July 30, 2022. The fair value of these warrants were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.26%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	261.63%

Some of the Company's warrants with a $CAD exercise price have been recognized as a derivative liability given the functional currency of the Company is the US$, as they did not meet the "fixed-for-fixed" criteria. The following is a summary of the Company's warrant derivative liabilities as at March 31, 2021 and December 31, 2020:

Balance, December 31, 2019	$	48,641
Warrants issued in for settlement of bank loan		128,655
Change in fair value of derivative liability		170,647
Functional currency translation adjustment		6,033
Balance, December 31, 2020	$	353,976
Change in fair value of derivative liability		457,561
Functional currency translation adjustment		(1)
Balance, March 31, 2021	$	811,536

The fair value of the derivative liabilities as at March 31, 2021 was determined using the following assumptions:

- Risk-free interest rate 0.28%
- Expected term (in years) 1.42
- Estimated dividend yield 0%
- Weighted-average estimated volatility 210.76%

(Expressed in Canadian Dollars)

(d) Stock Options

Options transactions and the number of options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2019	506,784	$ 2.30
Expired	(77,445)	2.50
Outstanding, March 31, 2020 and December 31, 2020	429,338	$ 2.27

When the Company issues stock options, it records a share-based compensation in the year or period which the options are granted and/or vested. The expense is estimated using the following assumptions. Due to the lack of historical pricing information for the Company, the expected volatility is based on an average of historical prices of a comparable group of companies within the same industry. The risk-free interest rate is based on yield curves on Canadian government zero coupon bonds with a remaining term equal to the expected life of the stock options. The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Based on the best estimate, management applied the estimated forfeiture rate of 0%.

The following options were outstanding at March 31, 2021:

Grant Date	Expiry Date	Exercise Price	Number of Options	Exercisable
January 30, 2018	January 30, 2023	$ 2.50	302,500	302,500
December 18, 2018	December 31, 2023	$ 1.50	74,000	74,000
July 15, 2019	July 15, 2021	$ 2.00	52,838	52,838
			429,338	429,338

The weighted average contractual life for the remaining options as at March 31, 2021 is 1.80 years (December 31, 2020 – 2.05 years).

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

During the three months period ended March 31 2021, the Company paid wages and benefits of $9,000 (2020 - $15,476) to companies controlled by officers and directors and family members of officers and directors.

At March 31, 2021, included in accounts payable and accrued liabilities was $89,933 (December 31, 2020 - $266,970) owing to officers and directors. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

As at March 31, 2021, included in due to a related party was $20,890 (December 31, 2020 - $245,890) owing to a company controlled by officers and directors. The amount due to or from related parties are without stated terms of repayments or interest and are unsecured.

In 2018, the Company acquired certain patens from a company controlled by an officer of the Company in the amount of $625,000. As of March 31, 2021, $280,000 (December 31, 2020 - $625,000) remains unpaid and is included in accounts payable and accrued liabilities.

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

Key management compensation

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31, 2021	2020
Management and consulting fees	$ 148,643	$ 193,429

8. OTHER LIABILITIES AND CONTINGENCIES

	March 31, 2021	December 31, 2020
Legal fees - others	$ 434,931	$ 434,931
Obligation to issue shares	50,000	50,000
	$ 484,931	$ 484,931

Lerna and Lernalabs

On January 20, 2020, the Company entered into an amended settlement agreement with Lerna, LLC ("Lerna") and Lernalabs Ltd. ("Lernalabs") pursuant to which the Company agreed to issue 750,000 common shares to Lerna and Lernalabs in full settlement of the amount owing of $851,695. In addition, a further 185,000 common shares owned by an officer of the Company were transferred to another officer of the Company. The fair value of the 750,000 common shares was determined to be $75,000. The shares were issued on June 12, 2020 in full settlement of the debt of $75,000.

(Expressed in Canadian Dollars)

As at March 31, 2021, a payable of $434,931 (December 31, 2020 - $434,931) remains outstanding which is due to the lawyers responsible for negotiating the various agreements with Lerna and Lernalabs. The Company does not agree with the amount payable and will dispute and/or challenge any efforts at collection.

9. NON-CONTROLLING INTEREST

The Company owns 60% of its subsidiary Good Life Network USA Inc.("GLN US"), was dissolved on June 17, 2020. As at December 31, 2020, the non-controlling interest in GLN US was reduced to $nil.

10. LOAN PAYABLE

The Company signed a promissory note agreement related to the acquisition of 495 for $1,035,010. The loan is repayable on or before February 1, 2019. The loan will begin accruing interest at a rate of 6% per annum in the event the principal is not repaid on the due date. The loan is unsecured.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of $16,397. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD $125,000 in four installments:

- i) USD $25,000 by June 1, 2020 (paid);
- ii) USD $25,000 by September 1, 2020 (paid);
- iii) USD $25,000 by December 1, 2020 (paid);
- iv) USD $50,000 by March 1, 2021 (paid); and
- v) issuance of 150,000 common shares (issued).

During the year ended December 31, 2020, repayments of $70,142 were made toward the outstanding balance of the loan and 150,000 common shares with a fair value of $15,000 were issued in connection with the mutual release agreement.

During the three months ended March 31, 2021, repayments of $95,490 (2020 - $70,142) were made toward the outstanding balance of $95,490 in full settlement of the loan.

11. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the relevant years is based on the following:

	Three Months Ended March 31, 2021	2020
Net loss for the year	$ (1,084,776)	$ (852,515)
Basic and diluted weighted average number of common shares outstanding	29,265,013	9,040,003
Basic and diluted loss per share	$ (0.04)	$ (0.10)

(Expressed in Canadian Dollars)

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Office, software and general	$ 22,533	$ 82,480
Accounting, legal and audit	128,415	95,264
Consulting	370,514	169,896
Management fees	79,643	71,429
Insurance	2,917	21,465
Travel	-	5,998
Wages and salaries	-	80,519
Total	$ 604,022	$ 527,051

13. SUBSEQUENT EVENTS

No subsequent events to report

APPENDIX “C”
MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

AQUARIUS AI INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2020

*This management discussion and analysis ("**MD&A**") of Aquarius AI Inc. (the "**Company**" or "**AQUA**") for the year ended December 31, 2020 is as of April 30, 2021. The Company has prepared this MD&A with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. The Company's audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are expressed in Canadian dollars unless otherwise indicated.*

This MD&A may contain certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

OVERVIEW OF THE COMPANY

Aquarius AI Inc. (formerly Good Life Networks Inc.) was incorporated under the Business Corporations Act on August 17, 2011. The Company was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV") until the completion of the qualifying transaction.

Effective January 28, 2018, the Company, then Exito Energy II Inc. ("Exito") closed its qualifying transaction (the "Transaction") with Good Life Networks Inc. ("GLN"), a Vancouver-based, digital media private company. The Transaction was completed by way of a share exchange pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia) (the "Arrangement"), which included the amalgamation of GLN and Exito to form the Company as the resulting issuer. The Company continued the business of GLN. The transaction was considered a reverse takeover ("RTO") since the legal acquiree is the accounting acquirer, as the former shareholders of GLN obtained a controlling interest of the resulting issuer after the completion of the Transaction.

The Company changed its name from Good Life Networks Inc. to Aquarius AI Inc. on November 29, 2019. The trading ticker symbol is "AQUA". The Company continues to trade on the Frankfurt Stock Exchange under the stock symbol "4G5". The registered office of the Company is located at 595 Howe Street 10th floor, Vancouver, BC V6C 2T5, Canada.

The Company's business is that of a digital technology company with a mandate to develop and/or acquire technologies to monetize in-house or develop and sell to third parties or find joint venture partners for further development and monetization. During 2018, the Company was granted patent pending status by the USPTO on several innovations related to the Company's exchange platform, algorithms and blockchain design:

> Patent 1: SYSTEM AND METHOD FOR ADVERTISING AUCTIONS. It defines a system and method for conducting advertising auctions in programmatic advertising, creating a new method of matching an advertiser to an online user, with the goal of increasing user engagement with the adverts show.
>
> Patent 2: ONLINE TOKENIZATION OF OUTSTANDING DEBT. It defines a system and method for using blockchain to allow accounts receivable (or any debt) to be tokenized (either on a fungible or non-fungible ("NFT") basis) and allow investors to directly or indirectly invest the tokens to fund the debt, with a fixed rate of return agreed upon upfront.

The Company's initial focus was blockchain/tokenization, as well as customer acquisition of consumer products and services through the development of a Programmatic Marketing Platform (the "Marketing Platform") to intelligently connect digital advertisers to consumers across online display, mobile and video advertising channels, and solve the key challenges that digital advertisers face. The Company ultimately chose to focus its efforts and resources on the Marketing Platform as it was the first ready to market and 'shelved' its blockchain technology.

For the year ended December 31, 2020, the Company had a net income of $9,942,090 (2019 – net loss $24,894,255) and cash outflows from operating activities of $520,173 (2019 - $3,830,106) and as at December 31, 2020, has an accumulated deficit of $26,915,807 (2019 - $36,881,535)
.
The Company currently does not generate sufficient working capital to enable it to meet its administrative overhead, service its obligations or maintain its interests. Currently, the Company's focus has been on utilizing its technology and operations to secure new sources of working capital to continue operations. The Company's ability to continue as a going concern is dependent upon the successful results from its activities of repositioning its technology, its ability to attain profitable operations therefrom and its immediate ability to raise equity capital, none of which is in any way certain that the Company can achieve. The nature of the Company's business involves a high degree of risk and there can be no assurance that management's plans will be successful.

CORPORATE UPDATE

The Company has been working to refocus its business strategy during since late 2019 and all of 2020 due to the collapse of its advertising technology business. A major component of refocusing the business included settling with as many of its creditors as it was able and winding up now defunct operating subsidiaries.

The Marketing Platform was the cornerstone of the Company's business, providing industry leading insights and data. This allowed the Company to match their clients to buyers in a way that provides significant and sustainable value to both. The large volume of data accumulated allows the Company to forecast algorithmically the needs and wants of the brands they represent, maximizing the efficiency for their partners while increasing their margins and profitability.

The Company's repositioning strategy anticipates the repurposing and recommissioning of the Marketing Platform technology the Company has developed since 2016 to power customer acquisition for several consumer products and services. This work is extensive and no guarantees can be made about its effectiveness after such a long period of hiatus in what is a very fast moving industry. The majority of the

Company's time and resources will be focused on furthering the AR Block product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333).

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This blockchain application has the potential to transform the entire AR ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched AR cycles.

The Company believes that this AR Block solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward. As part of the Company's token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

SELECTED ANNUAL INFORMATION

For the year ended December 31, 2020

	2020	Change %	2019	Change %	2018
Revenue	Nil	100%	8,358,386	-58%	20,077,289
Net Income (loss) from continuing operations attributable to the Owners of the company	9,942,090	-140%	(24,895,233)	961%	(2,345,549)
Basic and diluted income (loss) per share	0.54	-118%	(3.0)	858%	(0.3)
Comprehensive income (loss) attributable to the Owners of the Company	9,827,581	-139%	(25,360,861)	1155%	(2,020,070)
Basic and diluted income (loss) per share	0.54	-118%	(3.0)	991%	(0.3)
Total assets	57,831	-93%	837,185	-98%	45,918,382

OVERALL PERFORMANCE

REVENUE AND MEDIA COSTS

The Company previously generated revenue through its proprietary advertising technology platform and related systems, connecting online users to advertisers. During the year ended December 31, 2020, the Company generated no revenue (2019- $8,358,386).

Media costs comprise advertising impressions the Company purchased from real-time advertising exchanges or through other third parties. For the year ended December 31, 2020, media costs were $nil compared to $5,968,349 for the year ended December 31, 2019, representing a collapse of the Adtech sector and the Company's former business in that sector. If the Company is successful with repositioning its business, it will be evaluating its pricing strategy in order to optimize the Company's objectives of market penetration and profitability; accordingly, margins will fluctuate from year to year.

RESULTS OF OPERATIONS

Financial and operating highlights for the year ended December 31, 2020 and to the date of this report

As of December 31, 2020, primarily as a result of the collapse of its revenues for its advertising and content marketing business the Company:

- Has impaired and written off the following during the years ended December 31, 2020 and 2019:

		2020		2019
Intangible assets	**$**	**-**	$	10,468,597
Goodwill related to 495		**-**		7,792,864
Goodwill related to ImpressionX		**-**		2,292,733
Office equipment and software		**-**		84,812
Dissolution of GLN US		**(347,607)**		-
Dissolution of ImpressionX		**-**		1,040,732
Write-offs related to 495		**(512,118)**		-
Change in fair value of contingent consideration				
495		**-**		(8,952,900)
ImpressionX		**-**		(2,467,146)
Total	**$**	**(859,725)**	$	10,259,692

- On June 12, 750,000 common shares were issued in full settlement of Lerna and Lernalabs loan of $75,000. The fair value of the 750,000 common shares was determined to be $75,000.

- On June 12, 150,000 common shares were issued with a fair value of $15,000 to the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of $16,397 together with the cash payments.

- On June 17, 2020, the Company's 60% owned subsidiary, Good Life Network USA Inc. was dissolved.

- On July 8, 2020, the Company consolidated its Common Shares on the basis of one post-consolidated Common Share for every ten pre-consolidated Common Shares. The Company had 9,400,027 shares issued and outstanding as of the date of the consolidation.

- On July 30, 2020, the Company closed a non-brokered private placement offering of 13,327,450 units (the "2020 Units") of the Company at a price of $0.10 per 2020 Unit to raise gross proceeds of $1,332,745. Each 2020 Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share Purchase Warrant, a "2020 Warrant"), with each 2020 Warrant exercisable to acquire an additional Common Share at a price of $0.15 per additional Common Shares for a period of 24 months.

- In August 2020, the Company reached an agreement with the Bank to settle all outstanding debt being the principal amount of $10,754,619 and accrued interest thereon of $538,896 (the "Loan") in exchange for (i) 500,000 Common Share purchase warrants (the "Settlement Warrants") of the Company; and (ii) a cash payment of $825,000. Each Settlement Warrant is exercisable into one Common Share of the Company at a price of $0.275 per Common Share for a period of 24 months from the date of issue. On August 17, 2020, the Company fully settled the Loan with the Bank by issuing Settlement Warrants and making the cash payment.

- In October 2020, the Company entered into a letter of intent (the "Letter of Intent") with Podkast Entertainment Corp. (formerly Gemini Digital Corp.) ("Podkast") to license their audio monetization technology. If the transactions contemplated by the Letter of Intent are consummated, the Company will have access to Podkast's technology through a custom white labelled implementation for a period of three years on a revenue share basis. The Company and Podkast are working towards a definitive agreement outlining the terms of the revenue sharing arrangement as contemplated in the Letter of Intent, with a view to completing such agreement by June, 2021. Adding audio advertising technology to its current video technology will give the Company the capabilities to monetize content via video, audio, podcasts and streaming.

- On November 12, 2020 the Company entered into a Software Reseller and Platform License Agreement with Backstageplay Inc. ("Backstageplay"), pursuant to which Backstageplay will provide the Company, and its brands, customers and prospects with access to its celebrity and influencer gamification platform which is described at www.backstageplay.com. This agreement remains active.

- During the month of November 2020 the Company issued an aggregate of 350,000 common shares in satisfaction of warrant exercises at $0.15 per share.

- During the year ended December 31, 2020, 1,232,862 shares were issued with a fair value of $255,017 to settle accounts payable amounts owing to various lenders of $650,209, resulting in a gain of $395,192.

As of the date of this report, the Company has:

- During the month of March, 2021 the Company issued an aggregate 1,081,500 common shares in settlement of certain warrant exercises at $0.15 per share.

- On March 19, 2020, the Company announced it had completed a non-brokered private placement of an aggregate 25,111,983 units at a price of $0.12 per unit, raising aggregate gross proceeds of $3,013,438. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share for a period of 24 month from the date of issuance. In connection with the placement the Company issued an additional aggregate 679,126 Finders Warrants, subject to the same terms as the unit warrants.

FUTURE OUTLOOK

The Marketing Platform was the cornerstone of the Company's business, providing industry leading insights and data. This allowed the Company to match their clients to buyers in a way that provides significant and sustainable value to both. The large volume of data accumulated allows the Company to forecast algorithmically the needs and wants of the brands they represent, maximizing the efficiency for their partners while increasing their margins and profitability. As the online marketing landscape moves quickly the Company needs to both reposition and recommission the platform to operate in-line with industry trends as well as build specific components related to its owned and operated business areas. This work is extensive and no guarantees can be made about its effectiveness after such a long period of hiatus in what is a very fast moving industry. The Company will seek to have a robust customer acquisition tool that drives value customers to its properties in a cost effective and scalable manner.

The repositioning strategy anticipates utilizing this repurposed and recommissioned Marketing Platform to power customer acquisition for several consumer products and services, including the Company's blockchain Accounts Receivable ("AR Block") product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333). The Company's existing Marketing Platform, when used in these new markets, is hoped will give the Company a significant customer acquisition advantage.

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This AR Block application has the potential to transform the entire accounts receivable ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched accounts receivable cycles.

The Company believes that this AR Block solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward. As part of the Company's overall token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens.

To finance its immediate operations and repositioning, during March 2021 the Company closed a non-brokered private placement of an aggregate of 25,111,983 units at a price of $0.12 per unit for gross proceeds of $3,013,438.

The Company can make no assurances that it will be successful in completing its repositioning of its technology platform and that it has sufficient capital to implement its business objectives. Failure to raise additional capital if, as and when required or failure to succeed in any manner will negatively impact the Company as a viable business.

Results for the year ended December 31, 2020 and 2019

The following table summarizes various results for the year ended December 31, 2020 and 2019:

	Year Ended December 31,	
	2020	**2019**
	$	**$**
Total revenue	Nil	8,358,386
Direct expenses	Nil	5,968,349
Operating expenses	2,452,328	20,856,218
Other income (expenses)	12,394,418	(4,038,037)
Net income (loss)	9,942,090	(24,894,255)
Comprehensive income (loss)	9,827,581	(25,359,883)
Comprehensive income (loss) per share - Basic and diluted	0.54	(2.97)

Direct expenses and gross profit

Revenue for the year ended December 31, 2020 was $Nil (2019: $8,358,386) a substantial decrease due to the collapse of the Company’s Adtech business and its focus during 2020 in restructuring its business and technology.

Direct expenses, consisting mostly of cost of sales and media buys saw a correlating decrease as well to $Nil in 2020 from $5,968,349 in 2019.

Operating expenses

Operating expenses include general and administrative expenses, marketing expenses, research and development, and share-based compensation. Operating expenses decreased by $18,403,890 to $2,452,328 for the year ended December 31, 2020 (2019 - $20,856,218). This decrease is due largely to the decrease and/or cessation of certain of the Company’s operations.

Results for the three months ended December 31, 2020 and 2019

The following table summarizes various results for the three months ended December 31, 2020 and 2019:

	Three Months Ended December 31,	
	2020	**2019**
	$	**$**
Total revenue	-	(89,137)
Direct expenses	-	711,217
Operating expenses	629,927	1,694,406
Other income (expenses)	349	
Net income (loss)	(450,911)	(1,289,961)
Comprehensive income (loss)	(556,947)	(1,390,370)
Comprehensive income (loss) per share - Basic and diluted	(0.03)	(0.25)

The significant differences between the two comparative periods is due to the overall decreased operations during 2020 while the Company restructured debt; and worked to refocus its efforts with reduced operational support.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected information from the Company's unaudited quarterly financial statements for the most recent eight quarters.

For the quarters ended:

Three Months Ended	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 30, 2020**
Total Revenue	$Nil	$Nil	$Nil	$Nil
Direct Expenses	$Nil	$Nil	$Nil	$Nil
Gross Profit	$Nil	$Nil	$Nil	$Nil
Net Income (Loss)	$(634,838)	$10,620,660	$818,177	($868,093)
Net Comprehensive Income (Loss)	$(734,690)	$10,590,425	$824,361	($852,515)
Income (Loss) per share	($0.03)	$0.60	$0.09	($0.10)

Three Months Ended	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**	**March 30, 2019**
Total Revenue	($89,137)	$751,971	$3,077,988	$4,617,564
Direct Expenses	$711,217	($542,731)	($1,641,798)	($3,072,603)
Gross Profit	($800,351)	$209,240	$1,436,190	$1,544,961
Net Income (Loss)	($1,289,961)	($3,333,065)	($19,133,866)	($1,137,363)
Net Comprehensive Income (Loss)	($1,390,370)	($3,329,834)	($19,128,999)	($1,510,680)
Income (Loss) per share	($0.25)	($0.04)	($2.43)	($0.15)

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at December 31, 2020 and 2019, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	2020	**2019**
	CAD$	CAD$
Cash	554	25,153
Accounts receivable	-	597,765
Accounts payable and accrued liabilities	(1,425,829)	(1,223,439)
Loans payable	(95,490)	(1,091,936))
Other liabilities	(484,931)	(434,931)
Due to related party	(245,890)	-
	(2,251,586)	(2,252,388)

A 10% (2019 - 10%) change in the US dollar against the Canadian dollar at December 31, 2020 would result in a change of approximately $225,000 (2019 - $225,000) in comprehensive income (loss).

To date the Company does not hedge foreign currency transactions but may elect to do so in the future if it is determined to be advantageous.

LIQUIDITY AND CAPITAL RESOURCES

Selected financial information from the consolidated statements of financial position as at December 31, 2020 and December 31, 2019 are as follows:

	December 31, 2020	**December 31, 2019**
Working capital (deficit)	$ (3,180,952)	$ (14,972,385)
Deficit	$ (26,915,807)	$ (36,881,535)

The Company does not have sufficient working capital to meet its ongoing financial obligations. Until the Company generates sufficient revenue it must continue to seek outside sources to fund operations. There can be no assurance of an ability to secure such financing and may require the Company to substantially curtail operations, new business opportunities, or may even cause the Company to fail.

Subsequent to the Company's year ended December 31, 2020, to finance its immediate operations and repositioning, the Company closed a non-brokered private placements of an aggregate of 25,111,983 units at a price of $0.12 per unit for gross proceeds of $3,013,438 during March 2021.

Sources and Uses of Cash

		Year Ended December 31, 2020		2019
Cash used in operating activities	$	(520,173)	$	(3,830,106)
Cash used in investing activities		-		(262,290)
Cash provided by financing activities		418,358		3,425,676
Foreign exchange effect on cash		1,602		(13,773)
Net decrease in cash	$	(100,213)	$	(680,493)

The decrease in cash was primarily attributable to the reduced proceeds of share issuances, offset by less amounts paid for its operating activities, as compared to the year ended December 31, 2019. There is $Nil cash used in investing activities.

The Company's operational activities during the year ended December 31, 2020 were financed mainly by share issuances. As at December 31, 2020, the Company had current assets of $57,831 compared to $837,185 as at December 31, 2020. The Company had $554 available cash as at December 31, 2020 compared to $100,767 as at December 31, 2019.

The Company can make no assurances that it will be successful in completing its repositioning of its technology platform and that it has sufficient capital to implement its business objectives. Failure to raise additional capital if, as and when required or failure to succeed in any manner will negatively impact the Company as a viable business.

Bank Debt

On December 17, 2018, the Company entered into a commercial agreement with a major Canadian financial institution (the "Bank") to provide four credit facilities ("Facilities") for working capital and acquisitions. On November 5, 2019, the Company entered into a restructuring agreement with the Bank to consolidate the Facilities into two Canadian dollar loans (the "Restructured Loans") pursuant to which the Bank agreed to defer enforcement of the security until November 5, 2021 (the "Maturity Date"). The loan balances are as follows:

		2020	2019
Loan A	$	-	$ 3,000,000
Loan B		-	7,754,619
Accrued interest		-	135,423
	$	-	$ 10,890,042

Loan A bears interest at a rate of prime per annum with interest payable monthly. The Company must repay 50% of interest accrued in cash monthly, with the remaining 50% payable on the Maturity Date. Loan A is fully repayable on the Maturity Date.

Loan B bears interest at a rate of prime plus 5% per annum with interest payable monthly. Interest is accrued and becomes payable on the Maturity Date. Loan B repayments are due as follows;

i. USD $300,000 no later than September 23, 2020;
ii. USD $50,000 no later than December 31, 2020;

iii. USD $600,000 no later than September 23, 2021; and
iv. The remaining balance of principal and interest on the Maturity Date

The borrowing conditions outlined in the Restructured Loan agreement requires the Company to submit monthly, quarterly and other financial information to the Bank. The Restructured Loan agreement incorporates incentives to reduce the amount repayable to the Bank.

During the year ended December 31, 2019, the Company paid interest of $609,728 towards the credit facilities.

The Company was not in compliance with the above covenants at December 31, 2019. Accordingly, the entire bank debt balance has been classified as current liability.

In August 2020, the Company reached an agreement with the Bank to settle all outstanding debt in exchange for (i) 500,000 common share purchase warrants (the "Settlement Warrants") of the Company; and (ii) a cash payment of $825,000. Each Settlement Warrant is exercisable into one common share of the Company at a price of $0.275 per share for a period of 24 months from the date of issue.

During the year ended December 31, 2020, 500,000 common share purchase warrants were issued to the Company's secured lender in full settlement of outstanding bank loan of $10,890,042 and its accrued interest of $403,473 together with the cash payments of $825,000. The settlement warrants were valued using the Black-Scholes model resulting in fair value of $128,655, resulting in a gain of $10,339,860. The warrants issued are presented as a derivative liability as they do not meet the fixed-for-fixed criteria.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2020, the Company paid wages and benefits of $17,552 (2019 - $476,298) and share-based compensation of $nil (2019 - $63,092) to companies controlled by directors/officers and family members of directors/officers.

At December 31, 2020, included in accounts payable and accrued liabilities was $266,970 (December 31, 2019 - $33,555) owing to officers and directors. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

As at December 31, 2020, included in other liabilities was $245,890 (December 31, 2019 – $Nil) owing to a company controlled by directors/officers. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

The Company's directors/officers acquired 1,000,000 units pursuant to the private placement which was taken place on July 30, 2020. The issuance of units is considered to be a related party transaction within the meaning of TSX Venture Exchange Policy.

In 2018, the Company acquired certain patents from a company controlled by an officer of the Company in the amount of $625,000, which remains unpaid as at December 31, 2020 and is included in accounts payable and accrued liabilities.

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

Key management compensation

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the years ended December 31, 2020 and 2019 were as follows:

		2020		2019
Consulting and management fees	$	698,884	$	1,077,021
Share-based compensation	$	-	$	107,328

CONTRACTUAL OBLIGATIONS

Lerna and Lernalabs

In July 2019, the Company entered into a settlement agreement with Lerna and Lernalabs. pursuant to which the Company agreed to pay to Lerna and Lernalabs the sum of US $650,000 in full and final settlement, to be paid in deferred instalments with the final payment due December 19, 2019. The Company made the first instalment payment of US $100,000 during the year ended December 31, 2019 but failed to make additional payments and was therefore subject to an interest penalty of US $100,000. As at December 31, 2019, the amount of $851,695 (US $650,000) remains payable. On January 20, 2020, the Company entered into an amended settlement agreement with Lerna and Lernalabs pursuant to which the Company agreed to issue 750,000 common shares to Lerna and Lernalabs in full settlement of the amount owing of $851,695. In addition, a further 185,000 common shares owned by an officer of the Company were transferred to another officer of the Company. The fair value of the 750,000 common shares was determined to be $75,000. The liability as at December 31, 2019 was reduced to $75,000. During the year ended December 31, 2020, 75,000 common shares were issued in full settlement of the debt.

As at December 31, 2020, a payable of $434,931 remains outstanding which is due to the lawyers responsible for negotiating the various agreements with Lerna and Lernalabs.

Loan Payable

The Company signed a promissory note agreement related to the acquisition of 495 for $1,035,010. The loan is repayable on or before February 1, 2019. The loan will begin accruing interest at a rate of 6% per annum in the event the principal is not repaid on the due date. The loan is unsecured.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of $1,035,010 and its accrued interest. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD $125,000 in four installments:

- i) USD $25,000 by June 1, 2020 (paid);
- ii) USD $25,000 by September 1, 2020 (paid);
- iii) USD $25,000 by December 1, 2020 (unpaid);
- iv) USD $50,000 by March 1, 2021 (unpaid); and
- v) issuance of 150,000 common shares (issued).

During the year ended December 31, 2020, repayments of $70,142 (2019 - $nil) were made toward the outstanding balance of the loan and shares with a fair value of $15,000 (2019 - $nil) were issued in connection with the mutual release agreement. As at December 31, 2020, the outstanding balance is $95,490 (December 31, 2019 - $1,091,936), including interest payable of $nil as at December 31, 2020 (December 31, 2019 - $56,926). A gain of $927,701 from settlement of debt was recognized in the statement of comprehensive income (loss).

OUTSTANDING SHARE CAPITAL

The Company completed a ten old for 1 new (10:1) consolidation of its common shares effective July 8, 2020. As of the date of this report, April 30, 2021, on a post-consolidated basis there are 51,043,798 common shares issued and outstanding 429,338 stock options, and 32,527,523 common share purchase warrants of the Company issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

SUBSEQUENT EVENTS

There are no subsequent events to report other than as disclosed elsewhere in this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of audited consolidated financial statements and application of IFRS often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment. Significant accounting policies and estimates under IFRS are found in Note 3 of the Company’s audited consolidated financial statements.

ACCOUNTING STANDARDS ISSUED ADOPTED DURING THE YEAR

Changes in accounting policy

The accounting policies set out below have been applied consistently to all years presented in these financial statements except as discussed in the section – “New Accounting Standards”.

New accounting standards

The Company has adopted all applicable new, revised or amending Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the reporting periods in these consolidated financial statements.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At this stage, it is not expected that these new accounting standards will have a material impact on the amounts reported in the Company’s financial statements. Certain disclosures and presentation may change due to the new or amended standards.

Estimates
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of our business. The scale and duration of these developments continue to remain uncertain as at the date of this report creating ongoing uncertainty and as a result certain assumptions and estimates used in the preparation of this report are subject to greater volatility than normal.

RISK FACTORS

The following risk factors should not be considered to be exhaustive and may not be all of the risks that AQUA may face. Management of the Company believes that the factors set out below could cause actual results to be different from expected and historical results.

The discussion in this MD&A addresses only what management has determined to be the most significant known events, trends, risks and uncertainties relevant to the Company, its operations and/or its financial results. This discussion is not exhaustive.

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of development of its products and services. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Listing Statement.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared coronavirus COVID-19 ("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, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these will continue to affect the Company's business, financial condition and results of operation in particular will all depend on future developments which are highly uncertain and many of which are outside the control of the Company and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of additional waves), potential mutations of the COVID-19 virus, the ability of governments to administer COVID-19 vaccines to the public in a timely manner, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it.

Given the uncertainties, the Company cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of COVID-19 on the Company's business and operations remain unknown, the rapid spread of COVID-19 could have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, all of which may have a material adverse impact on the Company's business, financial condition and operations.

The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; (v) required 14-day quarantine for any employees returning from out of country travel.

Company Specific Risks
Limited operating history and uncertainty of future revenues

The Company has a limited operating history and trading record, and it is, therefore, difficult to evaluate the Company's business and future prospects. In particular, the Company is at an early stage of development with operating losses expected to continue for the foreseeable future. The future success of the Company is dependent on the Company's directors' ability to implement its strategy. While the directors are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by developing companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, while at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the business, financial condition and results of operations.

Dependence on key executives, personnel and contractors

The success of the Company to a significant extent depends on the Company's directors, management and other key personnel and contractors. The directors believe that Company's future success will depend largely on its ability to attract and retain highly skilled and qualified personnel and contractors and to expand, train and manage its employee and contractor base. There can be no guarantee that suitably skilled and qualified individuals will be identified and employed or contracted on satisfactory terms or at all. If the Company fails to recruit or retain the necessary personnel or contractors, or if the Company loses the services of any of its key executives, its business could be materially and adversely affected.

Litigation risks

Legal proceedings may arise from time to time in the course of the Company's business. The directors cannot preclude that litigation may not be brought against the Company in the future from time to time or that it may not be subject to any other form of litigation. The Company may find it difficult, impossible or very costly to enforce the rights it may have under agreements it may enter into. Please see "*19. Legal Proceedings and Regulatory Actions*"for the current legal proceedings involving the Company.

Insurance and uninsured risks

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

No history of dividends

The Company has not paid dividends on its Common Shares since incorporation. The Company intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the Board and will depend upon the capital requirements of the Company, results of operations and such other factors as the Board considers relevant.

General economic climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital, and industrial disruption have an impact on demand, business costs and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Conflicts of Interest

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Ability to Protect Proprietary Offering

Any failure to protect the Company's proprietary Marketing Platform and AR Block could harm its business and competitive position. There can be no assurance that any steps the Company has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to the Company's technology. As at the date hereof, the Company does not have patent protection on its technology or registered any trademarks but instead may, as necessary, rely on a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws and other common law intellectual property protections in the U.S. and Canada. In addition, the Company uses contracts, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, other contractual rights and technical measures to protect its intellectual property. The Company has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third party development of the Company's technology. The laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the U.S. If the

Company resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to the Company's proprietary rights if it is unsuccessful in such proceedings. Moreover, the Company's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that the Company may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent the Company from engaging in actions necessary to its business, products, or services.

Retaining and Attracting Customers

To sustain or increase the Company's revenue, the Company must add new clients and encourage any existing clients to purchase additional offerings. As the digital industry matures and as competitors introduce lower cost or differentiated products or services that compete with, or are perceived to compete with, the Company's products or services, its ability to complete sales with new and existing advertisers based on the Company's current offerings, pricing, technology platform and functionality could be impaired. If the Company fails to retain or cultivate the spending of newer, lower-spending clients, it will be difficult for it to sustain and grow its revenue. Even with long-time clients, the Company may reach a point of saturation at which it cannot continue to grow revenue from those clients because of internal limits that they may place on the allocation of their budgets to a particular provider or for other reasons not known to management.

The Company has invested significant resources in its sales and marketing teams to educate potential and prospective advertisers and advertising agencies about the value of the Marketing Platform and AR Block. Sales staff is often required to explain how the Company's Marketing Platform and AR Block can optimize advertising campaigns in real time. The Company's business depends in part upon advertisers' confidence, and the confidence of the advertising agencies that represent those advertisers, that use of real-time advertising exchanges to purchase inventory is superior to other methods of purchasing digital advertising. The Company often spends substantial time and resources responding to requests for proposals from potential advertisers and their advertising agencies, including developing material specific to the needs of such potential advertisers. The Company may not be successful in attracting new advertisers despite its investment in business development, sales and marketing. The Company continues to be substantially dependent on its sales team to obtain new customers and to drive sales from existing customers. Management of the Company believes that there is significant competition for sales personnel with the skills and technical knowledge that it requires. The Company's ability to achieve significant revenue growth depends, in large part, on its success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support its growth. New hires require significant training and it may take significant time before they achieve full productivity. Recent hires and planned hires may not become productive as quickly as expected, and the Company may be unable to hire or retain sufficient numbers of qualified individuals in the markets where it does business or plans to do business. In addition, if the Company grows rapidly, a large percentage of its sales team will be new to the Company and its offerings. If the Company is unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to its existing customer base, its business will be adversely affected.

No Long-Term Customer Commitments

The Company's customers will do business by placing insertion orders for particular advertising campaigns. If the Company performs well on a particular campaign, then the advertisers or the advertising agency representing such advertisers may place new insertion orders with the Company for additional advertising campaigns. The Company generally will have no commitment from an advertiser beyond the campaign governed by a particular insertion order. Insertion orders may be cancelled by advertisers or their advertising agencies prior to the completion of the campaign without penalty. As a result, the Company's success is dependent upon its ability to outperform competitors and win repeat business from existing advertisers, while continually expanding the number of advertisers for whom it provides services. In addition, it is relatively easy for advertisers and the advertising agencies that represent them to seek an alternative provider for their advertising campaigns because there are no significant switching costs, and agencies often have relationships with many different providers, each of whom may be running portions of the same advertising campaign. Because the Company does not have long-term contracts, management may not accurately predict future revenue streams and there can be no assurance that current advertisers will continue to use the Company's Marketing Platform and AR Block, or that the Company will be able to replace departing advertisers with new advertisers that provide the Company with comparable revenue.

Failure to Properly Manage Growth

Growth in the Company's business may strain the Company's management, financial, and other resources. The Company relies heavily on information technology, or IT, systems to manage critical functions such as advertising campaign management and operations, data storage and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage any future growth effectively, the Company must expand its sales, marketing, technology and operational staff, invest in research and development of its Marketing Platform and/or new offerings, enhance its financial and accounting systems and controls, integrate new personnel or contractors, and successfully manage expanded operations. As the Company grows, it will incur additional expenses, and its growth may place a strain on resources, infrastructure and ability to maintain the quality of its offering. Accordingly, the Company may not be able to effectively manage and coordinate growth so as to achieve or maximize future profitability.

Reliance on Third Parties

The Company anticipates that it will continue to depend on various third party relationships in order to grow its business. The Company continues to pursue additional relationships with third parties, such as technology and content providers, real-time advertising exchanges, market research companies, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third party data and services. The Company's agreements with channel partners and providers of technology, computer hardware, co-location facilities, content and consulting services and real-time advertising exchanges are typically non-exclusive, in that they do not prohibit these third parties from working with the Company's competitors or from offering competing services. These third parties can generally terminate their arrangements with the Company at any time. The Company's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce purchases of the Company's offerings. In addition, these third parties may not perform as expected under the Company's agreements with them, and the Company may have disagreements or disputes with such third parties, which could negatively affect the Company's brand and reputation.

In particular, the Company's continued growth depends on its ability to source computer hardware, including servers built to its specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of its services. Similarly, disruptions in the services provided at co-location facilities that the Company relies upon can degrade the level of services that it can provide, which may harm the Company's business. The Company also relies on its integration with many third party technology providers to execute its business on a daily basis. The Company must efficiently direct a large amount of network traffic to and from its servers to consider billions of bid requests per day, and each bid typically must take place in approximately 100 milliseconds. The Company relies on a third party domain name service, or DNS, to direct traffic to its closest data center for efficient processing. If the Company's DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across the Company's servers as well as impairing or preventing web browser connectivity to the Company's Marketing Platform, which may harm its business.

Personnel

The loss of any member of the Company's management team, and in particular, its co-founders, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results.

At present and for the near future, the Company will depend upon a relatively small number of employees and contractors to develop, market, sell and support its Marketing Platform and AR Block. The expansion of technology, marketing and sales of its Marketing Platform and AR Block will require the Company to find, hire, and retain additional capable employees or subcontractors who can understand, explain, market, and sell its technology. There is intense competition for capable personnel in all of these areas, and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

In addition, as the Company moves into new geographies, it will need to attract and recruit skilled employees in those areas. The Company has no experience with recruiting in geographies outside of Canada and the U.S., and may face additional challenges in attracting, integrating and retaining international employees.

Lack of Transparency Over Fees and Net CPMs

Despite programmatic media's focus on efficiency, advertisers are often paying significantly higher CPMs (cost per thousand) for programmatic non-guaranteed buys than a publisher receives net of fees. By itself, this pricing model is not problematic, as transactional technology has a concrete value in the purchase cycle and needs to be priced accordingly. However, the lack of transparency, where technology fees are not broken out from CPMs, results in buyers and sellers evaluating inventory value and return on investment based on limited information

Cyclical Nature of Industry

The advertising industry is cyclical and tends to peak in Q2 and more so in Q4. Q1 and Q3 tend to be the softest quarters. This trend carries through to online advertising where this pattern is also seen, with Q4 budgets and therefore revenues typically much larger than the other three quarters. This follows consumer spending cycles and advertisers keen to spend budgets in Q4 when consumers are spending heavily for the holiday season.

Risks Associated with Insertion Orders

The Company operates in business relationships under the terms of Insertion Orders ("IO"). These IOs are typically open ended but can be terminated at short notice. Equally they have no minimum and maximum spend and the ability to generate revenue is dependent on the Company's ability to secure appropriate users and match them to the appropriate advertisers.

Volatility of Blockchain Related Operations

As is typical with any relatively new technology, there is significant volatility in consumer, client and public sentiment. This volatility could translate into both a significant increase or a decrease of adoption of its blockchain AR technology, which may or may not be related to the actual business or product performance. This could impact growth rate, investor confidence or even in the worst case the viability of the AR factoring business.

Financial and Accounting Risks

Additional Financing

There can be no certainty that the Company's financial resources and revenue from sales will be sufficient for its future needs. The Company may need to incur significant expenses for growth, operations, research and development, as well as sales and marketing of its Marketing Platform and AR Block. In addition, other unforeseen costs could also require additional capital. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company's ability to fund ongoing operations. If additional financing is raised by the issuance of Common Shares or other securities convertible into Common Shares, control of the Company may change and shareholders of the Company may suffer dilution. If adequate funds are not available, or not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and continue operations. Any debt financing that is secured in the future could involve restrictive covenants relating to the Company's future capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the Company's MD&A, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of the Common Shares. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non- financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such the Company has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR, as defined in National Instrument 52-109 – *Certification of Disclosure In Issuers' Annual and Interim Filings,* may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Competition

The existing and anticipated markets for the Company's Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, the Company's customers could develop their own solutions. Many of the Company's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does the Company. They may be able to respond more quickly than the Company can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering programmatic and real time bidding solutions, the Company also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. The Company also competes for a share of advertisers' total online advertising budgets, including traditional advertising media, such as direct mail, television, radio, cable and print.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of the Company's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect the Company's competitive position.

As a result of these and other factors, the Company may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, as the AR blockchain landscape matures and existing financial services businesses become familiar with the benefits of the technology, it is probable that those competitors will likely attempt to enter the same market. Given their significantly greater capitalization, client base and experience it is likely that they could compete effectively with the Company.

Use of Third-Party Cookies

The widespread use of the internet across the globe is attributable in part to the ability of internet users to access valuable content quickly and free of charge. Digital media content providers, or publishers, who support the creation and distribution of this content do so largely by selling advertisements on their properties, similar to the business model of television and radio broadcasters. Internet users' online activity generates a vast amount of data, such as advertising viewed and responded to, and advertisers' websites visited, and is valuable to advertisers seeking to reach an optimal audience. Online, it is possible to serve advertisements to potential consumers based upon inferred interests. These interests may be inferred in part based on web-browsing history. The use of web browsing history to inform advertising purchase decisions is commonly referred to as "interest-based" or "online behavioral" advertising. Advertisers are willing to make a greater investment in, and pay a higher rate for, digital advertising when this interest-based data can be used to inform decisions about purchasing advertising impressions to reach desired consumers.

The use of interest-based online advertising has come under scrutiny globally by consumer advocacy organizations and regulatory agencies that focus on online privacy. More specifically, these groups have voiced concern about the use of "cookies" (small text files) and other online tools to record an internet user's browsing history, and the use of that information to deliver advertisements online based on inferred interests of the internet user.

The Company relies upon access to large volumes of data, including web browsing history, primarily through cookies in connection with its Marketing Platform. The Company's cookies are known as "third party cookies" because they are placed on individual browsers when internet users visit a website owned by a publisher, advertiser or other first party that has given the Company permission to place cookies. These cookies are placed through an internet browser on an internet user's computer and correspond with a data set that is kept on the Company's servers. The Company's cookies record certain information, such as when an internet user views an advertisement, clicks on an advertisement, or visits one of the Company's advertiser's websites through a browser while the cookie is active. The Company uses these cookies to help it achieve advertisers' campaign goals, to help it ensure that the same internet user does not unintentionally see the same advertisement, to report aggregate information to advertisers regarding the performance of their advertising campaigns and to detect and prevent fraudulent activity. The Company also uses data from cookies to help it decide whether to bid on, and how to price, an opportunity to place an advertisement in a certain location, at a given time, in front of a particular internet user. Without cookie data, the Company may bid on advertising without as much insight into activity that has taken place through an internet user's browser. A lack of cookie data may detract from the Company's ability to make decisions about which inventory to purchase for an advertiser's campaign, and undermine the effectiveness of its Marketing Platform.

Cookies may easily be deleted or blocked by internet users. Most commonly used internet browsers allow internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their computers at any time. Certain internet users also download free or paid "ad blocking" software that prevents third party cookies from being stored on a user's computer. If more internet users adopt these settings or delete their cookies more frequently than they currently do, the Company's business could be harmed. In addition, some internet browsers block third party cookies by default, and other internet browsers may implement similar features in the future. Unless such default settings in browsers are altered by internet users to accept third party cookies, fewer of the Company's cookies may be set in browsers, adversely affecting its business.

Certain international jurisdictions have adopted and implemented legislation that negatively impacts the use of cookies for online advertising, and additional jurisdictions may do so in the future. Currently, although the Canadian Anti-Spam Legislation ("CASL") requires consent to install a computer program, CASL provides a deemed express consent for the installation of a cookie. Limitations on the use or effectiveness of cookies may impact the performance of the Marketing Platform. The Company may be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies to compensate for the lack of cookie data. The Company may not be able to develop or implement additional tools that compensate for the lack of cookie data. Moreover, even if the Company is able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than the Company's current use of cookies.

Potential "Do Not Track" Standards

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. In 2010, the U.S. Federal Trade Commission ("FTC"), issued a staff report criticizing the advertising industry's self-regulatory efforts as too slow and lacking adequate consumer protections. In 2012, a subsequent staff report was issued by the FTC, indicating that the FTC had brought enforcement actions against various online advertisers for failure to honour consumer opt outs. The FTC emphasized a need for simplified notice, choice and transparency to the consumer regarding collection, use and sharing of data, and suggested implementing a "Do Not Track" browser setting that allows consumers to choose whether to allow "tracking" of their online browsing activities. All major internet browsers have implemented some version of a "Do Not Track" setting. Microsoft's Internet Explorer 10 and 11 include a "Do Not Track" setting that is selected by default. However, there is no definition of "tracking," no consensus regarding what message is conveyed by a "Do Not Track" setting and no industry standards regarding how to respond to a "Do Not Track" preference. The World Wide Web Consortium chartered a "Tracking Protection Working Group" in 2011 to convene a multi-stakeholder group of academics, thought leaders, companies, industry groups and consumer advocacy organizations, to create a voluntary "Do Not Track" standard for the web. The group has yet to agree upon a standard. The "Do-Not-Track Online Act of 2013" was introduced in the U.S. Senate in February 2013. If a "Do Not Track" browser setting is adopted by many internet users, and the standard either imposed by legislation or agreed upon by standard setting groups, prohibits the Company from using non-personal information as it currently does, then that could hinder growth of advertising and content production on the web generally, cause the Company to change its business practices and adversely affect its business.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of the Company expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as internet protocol (or IP) address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for the Company's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The *Personal Information Protection and Electronic Documents Act* and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, the Company collects and stores IP addresses. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, if there is a data breach, there is a potential for claims for damages by consumers whose personal information has been disclosed without authorization. Evolving and changing definitions of personal information, within the Canada, the U.S. and elsewhere, especially relating to classification of machine or device identifiers, location data and other information, have in the past, and may cause the Company to, in the future, change business practices, or limit or inhibit the Company's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, and to offer certain privacy protections with respect to such information, such measures may not always be effective.

In addition, while the Company takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. The Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm the Company's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Infringement of Intellectual Property Rights

If the Company's proprietary Marketing Platform or AR Block platform violates or is alleged to violate third party proprietary rights, the Company may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect the Company's business.

Circumstances outside of the Company's control could pose a threat to its intellectual property rights. Effective intellectual property protection may not be available in the U.S., Canada or other countries in which the Marketing Platform or AR Block business is offered in the future. In addition, the efforts that have been taken to protect the Company's intellectual property rights may not be sufficient or effective. Any impairment of the Company's intellectual property rights could harm its business, its ability to compete and harm its operating results.

The Company does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. The Company receives representations from advertisers that the content of the advertising that the Company places on their behalf is lawful. The Company also relies on representations from its advertisers that they maintain adequate privacy policies that allow the Company to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering the Company's offerings. If any of these representations are untrue and the Company's advertisers do not abide by laws governing their content or privacy practices, the Company may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open Source Software Components

The Company's Marketing Platform, including its computational infrastructure, relies on software licensed to it by third party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that the Company make available source code for modifications or derivative works the Company creates based upon the type of open source software the Company uses. If the Company combines its proprietary software with open source software in a certain manner, the Company could, under certain open source licenses, be required to release the source code of its proprietary software to the public. This would allow the Company's competitors to create similar solutions with lower development effort and time and ultimately put the Company at a competitive disadvantage.

Although the Company monitors its use of open source software to avoid subjecting its products to conditions it does not intend, the terms of many open source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its services. Moreover, the Company cannot guarantee that its processes for controlling its use of open source software will be effective. If the Company is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its Marketing Platform on terms that are not economically feasible, to re-engineer its Marketing Platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect the Company's business, operating results and financial condition.

Unanticipated Problems Associated with the Marketing Platform and AR Block

The Company depends upon the sustained and uninterrupted performance of its Marketing Platform and AR Block to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because the Company's software is complex, undetected errors and failures may occur, especially when new versions or updates are made. The Company's Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite the Company's plans for quality control and testing measures, its Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, the Company may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its software. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against the Company by its customers and other parties.

Mobile Advertising

The Company's success in the mobile advertising channel depends upon the ability of its Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom the Company does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If the Company's Marketing Platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wishes to impair the Company's ability to provide advertisements on them or the Company's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, the Company's ability to generate revenue could be significantly harmed.

Obsolescence

The Company's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's Marketing Platform obsolete or relatively less competitive. The Company's future success will depend upon its ability to continue to develop and expand its Marketing Platform and AR Block and to address the increasingly sophisticated needs of its customers. The Company may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of the Company's offering to purchase offerings of competitors instead.

Catastrophic Events

The Company's maintains servers at co-location facilities in Canada that it uses to deliver advertising campaigns for its advertisers. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in one or more of its co-location facilities, it could take several days, if not weeks, to recreate this data from multiple sources, which could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business and results of operations, and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Economic, Political and Market Conditions

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect the Company's business prospects. This uncertainty may cause general business conditions in Canada and the U.S. and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of the Company's offerings, and expose the Company to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Company's Common Shares

Market for Company's Common Shares

Technology stocks have historically experienced high levels of volatility and the Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments in Canada, the U.S., and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases or sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. AQUA bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. AQUA's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause AQUA's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of AQUA. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non-financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of AQUA's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. AQUA does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, AQUA is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, AQUA will not be required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such AQUA has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 Certification of Disclosure In Issuers' Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Market Competition and Technological Changes

The existing and anticipated markets for AQUA's Programmatic Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, AQUA's customers could develop their own solutions. Many of AQUA's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does AQUA. They may be able to respond more quickly than AQUA can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering Programmatic and real time bidding solutions, AQUA also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. AQUA also competes for a share of advertisers' total advertising budgets with online search advertising, for which AQUA does not offer a solution, and with traditional advertising media, such as direct mail, television, radio, cable and print.

Some of the competitors mentioned above also act as suppliers of AQUA, putting them in a potential conflict of interests position. There is a risk that such competitors may, in the future, constrain or entirely cut off AQUA from its sources of supply of inventory in order to improve their own competitive position in the markets targeted by AQUA.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of AQUA's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect AQUA's competitive position.

As a result of these and other factors, AQUA may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on AQUA's business, financial condition and results of operations.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of AQUA expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as IP address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for AQUA's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The Personal Information Protection and Electronic Documents Act and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, AQUA collects and stores IP addresses for fraud prevention purposes only and not for advertisement targeting purposes.

In addition, while AQUA takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. AQUA's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against AQUA, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm AQUA's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Ability to Protect AQUA's Proprietary Offering

Any failure to protect AQUA's proprietary Programmatic Marketing Platform could harm its business and competitive position. There can be no assurance that any steps AQUA has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to AQUA's technology.

AQUA may use a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws, other common law intellectual property protections and technical measures to protect its proprietary technology. AQUA has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third-party development of AQUA's technology. In addition, the laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the United States. If AQUA resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to AQUA's proprietary rights if it is unsuccessful in such proceedings. Moreover, AQUA's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that AQUA may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent AQUA from engaging in actions necessary to its business, products, or services.

Infringement of Intellectual Property Rights

If AQUA's proprietary Programmatic Marketing Platform violates or is alleged to violate third party proprietary rights, AQUA may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect AQUA's business.

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AQUA's Programmatic Marketing Platform, including its computational infrastructure, relies on software licensed to it by third-party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that AQUA make available source code for modifications or derivative works AQUA creates based upon the type of open source software AQUA uses. If AQUA combines its proprietary software with open source software in a certain manner, AQUA could, under certain open source licenses, be required to release the source code of its proprietary software to the public. This would allow AQUA's competitors to create similar solutions with lower development effort and time and ultimately put AQUA at a competitive disadvantage.

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Unanticipated Problems Associated with the Programmatic Marketing Platform

AQUA depends upon the sustained and uninterrupted performance of its platform to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because AQUA's technology is complex, undetected errors and failures may occur, especially when new versions or updates are made. AQUA's Programmatic Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite AQUA's plans for quality control and testing measures, its Programmatic Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, AQUA may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its technology. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against AQUA by its customers and other parties.

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Obsolescence
AQUA's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render AQUA's platform obsolete or relatively less competitive. AQUA's future success will depend upon its ability to continue to develop and expand its Programmatic Marketing Platform and to address the increasingly sophisticated needs of its customers. AQUA may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of AQUA's offering to purchase offerings of competitors instead.

Economic, Political and Market Conditions
AQUA's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect AQUA's business prospects. This uncertainty may cause general business conditions in the United States and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of AQUA's offering; and expose AQUA to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Common Shares

Market for Common Shares
There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. Technology stocks have historically experienced high levels of volatility and AQUA cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by AQUA or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of AQUA's public float; (v) actual or anticipated changes or fluctuations in AQUA's results of operations; (vi) whether AQUA's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving AQUA, its industry, or both; (ix) regulatory developments in the Canada, the United States, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on AQUA from any of the other risks cited herein.

Substantial Control by Insiders

As at December 31, 2020, AQUA's directors and executive officers, in the aggregate, beneficially own approximately 5.5% of the Common Shares. As a result, these insiders may be able to influence or control matters requiring approval by AQUA's shareholders, including the election of Directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from those of investors and may vote in a manner that is adverse to investors' interests. This concentration of ownership may have the effect of deterring, delaying or preventing a change of control of AQUA, could deprive AQUA's shareholders of an opportunity to receive a premium for their Common Shares as part of a sale of AQUA and might ultimately affect the market price of the Common Shares.

Significant Sales of Common Shares

Although the Company's Common Shares are freely tradable, the Common Shares held by AQUA's directors and executive officers will be subject to escrow pursuant to the policies of the Exchange. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about AQUA or its business. AQUA will not have any control over these analysts. If one or more of the analysts who covers AQUA should downgrade the Common Shares or change their opinion of AQUA's business prospects, AQUA's share price would likely decline. If one or more of these analysts ceases coverage of AQUA or fails to regularly publish reports on AQUA, AQUA could lose visibility in the financial markets, which could cause AQUA's share price or trading volume to decline.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

Fraud

AQUA operates as a technology and services provider in a dynamic eco-system where fraud exists. Typical forms of fraud include robotic traffic, where robots mimic the behavior of users in order to inflate the number of impressions, clicks, post clicks actions or other metrics associated with the ad; ads that have no potential to be viewed by a human; and activities designed to trick mechanisms for user data collection or attribution models. AQUA employs reasonable measures to detect and eliminate fraud to the best of its ability. However, despite its efforts, AQUA is not in the fraud detection business and there are no guarantees as to the degree to which fraud can be minimized.

Publisher Protection

AQUA offers managed media campaign services and licenses its technology to third parties who use it to carry out media buys. Despite AQUA's efforts to protect its suppliers from unwanted buying activities and ads, misuse of the system by advertising parties cannot be ruled out.

Ad Blockers

Ad blockers represent an increased risk to the online advertising industry as a whole, as their use has lately risen. Ad blockers prevent ads from being displayed and can interfere with the collection and transmission of data required for the normal operation of the online advertising ecosystem, including user data, measurement and attribution. The industry is taking steps to combat ad blocking and tools have been created to detect ad blockers for use by publishers. These tools allow publishers who rely on ad revenue to withhold content from users with ad blockers. Additionally, in order to discourage the use of ad blockers, the industry is initiating a shift towards ads that are less disruptive to the user experience. Nevertheless, there are no guarantees that these measures will be sufficient to eliminate all ad blocking activities and that AQUA will not experience loss of potential revenue as a result of ad blocking.

APPENDIX "D"
MANAGEMENT DISCUSSION & ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2021

AQUARIUS AI INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 3 months ended March 31, 2021

*This management discussion and analysis ("**MD&A**") of Aquarius AI Inc. (the "**Company**" or "**AQUA**") is an overview of the activities of the Company for the three months ended March 31, 2021 through to the effective date of this MD&A; May 28, 2021. The MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2020, and the notes attached thereto (" Audited Financial Statements") and the Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2021 and March 31, 2020 and the notes attached thereto ("Interim Financial Statements").*

All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A may contain certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

OVERVIEW OF THE COMPANY

Aquarius AI Inc. (formerly Good Life Networks Inc.) was incorporated under the Business Corporations Act on August 17, 2011. The Company was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV") until the completion of the qualifying transaction.

Effective January 28, 2018, the Company, then Exito Energy II Inc. ("Exito") closed its qualifying transaction (the "Transaction") with Good Life Networks Inc. ("GLN"), a Vancouver-based, digital media private company. The Transaction was completed by way of a share exchange pursuant to a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia) (the "Arrangement"), which included the amalgamation of GLN and Exito to form the Company as the resulting issuer. The Company continued the business of GLN. The transaction was considered a reverse takeover ("RTO") since the legal acquiree is the accounting acquirer, as the former shareholders of GLN obtained a controlling interest of the resulting issuer after the completion of the Transaction.

The Company changed its name from Good Life Networks Inc. to Aquarius AI Inc. on November 29, 2019. The trading ticker symbol is "AQUA". The Company continues to trade on the Frankfurt Stock Exchange under the stock symbol "4G5". The registered office of the Company is located at 595 Howe Street 10th floor, Vancouver, BC V6C 2T5, Canada.

The Company's business is that of a digital technology company with a mandate to develop and/or acquire technologies to monetize in-house or develop and sell to third parties or find joint venture partners for further development and monetization. During 2018, the Company was granted patent pending status by the USPTO on several innovations related to the Company's exchange platform, algorithms and blockchain design:

> Patent 1: SYSTEM AND METHOD FOR ADVERTISING AUCTIONS. It defines a system and method for conducting advertising auctions in programmatic advertising, creating a new method of matching an advertiser to an online user, with the goal of increasing user engagement with the adverts show.
>
> Patent 2: ONLINE TOKENIZATION OF OUTSTANDING DEBT. It defines a system and method for using blockchain to allow accounts receivable (or any debt) to be tokenized (either on a fungible or non-fungible ("NFT") basis) and allow investors to directly or indirectly invest the tokens to fund the debt, with a fixed rate of return agreed upon upfront.

The Company's initial focus was blockchain/tokenization, as well as customer acquisition of consumer products and services through the development of a Programmatic Marketing Platform (the "Marketing Platform") to intelligently connect digital advertisers to consumers across online display, mobile and video advertising channels, and solve the key challenges that digital advertisers face. The Company ultimately chose to focus its efforts and resources on the Marketing Platform as it was the first ready to market and 'shelved' its blockchain technology.

For the three months ended March 31, 2021, the Company had a net loss of $1,066,083 (2020 –$868,093) and an accumulated deficit of $27,981,890 (2020 - $37,749,628)
.
The Company currently does not generate sufficient working capital to enable it to meet its administrative overhead, service its obligations or maintain its interests. Currently, the Company's focus has been on utilizing its technology and operations to secure new sources of working capital to continue operations. The Company's ability to continue as a going concern is dependent upon the successful results from its activities of repositioning its technology, its ability to attain profitable operations therefrom and its immediate ability to raise equity capital, none of which is in any way certain that the Company can achieve. The nature of the Company's business involves a high degree of risk and there can be no assurance that management's plans will be successful.

CORPORATE UPDATE

The Company has been working to refocus its business strategy during since late 2019 and all of 2020 due to the collapse of its advertising technology business. A major component of refocusing the business included settling with as many of its creditors as it was able and winding up now defunct operating subsidiaries.

The Marketing Platform was the cornerstone of the Company's business, providing industry leading insights and data. This allowed the Company to match their clients to buyers in a way that provides significant and sustainable value to both. The large volume of data accumulated allows the Company to forecast algorithmically the needs and wants of the brands they represent, maximizing the efficiency for their partners while increasing their margins and profitability.

The Company's repositioning strategy anticipates the repurposing and recommissioning of the Marketing Platform technology the Company has developed since 2016 to power customer acquisition for several consumer products and services. This work is extensive and no guarantees can be made about its effectiveness after such a long period of hiatus in what is a very fast moving industry. The majority of the

Company's time and resources will be focused on furthering the AR Block product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333).

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This blockchain application has the potential to transform the entire AR ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched AR cycles.

The Company believes that this AR Block solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward. As part of the Company's token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

OVERALL PERFORMANCE

The Company previously generated revenue through its proprietary advertising technology platform and related systems, connecting online users to advertisers. During the 3 months ended March 31, 2021 and comparative 2020 period, the Company generated no revenue, nor incurred direct selling costs during these periods, representing a collapse of the Adtech sector and the Company's former business in that sector. If the Company is successful with repositioning its business, it will be evaluating its pricing strategy in order to optimize the Company's objectives of market penetration and profitability; accordingly, margins will fluctuate from year to year.

RESULTS OF OPERATIONS

Financial and operating highlights for the 3 months ended March 31, 2021 and to the date of this report

- During the month of March, 2021 the Company issued an aggregate 1,081,500 common shares in settlement of certain warrant exercises at $0.15 per share.

- On March 19, 2021, the Company announced it had completed a non-brokered private placement of an aggregate 25,111,983 units at a price of $0.12 per unit, raising aggregate gross proceeds of $3,013,438. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share for a period of 24 month from the date of issuance. In connection with the placement the Company issued an additional aggregate 679,126 Finders Warrants, subject to the same terms as the unit warrants.

FUTURE OUTLOOK

The Marketing Platform was the cornerstone of the Company's business, providing industry leading insights and data. This allowed the Company to match their clients to buyers in a way that provides significant and sustainable value to both. The large volume of data accumulated allows the Company to forecast algorithmically the needs and wants of the brands they represent, maximizing the efficiency for their partners while increasing their margins and profitability. As the online marketing landscape moves quickly the Company needs to both reposition and recommission the platform to operate in-line with industry trends as well as build specific components related to its owned and operated business areas. This work is extensive and no guarantees can be made about its effectiveness after such a long period of hiatus in what is a very fast moving industry. The Company will seek to have a robust customer acquisition tool that drives value customers to its properties in a cost effective and scalable manner.

The repositioning strategy anticipates utilizing this repurposed and recommissioned Marketing Platform to power customer acquisition for several consumer products and services, including the Company's blockchain Accounts Receivable ("AR Block") product for which the Company began its patent application in 2018. (US Patent Office, serial number 62/634,333). The Company's existing Marketing Platform, when used in these new markets, is hoped will give the Company a significant customer acquisition advantage.

The Company's AR Block application is designed to accelerate the account receivable pay cycle for publishers. Whereas programmatic advertising transactions can be completed in seconds, accounts receivables are typically paid on 90-day and 180-day cycles, tying up billions of dollars of working capital across the digital publishing industry. The Company's AR Block solution helps to ensure prompt payments to publishers without requiring third-party intermediaries such as factoring agents. This AR Block application has the potential to transform the entire accounts receivable ecosystem within the digital advertising industry and may have many beneficial applications to other sectors with mismatched accounts receivable cycles.

The Company believes that this AR Block solution can be utilized in other industries equally effectively. The combination of the Company's customer acquisition technology and its AR Block solution is the core focus of the Company moving forward. As part of the Company's overall token efforts, the Company is in the preliminary stages of researching opportunities related to the mining of tokens.

To finance its immediate operations and repositioning, during March 2021 the Company closed a non-brokered private placement of an aggregate of 25,111,983 units at a price of $0.12 per unit for gross proceeds of $3,013,438.

The Company can make no assurances that it will be successful in completing its repositioning of its technology platform and that it has sufficient capital to implement its business objectives. Failure to raise additional capital if, as and when required or failure to succeed in any manner will negatively impact the Company as a viable business.

RESULTS OF OPERATIONS for the three months ended March 31, 2021 and 2020

The following table summarizes a breakdown of general and administrative costs incurred:

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
Office, software and general	$	22,533	$	82,480
Accounting, legal and audit		128,415		95,264
Consulting		370,514		169,896
Management fees		79,643		71,429
Insurance		2,917		21,465
Travel		-		5,998
Wages and salaries		-		80,519
Total	$	604,022	$	527,051

- *Increased consulting fees related to reliance upon outside consulting services for assistance with business development. and redirecting its business efforts.*
- *The decreases in Office costs, wages and salaries and insurances are all largely due to the wind up of the Company's operating subsidiaries and the Company's cost cutting measures.*
- *Accounting, legal and audit has increased due largely to increased legal costs associated with increased financing and filing activities during the current period.*

	Three Months Ended March 31, 2021	2020
	$	$
Operating expenses	629,498	762,013
Net income (loss)	(1,066,083)	(868,093)
Comprehensive income (loss)	(1,084,776)	(852,515)
Comprehensive income (loss) per share - Basic and diluted	(0.04)	(0.10)

The Company has not yet generated revenue since the significant negative shift within the advertising technology industry, which had a material and significant impact on the current operations of the Company and its two recently acquired companies which have ceased operations.

For the *three* months *ending March 31, 2021, the Company incurred a loss of $1,066,083 (2020: $868,093) a difference of $197,990.*

The increase in the loss compared to the comparative prior period is due mainly to;

- *A change in fair value of $457,561in derivate liability due to the Company's issuance of warrants and finders warrants in connection with its private placement completed during the previous periods; and*
- *A decrease in operating expenses of $132,515*
- *A decrease in financing costs of $231,733*

SELECTED QUARTERLY INFORMATION

The following table sets forth selected information from the Company's unaudited quarterly financial statements for the most recent eight quarters.

For the quarters ended:

Three Months Ended	March 30, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total Revenue	$Nil	$Nil	$Nil	$Nil
Direct Expenses	$Nil	$Nil	$Nil	$Nil
Gross Profit	$Nil	$Nil	$Nil	$Nil
Net Income (Loss)	$(1,066,083)	$(634,838)	$10,620,660	$818,177
Net Comprehensive Income (Loss)	$(1,084,776)	$(734,690)	$10,590,425	$824,361
Income (Loss) per share	($0.04)	($0.03)	$0.60	$0.09

Three Months Ended	March 30, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total Revenue	$Nil	($89,137)	$751,971	$3,077,988
Direct Expenses	$Nil	$711,217	($542,731)	($1,641,798)
Gross Profit	$Nil	($800,351)	$209,240	$1,436,190
Net Income (Loss)	($868,093)	($1,289,961)	($3,333,065)	($19,133,866)
Net Comprehensive Income (Loss)	($852,515)	($1,390,370)	($3,329,834)	($19,128,999)
Income (Loss) per share	($0.10)	($0.25)	($0.04)	($2.43)

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company is also exposed to foreign currency risk in that options and warrants have exercise prices which are different from its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at March 31, 2021 and December 31, 2020, the Company's net exposure to foreign currency risk on its financial instruments is as follows:

	March 31, 2021	**December 31, 2020**
	CAD$	CAD$
Cash	1,131,178	554
Accounts payable and accrued liabilities	(733,888)	(1,425,829)
Loans payable	-	(95,490)
Other liabilities	(484,931)	(484,931)
Due to a related party	(20,890)	(245,890)
	(108,531)	(2,251,586)

A 10% (2020 - 10%) change in the US dollar against the Canadian dollar at March 31, 2021 would result in a change of approximately $11,000 (December 31, 2020 - $225,000) in comprehensive income (loss).

To date the Company does not hedge foreign currency transactions but may elect to do so in the future if it is determined to be advantageous.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2021, the Company has cash of $1,131,178 (2020 - $42,497).

	March 31, 2020	**March 31, 2019**
Working capital (deficit)	$ (713,880)	$ (15,874,013)
Deficit	$ (27,981,890)	$ (37,749,628)

The Company currently has no operations that generate cash flow and its long-term financial success is dependent on management's ability to successfully reposition its operations and generate revenue from operations. The digital and technology sectors is fast moving and changing and is subject to factors that are beyond the Company's control. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond an approximately twelve-month period. Management's plan is to actively secure sources of funds, including generating revenues as well as possible equity and debt financing options, while at the same time focusing on exercising careful cost control to sustain operations

The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

Sources and Uses of Cash

	Three Months Ended March 31, 2021	2020
Cash used in operating activities	$ (1,868,174)	$ (58,270)
Cash provided by financing activities	2,998,798	-
Net increase (decrease) in cash and cash equivalents	$ 1,130,624	$ (58,270)

The increase in cash and cash used in operating activities is due to the Company successfully completing financing during the period.

The Company can make no assurances that it will be successful in completing its repositioning of its technology platform and that it has sufficient capital to implement its business objectives. Failure to raise additional capital if, as and when required or failure to succeed in any manner will negatively impact the Company as a viable business.

Bank Debt

On December 17, 2018, the Company entered into a commercial agreement with a major Canadian financial institution (the "Bank") to provide four credit facilities for working capital and acquisitions. On November 5, 2019, the Company entered into a restructuring agreement with the Bank to consolidate the Facilities into two Canadian dollar loans pursuant to which the Bank agreed to defer enforcement of the security until November 5, 2021.

In August 2020, the Company reached an agreement with the Bank to settle all outstanding debt in exchange for (i) 500,000 common share purchase warrants (the "Settlement Warrants") of the Company; and (ii) a cash payment of $825,000. Each Settlement Warrant is exercisable into one common share of the Company at a price of $0.275 per share for a period of 24 months from the date of issue.

During the year ended December 31, 2020, 500,000 common share purchase warrants were issued to the Company's secured lender in full settlement of outstanding bank loan of $10,890,042 and its accrued interest of $403,473 together with the cash payments of $825,000. The settlement warrants were valued using the Black-Scholes model resulting in fair value of $128,655, resulting in a gain of $10,339,860. The warrants issued are presented as a derivative liability as they do not meet the fixed-for-fixed criteria.

TRANSACTIONS WITH RELATED PARTIES

During the three months period ended March 31 2021, the Company paid wages and benefits of $9,000 (2020 - $15,476) to companies controlled by officers and directors and family members of officers and directors.

At March 31, 2021, included in accounts payable and accrued liabilities was $89,933 (December 31, 2020 - $266,970) owing to officers and directors. The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

As at March 31, 2021, included in due to a related party was $20,890 (December 31, 2020 - $245,890) owing to a company controlled by officers and directors. The amount due to or from related parties are without stated terms of repayments or interest and are unsecured.

In 2018, the Company acquired certain patents from a company controlled by an officer of the Company in the amount of $625,000. As of March 31, 2021, $280,000 (December 31, 2020 - $625,000) remains unpaid and is included in accounts payable and accrued liabilities.

These transactions are in the normal course of business and have been valued at the fair value of the consideration paid.

Key management compensation

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	**2020**
Management and consulting fees	$ 148,643	$ 193,429

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

CONTRACTUAL OBLIGATIONS

Lerna and Lernalabs

In July 2019, the Company entered into a settlement agreement with Lerna and Lernalabs. pursuant to which the Company agreed to pay to Lerna and Lernalabs the sum of US $650,000 in full and final settlement, to be paid in deferred instalments with the final payment due December 19, 2019. The Company made the first instalment payment of US $100,000 during the year ended December 31, 2019 but failed to make additional payments and was therefore subject to an interest penalty of US $100,000. As at December 31, 2019, the amount of $851,695 (US $650,000) remains payable. On January 20, 2020, the Company entered into an amended settlement agreement with Lerna and Lernalabs pursuant to which the Company agreed to issue 750,000 common shares to Lerna and Lernalabs in full settlement of the amount owing of $851,695. In addition, a further 185,000 common shares owned by an officer of the Company were transferred to another officer of the Company. The fair value of the 750,000 common shares was determined to be $75,000. The liability as at December 31, 2019 was reduced to $75,000. During the year ended December 31, 2020, 75,000 common shares were issued in full settlement of the debt.

As at March 31, a payable of $434,931 remains outstanding which is due to the lawyers responsible for negotiating the various agreements with Lerna and Lernalabs. The Company will challenge any efforts to collect this amount as it the Company is not in agreement and disputes the amount of the charges.

Loan Payable

The Company signed a promissory note agreement related to the acquisition of 495 for $1,035,010. The loan is repayable on or before February 1, 2019. The loan will begin accruing interest at a rate of 6% per annum in the event the principal is not repaid on the due date. The loan is unsecured.

On April 24, 2020, the Company entered into a mutual release agreement with the former owner of 495 in full settlement of outstanding loan payable of $1,091,936 and its accrued interest of $16,397. Pursuant to the agreement, the Company agreed to pay the seller the equivalent of USD $125,000 in four installments and issue 150,000 common shares.

During the year ended December 31, 2020, repayments of $70,142 were made toward the outstanding balance of the loan and 150,000 common shares with a fair value of $15,000 were issued in connection with the mutual release agreement.

During the three months ended March 31, 2021, repayments of $95,490 (2020 - $70,142) were made in full settlement of the loan.

OUTSTANDING SHARE CAPITAL

The Company completed a ten old for 1 new (10:1) consolidation of its common shares effective July 8, 2020. As of the date of this report, May 28, 2021, on a post-consolidated basis there are 51,043,798 common shares issued and outstanding 429,338 stock options, and 32,527,523 common share purchase warrants of the Company issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

SUBSEQUENT EVENTS

There are no subsequent events to report other than as disclosed elsewhere in this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of audited consolidated financial statements and application of IFRS often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Company reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment. Significant accounting policies and estimates under IFRS are found in Note 3 of the Company's audited consolidated financial statements.

ACCOUNTING STANDARDS ISSUED
ADOPTED DURING THE YEAR

Changes in accounting policy
The accounting policies set out below have been applied consistently to all years presented in these financial statements except as discussed in the section – "New Accounting Standards".

New accounting standards

The Company has adopted all applicable new, revised or amending Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the reporting periods in these consolidated financial statements.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At this stage, it is not expected that these new accounting standards will have a material impact on the amounts reported in the Company's financial statements. Certain disclosures and presentation may change due to the new or amended standards.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of our business. The scale and duration of these developments continue to remain uncertain as at the date of this report creating ongoing uncertainty and as a result certain assumptions and estimates used in the preparation of this report are subject to greater volatility than normal.

RISK FACTORS

The following risk factors should not be considered to be exhaustive and may not be all of the risks that AQUA may face. Management of the Company believes that the factors set out below could cause actual results to be different from expected and historical results.

The discussion in this MD&A addresses only what management has determined to be the most significant known events, trends, risks and uncertainties relevant to the Company, its operations and/or its financial results. This discussion is not exhaustive.

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of development of its products and services. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Listing Statement.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared coronavirus COVID-19 ("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, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these will continue to affect the Company's business, financial condition and results of operation in particular will all depend on future developments which are highly uncertain and many of which are outside the control of the Company and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of additional waves), potential mutations of the COVID-19 virus, the ability of governments to administer COVID-19 vaccines to the public in a timely manner, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it.

Given the uncertainties, the Company cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of COVID-19 on the Company's business and operations remain unknown, the rapid spread of COVID-19 could have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, all of which may have a material adverse impact on the Company's business, financial condition and operations.

The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; (v) required 14-day quarantine for any employees returning from out of country travel.

Company Specific Risks
Limited operating history and uncertainty of future revenues

The Company has a limited operating history and trading record, and it is, therefore, difficult to evaluate the Company's business and future prospects. In particular, the Company is at an early stage of development with operating losses expected to continue for the foreseeable future. The future success of the Company is dependent on the Company's directors' ability to implement its strategy. While the directors are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by developing companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, while at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the business, financial condition and results of operations.

Dependence on key executives, personnel and contractors

The success of the Company to a significant extent depends on the Company's directors, management and other key personnel and contractors. The directors believe that Company's future success will depend largely on its ability to attract and retain highly skilled and qualified personnel and contractors and to expand, train and manage its employee and contractor base. There can be no guarantee that suitably skilled and qualified individuals will be identified and employed or contracted on satisfactory terms or at all. If the

Company fails to recruit or retain the necessary personnel or contractors, or if the Company loses the services of any of its key executives, its business could be materially and adversely affected.

Litigation risks

Legal proceedings may arise from time to time in the course of the Company's business. The directors cannot preclude that litigation may not be brought against the Company in the future from time to time or that it may not be subject to any other form of litigation. The Company may find it difficult, impossible or very costly to enforce the rights it may have under agreements it may enter into. Please see "*19. Legal Proceedings and Regulatory Actions*"for the current legal proceedings involving the Company.

Insurance and uninsured risks

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

No history of dividends

The Company has not paid dividends on its Common Shares since incorporation. The Company intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the Board and will depend upon the capital requirements of the Company, results of operations and such other factors as the Board considers relevant.

General economic climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital, and industrial disruption have an impact on demand, business costs and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Conflicts of Interest

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Ability to Protect Proprietary Offering

Any failure to protect the Company's proprietary Marketing Platform and AR Block could harm its business and competitive position. There can be no assurance that any steps the Company has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to the Company's technology. As at the date hereof, the Company does not have patent protection on its technology or registered any trademarks but instead may, as necessary, rely on a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws and other common law intellectual property protections in the U.S. and Canada. In addition, the Company uses contracts, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, other contractual rights and technical measures to protect its intellectual property. The Company has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third party development of the Company's technology. The laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the U.S. If the Company resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to the Company's proprietary rights if it is unsuccessful in such proceedings. Moreover, the Company's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that the Company may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent the Company from engaging in actions necessary to its business, products, or services.

Retaining and Attracting Customers

To sustain or increase the Company's revenue, the Company must add new clients and encourage any existing clients to purchase additional offerings. As the digital industry matures and as competitors introduce lower cost or differentiated products or services that compete with, or are perceived to compete with, the Company's products or services, its ability to complete sales with new and existing advertisers based on the Company's current offerings, pricing, technology platform and functionality could be impaired. If the Company fails to retain or cultivate the spending of newer, lower-spending clients, it will be difficult for it to sustain and grow its revenue. Even with long-time clients, the Company may reach a point of saturation at which it cannot continue to grow revenue from those clients because of internal limits that they may place on the allocation of their budgets to a particular provider or for other reasons not known to management.

The Company has invested significant resources in its sales and marketing teams to educate potential and prospective advertisers and advertising agencies about the value of the Marketing Platform and AR Block. Sales staff is often required to explain how the Company's Marketing Platform and AR Block can optimize advertising campaigns in real time. The Company's business depends in part upon advertisers' confidence, and the confidence of the advertising agencies that represent those advertisers, that use of real-time advertising exchanges to purchase inventory is superior to other methods of purchasing digital advertising. The Company often spends substantial time and resources responding to requests for proposals from potential advertisers and their advertising agencies, including developing material specific to the needs of such potential advertisers. The Company may not be successful in attracting new advertisers despite its investment in business development, sales and marketing. The Company continues to be substantially dependent on its sales team to obtain new customers and to drive sales from existing customers. Management of the Company believes that there is significant competition for sales personnel with the skills and technical knowledge that it requires. The Company's ability to achieve significant revenue growth depends, in large part, on its success in recruiting, training, integrating and retaining sufficient numbers of sales personnel to support its growth. New hires require significant training and it may take significant time before they achieve full productivity. Recent hires and planned hires may not become productive as quickly as expected, and the Company may be unable to hire or retain sufficient numbers of qualified individuals in the markets where it does business or plans to do business. In addition, if the Company grows rapidly, a large percentage of its sales team will be new to the Company and its offerings. If the Company is unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to its existing customer base, its business will be adversely affected.

No Long-Term Customer Commitments

The Company's customers will do business by placing insertion orders for particular advertising campaigns. If the Company performs well on a particular campaign, then the advertisers or the advertising agency representing such advertisers may place new insertion orders with the Company for additional advertising campaigns. The Company generally will have no commitment from an advertiser beyond the campaign governed by a particular insertion order. Insertion orders may be cancelled by advertisers or their advertising agencies prior to the completion of the campaign without penalty. As a result, the Company's success is dependent upon its ability to outperform competitors and win repeat business from existing advertisers, while continually expanding the number of advertisers for whom it provides services. In addition, it is relatively easy for advertisers and the advertising agencies that represent them to seek an alternative provider for their advertising campaigns because there are no significant switching costs, and agencies often have relationships with many different providers, each of whom may be running portions of the same advertising campaign. Because the Company does not have long-term contracts, management may not accurately predict future revenue streams and there can be no assurance that current advertisers will continue to use the Company's Marketing Platform and AR Block, or that the Company will be able to replace departing advertisers with new advertisers that provide the Company with comparable revenue.

Failure to Properly Manage Growth

Growth in the Company's business may strain the Company's management, financial, and other resources. The Company relies heavily on information technology, or IT, systems to manage critical functions such as advertising campaign management and operations, data storage and retrieval, revenue recognition, budgeting, forecasting and financial reporting. To manage any future growth effectively, the Company must expand its sales, marketing, technology and operational staff, invest in research and development of its Marketing Platform and/or new offerings, enhance its financial and accounting systems and controls, integrate new personnel or contractors, and successfully manage expanded operations. As the Company grows, it will incur additional expenses, and its growth may place a strain on resources, infrastructure and ability to maintain the quality of its offering. Accordingly, the Company may not be able to effectively manage and coordinate growth so as to achieve or maximize future profitability.

Reliance on Third Parties

The Company anticipates that it will continue to depend on various third party relationships in order to grow its business. The Company continues to pursue additional relationships with third parties, such as technology and content providers, real-time advertising exchanges, market research companies, co-location facilities and other strategic partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third party data and services. The Company's agreements with channel partners and providers of technology, computer hardware, co-location facilities, content and consulting services and real-time advertising exchanges are typically non-exclusive, in that they do not prohibit these third parties from working with the Company's competitors or from offering competing services. These third parties can generally terminate their arrangements with the Company at any time. The Company's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce purchases of the Company's offerings. In addition, these third parties may not perform as expected under the Company's agreements with them, and the Company may have disagreements or disputes with such third parties, which could negatively affect the Company's brand and reputation.

In particular, the Company's continued growth depends on its ability to source computer hardware, including servers built to its specifications, and the ability to locate those servers and related hardware in co-location facilities in the most desirable locations to facilitate the timely delivery of its services. Similarly, disruptions in the services provided at co-location facilities that the Company relies upon can degrade the level of services that it can provide, which may harm the Company's business. The Company also relies on its integration with many third party technology providers to execute its business on a daily basis. The Company must efficiently direct a large amount of network traffic to and from its servers to consider billions of bid requests per day, and each bid typically must take place in approximately 100 milliseconds. The Company relies on a third party domain name service, or DNS, to direct traffic to its closest data center for efficient processing. If the Company's DNS provider experiences disruptions or performance problems, this could result in inefficient balancing of traffic across the Company's servers as well as impairing or preventing web browser connectivity to the Company's Marketing Platform, which may harm its business.

Personnel

The loss of any member of the Company's management team, and in particular, its co-founders, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results.

At present and for the near future, the Company will depend upon a relatively small number of employees and contractors to develop, market, sell and support its Marketing Platform and AR Block. The expansion of technology, marketing and sales of its Marketing Platform and AR Block will require the Company to find, hire, and retain additional capable employees or subcontractors who can understand, explain, market, and sell its technology. There is intense competition for capable personnel in all of these areas, and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

In addition, as the Company moves into new geographies, it will need to attract and recruit skilled employees in those areas. The Company has no experience with recruiting in geographies outside of Canada and the U.S., and may face additional challenges in attracting, integrating and retaining international employees.

Lack of Transparency Over Fees and Net CPMs

Despite programmatic media's focus on efficiency, advertisers are often paying significantly higher CPMs (cost per thousand) for programmatic non-guaranteed buys than a publisher receives net of fees. By itself, this pricing model is not problematic, as transactional technology has a concrete value in the purchase cycle and needs to be priced accordingly. However, the lack of transparency, where technology fees are not broken out from CPMs, results in buyers and sellers evaluating inventory value and return on investment based on limited information

Cyclical Nature of Industry

The advertising industry is cyclical and tends to peak in Q2 and more so in Q4. Q1 and Q3 tend to be the softest quarters. This trend carries through to online advertising where this pattern is also seen, with Q4 budgets and therefore revenues typically much larger than the other three quarters. This follows consumer spending cycles and advertisers keen to spend budgets in Q4 when consumers are spending heavily for the holiday season.

Risks Associated with Insertion Orders

The Company operates in business relationships under the terms of Insertion Orders (“IO”). These IOs are typically open ended but can be terminated at short notice. Equally they have no minimum and maximum spend and the ability to generate revenue is dependent on the Company’s ability to secure appropriate users and match them to the appropriate advertisers.

Volatility of Blockchain Related Operations

As is typical with any relatively new technology, there is significant volatility in consumer, client and public sentiment. This volatility could translate into both a significant increase or a decrease of adoption of its blockchain AR technology, which may or may not be related to the actual business or product performance. This could impact growth rate, investor confidence or even in the worst case the viability of the AR factoring business.

Financial and Accounting Risks

Additional Financing

There can be no certainty that the Company’s financial resources and revenue from sales will be sufficient for its future needs. The Company may need to incur significant expenses for growth, operations, research and development, as well as sales and marketing of its Marketing Platform and AR Block. In addition, other unforeseen costs could also require additional capital. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company’s ability to fund ongoing operations. If additional financing is raised by the issuance of Common Shares or other securities convertible into Common Shares, control of the Company may change and shareholders of the Company may suffer dilution. If adequate funds are not available, or not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and continue operations. Any debt financing that is secured in the future could involve restrictive covenants relating to the Company’s future capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the Company’s MD&A, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company’s operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of the Common Shares. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non- financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, the Company is not required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such the Company has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR, as defined in National Instrument 52-109 – *Certification of Disclosure In Issuers' Annual and Interim Filings*, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Competition

The existing and anticipated markets for the Company's Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, the Company's customers could develop their own solutions. Many of the Company's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does the Company. They may be able to respond more quickly than the Company can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering programmatic and real time bidding solutions, the Company also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. The Company also competes for a share of advertisers' total online advertising budgets, including traditional advertising media, such as direct mail, television, radio, cable and print.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of the Company's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect the Company's competitive position.

As a result of these and other factors, the Company may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, as the AR blockchain landscape matures and existing financial services businesses become familiar with the benefits of the technology, it is probable that those competitors will likely attempt to enter the same market. Given their significantly greater capitalization, client base and experience it is likely that they could compete effectively with the Company.

Use of Third-Party Cookies

The widespread use of the internet across the globe is attributable in part to the ability of internet users to access valuable content quickly and free of charge. Digital media content providers, or publishers, who support the creation and distribution of this content do so largely by selling advertisements on their properties, similar to the business model of television and radio broadcasters. Internet users' online activity generates a vast amount of data, such as advertising viewed and responded to, and advertisers' websites visited, and is valuable to advertisers seeking to reach an optimal audience. Online, it is possible to serve advertisements to potential consumers based upon inferred interests. These interests may be inferred in part based on web-browsing history. The use of web browsing history to inform advertising purchase decisions is commonly referred to as "interest-based" or "online behavioral" advertising. Advertisers are willing to make a greater investment in, and pay a higher rate for, digital advertising when this interest-based data can be used to inform decisions about purchasing advertising impressions to reach desired consumers.

The use of interest-based online advertising has come under scrutiny globally by consumer advocacy organizations and regulatory agencies that focus on online privacy. More specifically, these groups have voiced concern about the use of "cookies" (small text files) and other online tools to record an internet user's browsing history, and the use of that information to deliver advertisements online based on inferred interests of the internet user.

The Company relies upon access to large volumes of data, including web browsing history, primarily through cookies in connection with its Marketing Platform. The Company's cookies are known as "third party cookies" because they are placed on individual browsers when internet users visit a website owned by a publisher, advertiser or other first party that has given the Company permission to place cookies. These cookies are placed through an internet browser on an internet user's computer and correspond with a data set that is kept on the Company's servers. The Company's cookies record certain information, such as when an internet user views an advertisement, clicks on an advertisement, or visits one of the Company's advertiser's websites through a browser while the cookie is active. The Company uses these cookies to help it achieve advertisers' campaign goals, to help it ensure that the same internet user does not unintentionally see the same advertisement, to report aggregate information to advertisers regarding the performance of their advertising campaigns and to detect and prevent fraudulent activity. The Company also uses data from cookies to help it decide whether to bid on, and how to price, an opportunity to place an advertisement in a certain location, at a given time, in front of a particular internet user. Without cookie data, the Company may bid on advertising without as much insight into activity that has taken place through an internet user's browser. A lack of cookie data may detract from the Company's ability to make decisions about which inventory to purchase for an advertiser's campaign, and undermine the effectiveness of its Marketing Platform.

Cookies may easily be deleted or blocked by internet users. Most commonly used internet browsers allow internet users to modify their browser settings to prevent cookies from being accepted by their browsers. Internet users can also delete cookies from their computers at any time. Certain internet users also download free or paid "ad blocking" software that prevents third party cookies from being stored on a user's computer. If more internet users adopt these settings or delete their cookies more frequently than they currently do, the Company's business could be harmed. In addition, some internet browsers block third party cookies by default, and other internet browsers may implement similar features in the future. Unless such default settings in browsers are altered by internet users to accept third party cookies, fewer of the Company's cookies may be set in browsers, adversely affecting its business.

Certain international jurisdictions have adopted and implemented legislation that negatively impacts the use of cookies for online advertising, and additional jurisdictions may do so in the future. Currently, although the Canadian Anti-Spam Legislation ("CASL") requires consent to install a computer program, CASL provides a deemed express consent for the installation of a cookie. Limitations on the use or effectiveness of cookies may impact the performance of the Marketing Platform. The Company may be required to, or otherwise may determine that it is advisable to, develop or obtain additional tools and technologies to compensate for the lack of cookie data. The Company may not be able to develop or implement additional tools that compensate for the lack of cookie data. Moreover, even if the Company is able to do so, such additional tools may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than the Company's current use of cookies.

Potential "Do Not Track" Standards

As the use of cookies has received ongoing media attention in recent years, some government regulators and privacy advocates have suggested creating a "Do Not Track" standard that would allow internet users to express a preference, independent of cookie settings in their browser, not to have website browsing recorded. In 2010, the U.S. Federal Trade Commission ("FTC"), issued a staff report criticizing the advertising industry's self-regulatory efforts as too slow and lacking adequate consumer protections. In 2012, a subsequent staff report was issued by the FTC, indicating that the FTC had brought enforcement actions against various online advertisers for failure to honour consumer opt outs. The FTC emphasized a need for simplified notice, choice and transparency to the consumer regarding collection, use and sharing of data, and suggested implementing a "Do Not Track" browser setting that allows consumers to choose whether to allow "tracking" of their online browsing activities. All major internet browsers have implemented some version of a "Do Not Track" setting. Microsoft's Internet Explorer 10 and 11 include a "Do Not Track" setting that is selected by default. However, there is no definition of "tracking," no consensus regarding what message is conveyed by a "Do Not Track" setting and no industry standards regarding how to respond to a "Do Not Track" preference. The World Wide Web Consortium chartered a "Tracking Protection Working Group" in 2011 to convene a multi-stakeholder group of academics, thought leaders, companies, industry groups and consumer advocacy organizations, to create a voluntary "Do Not Track" standard for the web. The group has yet to agree upon a standard. The "Do-Not-Track Online Act of 2013" was introduced in the U.S. Senate in February 2013. If a "Do Not Track" browser setting is adopted by many internet users, and the standard either imposed by legislation or agreed upon by standard setting groups, prohibits the Company from using non-personal information as it currently does, then that could hinder growth of advertising and content production on the web generally, cause the Company to change its business practices and adversely affect its business.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of the Company expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as internet protocol (or IP) address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for the Company's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The *Personal Information Protection and Electronic Documents Act* and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, the Company collects and stores IP addresses. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, if there is a data breach, there is a potential for claims for damages by consumers whose personal information has been disclosed without authorization. Evolving and changing definitions of personal information, within the Canada, the U.S. and elsewhere, especially relating to classification of machine or device identifiers, location data and other information, have in the past, and may cause the Company to, in the future, change business practices, or limit or inhibit the Company's ability to operate or expand its business. Data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. While the Company takes measures to protect the security of information that it collects, uses and discloses in the operation of its business, and to offer certain privacy protections with respect to such information, such measures may not always be effective.

In addition, while the Company takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. The Company's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against the Company, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm the Company's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Infringement of Intellectual Property Rights

If the Company's proprietary Marketing Platform or AR Block platform violates or is alleged to violate third party proprietary rights, the Company may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect the Company's business.

Circumstances outside of the Company's control could pose a threat to its intellectual property rights. Effective intellectual property protection may not be available in the U.S., Canada or other countries in which the Marketing Platform or AR Block business is offered in the future. In addition, the efforts that have been taken to protect the Company's intellectual property rights may not be sufficient or effective. Any impairment of the Company's intellectual property rights could harm its business, its ability to compete and harm its operating results.

The Company does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. The Company receives representations from advertisers that the content of the advertising that the Company places on their behalf is lawful. The Company also relies on representations from its advertisers that they maintain adequate privacy policies that allow the Company to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering the Company's offerings. If any of these representations are untrue and the Company's advertisers do not abide by laws governing their content or privacy practices, the Company may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open Source Software Components

The Company's Marketing Platform, including its computational infrastructure, relies on software licensed to it by third party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that the Company make available source code for modifications or derivative works the Company creates based upon the type of open source software the Company uses. If the Company combines its proprietary software with open source software in a certain manner, the Company could, under certain open source licenses, be required to release the source code of its proprietary software to the public. This would allow the Company's competitors to create similar solutions with lower development effort and time and ultimately put the Company at a competitive disadvantage.

Although the Company monitors its use of open source software to avoid subjecting its products to conditions it does not intend, the terms of many open source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on the Company's ability to commercialize its services. Moreover, the Company cannot guarantee that its processes for controlling its use of open source software will be effective. If the Company is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its Marketing Platform on terms that are not economically feasible, to re-engineer its Marketing Platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect the Company's business, operating results and financial condition.

Unanticipated Problems Associated with the Marketing Platform and AR Block

The Company depends upon the sustained and uninterrupted performance of its Marketing Platform and AR Block to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because the Company's software is complex, undetected errors and failures may occur, especially when new versions or updates are made. The Company's Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite the Company's plans for quality control and testing measures, its Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, the Company may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its software. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against the Company by its customers and other parties.

Mobile Advertising

The Company's success in the mobile advertising channel depends upon the ability of its Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom the Company does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If the Company's Marketing Platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wishes to impair the Company's ability to provide advertisements on them or the Company's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, the Company's ability to generate revenue could be significantly harmed.

Obsolescence

The Company's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's Marketing Platform obsolete or relatively less competitive. The Company's future success will depend upon its ability to continue to develop and expand its Marketing Platform and AR Block and to address the increasingly sophisticated needs of its customers. The Company may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of the Company's offering to purchase offerings of competitors instead.

Catastrophic Events

The Company's maintains servers at co-location facilities in Canada that it uses to deliver advertising campaigns for its advertisers. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in one or more of its co-location facilities, it could take several days, if not weeks, to recreate this data from multiple sources, which could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business and results of operations, and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Economic, Political and Market Conditions

The Company's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect the Company's business prospects. This uncertainty may cause general business conditions in Canada and the U.S. and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of the Company's offerings, and expose the Company to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Company's Common Shares

Market for Company's Common Shares

Technology stocks have historically experienced high levels of volatility and the Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments in Canada, the U.S., and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases or sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. AQUA bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. AQUA's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause AQUA's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of AQUA. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment tests for non-financial assets, as well as revenue and cost recognition.

Internal Controls over Financial Reporting

As a result of AQUA's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not possible. AQUA does not have the resources, size and scale to warrant the hiring of additional staff to address this potential weakness at this time. To help mitigate the impact of this, AQUA is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a venture issuer, AQUA will not be required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such AQUA has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 Certification of Disclosure In Issuers' Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Industry Risks

Market Competition and Technological Changes

The existing and anticipated markets for AQUA's Programmatic Marketing Platform are highly competitive. Barriers to enter the market are low and additional companies may enter the market with competing offerings as the size and visibility of the market opportunity continues to increase. Existing industry participants may also develop or improve their own offerings to achieve cost efficiencies and deliver additional value. In addition, AQUA's customers could develop their own solutions. Many of AQUA's competitors have longer operating histories, greater name recognition, substantially greater financial, technical, marketing, management, service, support, and other resources than does AQUA. They may be able to respond more quickly than AQUA can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to other companies offering Programmatic and real time bidding solutions, AQUA also competes with services offered through large online portals that have significant brand recognition, such as Yahoo and Google. These large portals have substantial proprietary digital advertising inventory that may provide them with competitive advantages, including far greater access to internet user data, and the ability to significantly influence pricing for digital advertising inventory. AQUA also competes for a share of advertisers' total advertising budgets with online search advertising, for which AQUA does not offer a solution, and with traditional advertising media, such as direct mail, television, radio, cable and print.

Some of the competitors mentioned above also act as suppliers of AQUA, putting them in a potential conflict of interests position. There is a risk that such competitors may, in the future, constrain or entirely cut off AQUA from its sources of supply of inventory in order to improve their own competitive position in the markets targeted by AQUA.

New products or technologies will likely increase competitive pressures and competition could result in pricing pressures, reduced margins, or the failure of AQUA's offerings to achieve or maintain acceptance in existing or anticipated markets. The development of competing offerings or technologies by market participants or the emergence of new industry or government standards may adversely affect AQUA's competitive position.

As a result of these and other factors, AQUA may be unable to compete effectively with current or future competitors. Such inability would likely have a material adverse effect on AQUA's business, financial condition and results of operations.

Legislation and Regulation

Government regulation may increase the costs of doing business online. The Canadian and certain foreign governments have enacted or are considering legislation related to online advertising and management of AQUA expects to see an increase in legislation and regulation related to advertising online, the use of geo-location data to inform advertising, the collection and use of anonymous internet user data and unique device identifiers, such as IP address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for AQUA's offerings or otherwise harm its business, results of operations and financial condition. For example, a wide variety of provincial, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal information. The Personal Information Protection and Electronic Documents Act and substantially similar provincial privacy laws in Canada provide that IP addresses are personal information. Currently, AQUA collects and stores IP addresses for fraud prevention purposes only and not for advertisement targeting purposes.

In addition, while AQUA takes steps to avoid collecting personally identifiable data about consumers (other than IP addresses), it may inadvertently receive this information from advertisers or advertising agencies or through the process of delivering advertising and may inadvertently release this information in contravention of applicable privacy legislation. AQUA's failure to comply with applicable laws and regulations, or to protect personal information, could result in enforcement action against AQUA, including fines, imprisonment of its officers and public censure, claims for damages by consumers and other affected individuals, damage to the Company's reputation and loss of goodwill, any of which could have a material adverse impact on operations, financial performance and business. Even the perception of privacy concerns, whether or not valid, may harm AQUA's reputation and inhibit adoption of its offerings by current and future advertisers and advertising agencies.

Ability to Protect AQUA's Proprietary Offering

Any failure to protect AQUA's proprietary Programmatic Marketing Platform could harm its business and competitive position. There can be no assurance that any steps AQUA has taken or intends to take will be adequate to defend and prevent misappropriation of technology, including the possibility of reverse engineering and the possibility that potential competitors will independently develop technologies that are designed around and are substantially equivalent or superior to AQUA's technology.

AQUA may use a combination of trade secret, copyright law, nondisclosure agreements, passing-off laws, other common law intellectual property protections and technical measures to protect its proprietary technology. AQUA has generally entered into confidentiality agreements with and obtains assignments of intellectual property and waivers of moral rights from its employees and contractors and has worked to limit access to and distribution of its technology, documentation and other proprietary information. However, the steps taken may not be adequate to deter misappropriation or independent third-party development of AQUA's technology. In addition, the laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the United States. If AQUA resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk to AQUA's proprietary rights if it is unsuccessful in such proceedings. Moreover, AQUA's financial resources may not be adequate to enforce or defend its rights in its technology. Additionally, any patents that AQUA may apply for or obtain in the future may not be broad enough to protect all of the technology important to its business, and its ownership of patents would not in itself prevent others from securing patents that may prevent AQUA from engaging in actions necessary to its business, products, or services.

Infringement of Intellectual Property Rights

If AQUA's proprietary Programmatic Marketing Platform violates or is alleged to violate third party proprietary rights, AQUA may be required to reengineer its technology or seek to obtain licenses from third parties to continue offering its technology without substantial reengineering. Any such efforts may not be successful or if successful could require payments that may have a material adverse effect on profitability and financial condition. Any litigation involving infringement claims would be expensive and time-consuming, and an adverse outcome may result in payment of damages or injunctive relief that could materially and adversely affect AQUA's business.

AQUA does not independently verify whether it is permitted to deliver advertising to its advertisers' internet users or that the content of the advertisements it delivers is legally permitted. AQUA receives representations from advertisers that the content of the advertising that AQUA places on their behalf is lawful. AQUA also relies on representations from its advertisers that they maintain adequate privacy policies that allow AQUA to place pixels on their websites and collect valid consents from users that visit those websites to collect and use such user's information to aid in delivering AQUA's product. If any of these representations are untrue and AQUA's advertisers do not abide by laws governing their content or privacy practices, AQUA may become subject to legal claims and exposed to potential liability and expense (for which it may or may not be indemnified), and its reputation may be damaged.

Use of Open Source Software Components

AQUA's Programmatic Marketing Platform, including its computational infrastructure, relies on software licensed to it by third-party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that AQUA make available source code for modifications or derivative works AQUA creates based upon the type of open source software AQUA uses. If AQUA combines its proprietary software with open source software in a certain manner, AQUA could, under certain open source licenses, be required to release the source code of its proprietary software to the public. This would allow AQUA's competitors to create similar solutions with lower development effort and time and ultimately put AQUA at a competitive disadvantage.

Although AQUA monitors its use of open source software to avoid subjecting its products to conditions it does not intend, the terms of many open source licenses have not been interpreted by Canadian courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on AQUA's ability to commercialize its services. Moreover, AQUA cannot guarantee that its processes for controlling its use of open source software will be effective. If AQUA is held to have breached the terms of an open source software license, it could be required to seek licenses from third parties to continue operating its platform on terms that are not economically feasible, to re-engineer its platform or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of its proprietary code, any of which could adversely affect AQUA business, operating results and financial condition.

Unanticipated Problems Associated with the Programmatic Marketing Platform

AQUA depends upon the sustained and uninterrupted performance of its platform to operate a number of campaigns at any given time; manage its inventory supply; bid on inventory for each campaign; serve or direct a third party to serve advertising; collect, process and interpret data; and optimize campaign performance in real time and provide billing information. Because AQUA's technology is complex, undetected errors and failures may occur, especially when new versions or updates are made. AQUA's Programmatic Marketing Platform may contain undetected errors or "bugs", which result in system failures, or failure to perform in accordance with industry or customer expectations. Despite AQUA's plans for quality control and testing measures, its Programmatic Marketing Platform, including any enhancements, may contain such bugs or exhibit performance degradation, particularly during periods of rapid expansion. In such an event, AQUA may be required or choose to expend additional resources to help mitigate any problems resulting from errors in its technology. Product or system performance problems could result in loss of or delay in revenue, loss of market share, failure to achieve market acceptance, adverse publicity, diversion of development resources and claims against AQUA by its customers and other parties.

Mobile Advertising

AQUA's success in the mobile advertising channel depends upon the ability of its Programmatic Marketing Platform to integrate with mobile inventory suppliers and provide advertising for most mobile connected devices, as well as the major operating systems that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems is controlled by third parties with whom AQUA does not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If AQUA's platform is unable to work on these devices or operating systems, either because of technological constraints or because a maker of these devices or developer of these operating systems wished to impair AQUA's ability to provide advertisements on them or AQUA's ability to fulfill advertising space, or inventory, from developers whose applications are distributed through their controlled channels, AQUA's ability to generate revenue could be significantly harmed.

Obsolescence

AQUA's business is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products embodying new technologies, the emergence of new industry standards, or improvements to existing technologies could render AQUA's platform obsolete or relatively less competitive. AQUA's future success will depend upon its ability to continue to develop and expand its Programmatic Marketing Platform and to address the increasingly sophisticated needs of its customers. AQUA may experience delays in releasing new offerings or enhancements in the future. Material delays in introducing new offerings or enhancements may cause customers to forego purchases of AQUA's offering to purchase offerings of competitors instead.

Economic, Political and Market Conditions

AQUA's business depends on the overall demand for advertising and on the economic health of its current and prospective advertisers. Economic downturns or instability in political or market conditions may cause current or new advertisers to reduce their advertising budgets. Adverse economic conditions and general uncertainty about continued economic recovery are likely to affect AQUA's business prospects. This uncertainty may cause general business conditions in the United States and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of AQUA's offering; and expose AQUA to increased credit risk on advertiser orders, which, in turn, could negatively impact its business, financial condition and results of operations. In addition, continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Risks Related to the Common Shares

Market for Common Shares

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. Technology stocks have historically experienced high levels of volatility and AQUA cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include (i) announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by AQUA or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of AQUA's public float; (v) actual or anticipated changes or fluctuations in AQUA's results of operations; (vi) whether AQUA's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving AQUA, its industry, or both; (ix) regulatory developments in the Canada, the United States, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on AQUA from any of the other risks cited herein.

Substantial Control by Insiders

As at December 31, 2020, AQUA's directors and executive officers, in the aggregate, beneficially own approximately 5.5% of the Common Shares. As a result, these insiders may be able to influence or control matters requiring approval by AQUA's shareholders, including the election of Directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from those of investors and may vote in a manner that is adverse to investors' interests. This concentration of ownership may have the effect of deterring, delaying or preventing a change of control of AQUA, could deprive AQUA's shareholders of an opportunity to receive a premium for their Common Shares as part of a sale of AQUA and might ultimately affect the market price of the Common Shares.

Significant Sales of Common Shares

Although the Company's Common Shares are freely tradable, the Common Shares held by AQUA's directors and executive officers will be subject to escrow pursuant to the policies of the Exchange. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about AQUA or its business. AQUA will not have any control over these analysts. If one or more of the analysts who covers AQUA should downgrade the Common Shares or change their opinion of AQUA's business prospects, AQUA's share price would likely decline. If one or more of these analysts ceases coverage of AQUA or fails to regularly publish reports on AQUA, AQUA could lose visibility in the financial markets, which could cause AQUA's share price or trading volume to decline.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

Fraud

AQUA operates as a technology and services provider in a dynamic eco-system where fraud exists. Typical forms of fraud include robotic traffic, where robots mimic the behavior of users in order to inflate the number of impressions, clicks, post clicks actions or other metrics associated with the ad; ads that have no potential to be viewed by a human; and activities designed to trick mechanisms for user data collection or attribution models. AQUA employs reasonable measures to detect and eliminate fraud to the best of its ability. However, despite its efforts, AQUA is not in the fraud detection business and there are no guarantees as to the degree to which fraud can be minimized.

Publisher Protection

AQUA offers managed media campaign services and licenses its technology to third parties who use it to carry out media buys. Despite AQUA's efforts to protect its suppliers from unwanted buying activities and ads, misuse of the system by advertising parties cannot be ruled out.

Ad Blockers

Ad blockers represent an increased risk to the online advertising industry as a whole, as their use has lately risen. Ad blockers prevent ads from being displayed and can interfere with the collection and transmission of data required for the normal operation of the online advertising ecosystem, including user data, measurement and attribution. The industry is taking steps to combat ad blocking and tools have been created to detect ad blockers for use by publishers. These tools allow publishers who rely on ad revenue to withhold content from users with ad blockers. Additionally, in order to discourage the use of ad blockers, the industry is initiating a shift towards ads that are less disruptive to the user experience. Nevertheless, there are no guarantees that these measures will be sufficient to eliminate all ad blocking activities and that AQUA will not experience loss of potential revenue as a result of ad blocking.

APPENDIX "E"
STATEMENT OF EXECUTIVE COMPENSATION

STATEMENT OF EXECUTIVE COMPENSATION

As defined under applicable securities legislation, the Company had the following "Named Executive Officers" during the financial year ended December 30, 2019:

Michael Woodman: CEO (January 1, 2019 to August 30, 2019), Executive Chairman (September 1 to Present)

Chris Bradley: Chief Executive Officer (August 30, 2019 to Present)

Andrew Gibson: Chief Operating Officer (August 30, 2019 to Present)

Ying Xu: Chief Financial Officer (September 26, 2019 to Present)

Cliff Dumas Chief Communication Officer (resigned August 30, 2019)

Andrew Osis CFO (July 22, 2019 to August 30, 2019)

Matthew Lee CFO (August 30, 2019 – September 26, 2019)

Konstantin Litchenwald CFO (resigned July 22, 2019)

Definitions: For the purpose of this Listing Statement:

"**CEO**" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**NEO**" means:

(a) a CEO;

(b) a CFO;

(c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*; or

(d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

At the year ended December 31, 2019 the Company had three named NEO's, namely:

Michael Woodman: Executive Chairman (formerly CEO)

Chris Bradley: CEO

Ying Xu: Chief Financial Officer

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's Named Executive Officers.

The Company's policies on compensation for its Named Executive Officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Company. The overriding principles in establishing executive compensation provide that compensation should:

(a) reflect fair and competitive compensation commensurate with an individual's experience and expertise in order to attract, motivate and retain highly qualified executives;

(b) reflect recognition and encouragement of leadership, entrepreneurial spirit and team work;

(c) reflect an alignment of the financial interests of the executives with the financial interest of the Company's shareholders;

(d) include stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives;

(e) reflect a contribution to enhancement of the Company's shareholder value; and

(f) provide incentive to the executives to continuously improve operations and execute on corporate strategy.

The Named Executive Officers' compensation program is, therefore, designed to reward the Named Executive Officers for increasing shareholder value, achieving corporate performance that meets pre-defined objective criteria, improving operations and executing on corporate strategy. The same approach is taken by the Company with respect to the compensation of senior management personnel other than the Named Executive Officers.

Compensation Risk Assessment and Governance

In light of the Company's size and limited elements of executive compensation, the Board does not have a Compensation Committee and does not deem it necessary to consider at this time the implications of the risks associated with the Company's compensation policies and practices. Also, there are no risks which have been identified in the Company's practices to date which would reasonably be likely to have a material adverse effect on the Company.

As determined by the board of directors at the recommendation of management, Options are granted to retain executive officers and motivate the executive officers by rewarding sustained, long-term development and growth that will result in increases in Share value. There is no formal process for assessing when Options are to be granted, rather they are granted at a time determined necessary by the Board, in its discretion, and are priced at market-value at the time of grant.

The Company does not permit its executive officers or Directors to hedge any of the equity compensation granted to them.

Executive Compensation Program

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company.

Executive compensation is comprised of three principal elements: base fee or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (share options).

Base fee or salary is intended to be competitive with, but not at the high end of the range of, similar issuers in the media industry. After base fee or salary, options are considered to be long-term incentives and the most important form of long-term compensation, as they provide incentive to build shareholder value. The amount of options granted is proportional to the recipient's position in the Company. Bonuses are the least important of the three components and are determined at year-end. It is anticipated that, if granted, they will be equal to a fraction of base fee or salary.

Each element has a different function, as described in greater detail below, but all elements work together to reward the Named Executive Officers appropriately for personal and corporate performance.

Base Fee or Salary

Base fees or salaries are considered an essential element in attracting and retaining the Company's senior executives (including the Named Executive Officers) and rewarding them for corporate and individual performance. Base fees or salaries are established by taking into account level of skills, expertise and capabilities demonstrated by the senior executives, individual performance and experience, level of responsibility and competitive pay practices by comparable media companies.

Base fees or salaries are reviewed annually by the Board and are adjusted, if appropriate, to reflect performance and market changes taking into account the recommendations of the Compensation Committee.

In addition to base fee or salary, the Named Executive Officers are reimbursed by the Company for reasonable out-of-pocket expenses incurred in connection with their employment with the Company.

Short-Term Incentives

The Company provides senior executives (including the Named Executive Officers) with the opportunity to receive discretionary cash bonuses as determined by the Board and having regard to individual and corporate performance over the past financial year. Bonuses are primarily designed to align the financial interests and personal motivation of the Named Executive Officers with the interests of the Company and are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

Long-Term Incentives

The Company's only long-term incentive compensation for senior executives (including the Named Executive Officers) at this time is provided through stock option grants under the Company's incentive stock option plan (the "Stock Option Plan"), which permits the granting of options to purchase up to a maximum of 10% of the then issued and outstanding Shares.

The Stock Option Plan is designed to advance the interests of the Company by encouraging eligible participants, being Directors, employees, management company employees, officers and consultants, to have equity participation in the Company through the acquisition of Shares.

The Stock Option Plan has been used and will be used to provide incentive share purchase options ("Options") which are awarded based on the recommendations of the Board, taking into account the level of responsibility of the executive as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of the Company. In determining the number of Options to be granted to the Company's executive officers, the Board takes into account the number of Options, if any, previously granted to each executive officer, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the TSXV and to closely align the interests of executive officers with the interests of Shareholders. The Board determines the vesting provisions of all Option grants.

Director and Named Executive Officer Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by each NEO and director for the three most recently completed financial years ended December 31, 2019, 2018 and 2017:

Table of compensation excluding compensation securities							
Name and position	**Year Ended Dec 31**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)(1)**	**Value of all other compensation ($)**	**Total compensation ($)**
Michael Woodman (professionally known as Jesse Dylan) *Director (Chairman) Former President, CEO*	2019 2018 2017	424,345 375,000 Nil	Nil 568,940 Nil	Nil Nil Nil	Nil Nil Nil	32,605 178,564 Nil	456,950 1,122,504 Nil
Christopher Bradley CEO & *Director*	2019 2018 2017	$210,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	24,154 Nil Nil	234,154 Nil Nil
Ying Xu *CFO & Director*	2019 2018 2017	26,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	26,000 Nil Nil
Konstantin Lichtenwald *Former CFO*	2019 2018 2017	135,000 165,000 Nil	Nil 95,000 Nil	Nil Nil Nil	Nil Nil Nil	24,155 25,618 Nil	159,155 285,618 Nil

Andrew Gibson, *COO*	2019 2018 2017	82,060 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	82,060 Nil Nil
Eugene Valaitis Director	2019 2018 2017	40,250 Nil Nil	Nil Nil Nil	10,000 Nil Nil	Nil Nil Nil	6,046 20,062 Nil	56,296 20,062 Nil
Cliff Dumas, *Former CCO*	2019 2018 2017	179,880 250,000 Nil	Nil 321,136 Nil	Nil Nil Nil	Nil Nil Nil	26,413 99,960 Nil	206,293 671,096 Nil
Brad Docherty, Former CEO	2019 2018 2017	Nil Nil 300,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 300,000
Andrew Osis, *Former CFO*	2019 2018 2017	15,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	15,000 Nil Nil
Praveen Varshney *Former Director*	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	10,000 Nil Nil	Nil Nil Nil	6,046 20,062 Nil	16,046 20,062 Nil
Stephanie Ratza, *Former Director*	2019 2018 2017	Nil Nil Nil	Nil Nil Nil	10,000 Nil Nil	Nil Nil Nil	6,046 20,062 Nil	16,046 20,062 Nil
Matthew Lee, *Former CFO*	2019 2018 2017	4,734 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	4,734 Nil Nil

(1) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total compensation during each of the three most recently completed fiscal years ended December 31, 2019, 2018 and 2017.

Stock Options and Other Compensation Securities

The Company nor any subsidiary granted or issued compensation securities to any of its directors or NEO’s in the year ended December 31, 2019 for services provided, or to be provided directly or indirectly, to the Company or any subsidiary thereof.

The following table provides information regarding the stock options, other compensation securities, and incentive plan awards for each NEO and Director outstanding as of December 31, 2019.

Compensation Securities							
Name & Position	**Type of Compensation Security**	**Number of compensation securities, number of underlying securities and percentage of class[1]**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Michael Woodman (professionally known as Jesse Dylan) *Executive Chairman*	Stock Option	25,000 112,500	Dec 27, 2018 Jan 30, 2018	$1.50 $2.50	$2.00 $2.50	$0.15 $0.15	Dec 31, 2023 Jan 30, 2023
Christopher Bradley, *CEO & Director*	Stock Option	21,500 15,000	Dec 27, 2018 Jan 30, 2018	$1.50 $2.50	$2.00 $2.50	$0.15 $0.15	Dec 31, 2023 Jan 30, 2023
Ying Xu, *CFO & Director*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Konstantin Lichtenwald *Former CFO*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Gibson, *COO*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Eugene Valaitis *Director*	Stock Option	5,000 12,500	Dec 27, 2018 Jan 30, 2018	$1.50 $2.50	$2.00 $2.50	$0.15 $0.15	Dec 31, 2023 Jan 30, 2023
Cliff Dumas, *Former CCO*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Brad Docherty, *Former CEO*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Osis, *Former CFO*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Praveen Varshney, *Former Director*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A

Stephanie Ratza, *Former Director*	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

1. Each of the stock options held are fully vested and have no restrictions on exercise. Except as otherwise noted below, they have not been changed or modified since the day of grant. Each of the stock options is exercisable to purchase one additional common share for each option held.
2. On July 8, 2020, the Company consolidated its common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares held. As required by International Accounting Standards ("IAS") 33 Earnings per Share, options outstanding, and per share amounts for time periods prior to the share consolidation have been restated to reflect the one-for-ten share consolidation.

Exercise of Compensation Securities by Directors and NEOs

No compensation Securities were exercised by Directors or NEO's or any subsidiary thereof in the year ended December 31, 2019.

Stock Option Plans and Other Incentive Plans

The Stock Option Plan reserves a maximum aggregate of 10% of the Company's issued and outstanding common shares at the time the Stock Option Plan was adopted. The Stock Option Plan has not been approved by Shareholders.

The Stock Option Plan is administered by the Board of Directors and enables the Company and provides for grants of options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company at the discretion of the Board. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price shall not be less than the discounted market price on the grant date. Any options granted pursuant to the Stock Option Plan will terminate ninety (90) days (thirty (30) days if the optionee was engaged in investor relations activities) after the option holder ceasing to act as a directors, senior officers, employees, consultants, consultant company or management company employees of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares. The directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchanges or any other regulatory body having authority over the Company or the Stock Option Plan, the Board may from time to time amend the Stock Option Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Stock Option Plan, any Option or the Common Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Common Shares without further approval of the TSX Venture

Exchange ("TSXV"), other regulatory bodies having authority over the Company, the Stock Option Plan or the shareholders.

Employment, Consulting and Management Agreements

Other than as described below, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Company or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Company or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Mr. Bradley, in his capacity as the Chief Executive Officer of the Company, is an independent contractor, providing his services on a full-time basis through Gurlach Ltd. ("Gurlach"), a private company partly owned by Mr. Bradley. Gurlach, through Mr. Bradley (as service provider), provides management services to the Company. The Company has entered into an agreement effective August 31, 2019 with Gurlach ("Gurlach Agreement"), pursuant to which Mr. Bradley, as service provider under the Gurlach Agreement, provides management consulting services to the Company in accordance with the terms of the Gurlach Agreement for an annual fee of $240,000. The Gurlach Agreement also states that the Company shall also reimburse Gurlach for all reasonable expenses incurred by Mr. Bradley in the provision of services under the Gurlach Agreement. Gurlach is eligible to receive a cash bonus equal up to 50% of the total fees paid to Gurlach in the year at the discretion of, and as determined by, the Board. By mutual agreement, Gurlach and the Company have agreed to reduce the annual fee to $120,000 per annum beginning April 2, 2021 and continuing until mutual agreement between the Company and Gurlach.

Pursuant to the Gurlach Agreement, Gurlach is also entitled to the then annual fee as well as any unpaid cash bonuses in the event of termination without cause. In addition, all unvested stock options will immediately vest and become exercisable. If termination of the Gurlach Agreement is due to the death of Mr. Bradley, as service provider, Mr. Bradley's estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years.

Mr. Dylan, in his capacity as the Executive Chairman of the Company, is an independent contractor, providing his services on a full-time basis through Jesse Dylan Consultancy ("JDC"), a private company wholly owned by Mr. Dylan. JDC, through Mr. Dylan (as service provider), provides management services to the Company.

The Company has entered into an agreement dated effective August 31, 2019 with JDC (the "JDC Agreement"), pursuant to which Mr. Dylan, as service provider under the JDC Agreement, provides executive management consulting services to the Company in accordance with the terms of the JDC Agreement for an annual fee of which is currently $240,000. The JDC Agreement also states that the Company shall also reimburse JDC for all reasonable expenses incurred by Mr. Dylan in the provision of services under the JDC Agreement. JDC is eligible to receive a cash bonus equal up to 50% of the total fees paid to JDC in the year at the discretion of, and as determined by, the Board. By mutual agreement, JDC and the Company have agreed to reduce the annual fee to $120,000 per annum beginning April 2, 2021 and continuing until mutual agreement between the Company and JDC.

Pursuant to the JDC Agreement, JDC is entitled to the then annual fee as well as any unpaid cash bonuses in the event of termination without cause or in the case of a change of control (as defined in the JDC Agreement). In addition, all unvested stock options will immediately vest and become exercisable. If termination of the JDC Agreement is due to the death of Mr. Dylan, as service provider, his estate shall be entitled to twenty-four months of base fee less any statutory deductions, and pay in lieu of bonuses in the amount of two times the average of the total bonuses received in the prior two years.

Ms. Xu, in her capacity as the CFO and director of the Company, is an independent contractor, providing her services on a part-time basis, pursuant to a services agreement between the Company and Ms. Xu (the "Xu Services Agreement"). The Xu Services Agreement may be terminated by either party upon 14 days' written notice.

Pension Plan Benefits

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

Except as disclosed herein (see "*Employment, Consulting and Management Agreements*"), the Company has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby such officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

Compensation of Directors

The Board has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors except for the granting, from time to time, of incentive stock options in accordance with the Company's Stock Option Plan and the policies of the TSXV.

Save for the reimbursement of expenses incurred as directors, no cash compensation was paid to any director of the Company for the director's services as a director, or for committee participation, involvement in special assignments or for services as a consultant or expert during the fiscal years ended December 31, 2019 and 2018.

Oversight and Description of Director and Named Executive Officer Compensation

The Company relies on its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers, Directors of the Company, and other persons eligible to receive stock options.

The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Company's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Company and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Company's shareholders; the rewarding of performance, both on an individual basis and with respect to the operations of the Company as a whole; and (v) the preservation of available financial resources.

The Company currently has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Board of Directors considers not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial condition of the Company in the future.

Since the preservation of cash is an important goal of the Company, an important element of the compensation awarded to the Named Executive Officers and Directors is the granting of stock options, which do not require cash disbursement by the Company. The other element of the compensation the Company awards to its Named Executive Officers is cash compensation in the form of salary or consulting fees. The determination of the amount of cash compensation for each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the Named Executive Officer, and salary ranges for similar positions in comparable companies. The compensation of the Named Executive Officers does not depend on the fulfillment of any specific performance goals or similar criteria. The Company does not provide its Named Executive Officers or Directors with perquisites or personal benefits.

There were no significant changes to the Company's compensation policies during or after the most recently completed financing year that could or would have affected the Named Executive Officers compensation.

The Board of Directors determines whether the Company should compensate its Directors. The compensation of Directors is recommended by management of the Company to the Board of Directors and then provided to the full Board for approval. During the Company's fiscal year ended December 31, 2019 the Company paid or accrued $10,000 per annum to each of its non-executive directors in their capacity as directors. Directors or their companies may receive consulting fees for other services not related to their services or roles as directors of the Company.

The granting of options to the Named Executive Officers and Directors under the Company's Stock Option Plan helps to align the interests of the Named Executive Officers and Directors with the interests of the Company and provides an appropriate long-term incentive to management to create shareholder value.

The number of options the Company grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Company in the execution of such person's responsibilities. The number of options the Company grants to each of these Directors reasonably reflects each Director's contributions to the Company in his capacity as a director and as a member of one or more committees of the Board (if applicable), including without limitation the Audit Committee. Previous grants of options to Named Executive Officers and Directors are taken into consideration by the Board of Directors in developing its recommendations with respect to the granting of new options.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth details of the Stock Option Plan, being the Company's only equity compensation plan, as of December 31, 2019.

Plan Category	**Number of shares to be issued upon exercise of outstanding options** (1)	**Weighted-average exercise price of outstanding options**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**

Equity compensation plans approved by shareholders	Nil	Nil	Nil
Equity compensation plans not approved by shareholders	429,338	Nil	4,675,042
Total	**429,338**	**Nil**	**4,675,042**

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 12th day of July, 2021.

"Chris Bradley"
Chief Executive Officer
Chris Bradley

"Ying Xu"
Chief Financial Officer
Ying Xu

"Jesse Dylan"
Promoter
Jesse Dylan

"Eugene Valaitis"
Director
Eugene Valaitis

"Graham Martin"
Director
Graham Marin