BUSINESS ACQUISITION REPORT
(the "Report")

Item 1 Identity of Company

1.1 Name and Address of Company

Aquarius AI Inc. (the "**Company**")
10th Floor – 595 Howe Street, Vancouver, BC V6C 2T5

1.2 Executive Officer

Chris Bradley, Chief Executive Officer of the Company, is an executive officer of the Company who is knowledgeable about the significant acquisition and this Report, and can be contacted by telephone at +4246446809 and by email at: chris@glninc.ca

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Podkast Entertainment Corp. ("**Podkast**") is a private company, which is in the business of providing audio and video subscription platform technology to clients and offering additional services such as customer acquisition, advertising and non-fungible token ("**NFT**") creation to allow their clients to sell audio, video and music content to fans.

On July 15, 2021, the Company entered into a share purchase agreement (the "**Share Purchase Agreement**") with Podkast and certain shareholders of Podkast (the "**Vendors**"), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company agreed to acquire 35,213,625 common shares in the capital of Podkast (the "**Podkast Shares**"), representing approximately 83% of the issued and outstanding Podkast Shares.

For the purposes of go-forward accounting treatment, Podkast is considered the acquired company.

2.2 Acquisition Date

The acquisition of Podkast (the "**Acquisition**") was completed on July 15, 2021 (the "**Closing Date**").

2.3 Consideration

On the Closing Date, the Company acquired 35,213,625 Podkast Shares representing approximately 83% of the issued and outstanding Podkast Shares. As consideration for the Podkast Shares, the Company issued 28,558,250 common shares in the capital of the Company (the "**Common Shares**") to the Vendors, at a deemed value of $0.11 per Common Share.

2.4 Effect on Financial Position

Upon completion of the Acquisition, Podkast became a wholly-owned subsidiary of the Company. The Company will integrate its technology to support Podkast's subscription platform technology and NFT creation ability to facilitate the sale of audio, video and music content.

2.5 Prior Valuations

To the knowledge of the Company there has not been any valuation opinions obtained within the last 12 months by Podkast or the Company required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company or any of its subsidiaries in connection with the Acquisition.

2.6 Parties to Transaction

The Acquisition was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report

September 28, 2021

Item 3 Financial Statements and Other Information

The following is attached at Schedule "A" to this Report:

The audited financial statements of Podkast for the year ended December 31, 2020, together with the auditor's report thereon and notes thereto.

SCHEDULE "A"

Please see attached.

Smythe CPA

PODKAST ENTERTAINMENT CORP.
(FORMERLY GEMINI DIGITAL CORP.)

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

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PODKAST ENTERTAINMENT CORP. (FORMERLY GEMINI DIGITAL INC.)

Opinion

We have audited the financial statements of Podkast Entertainment Corp. (the "Company"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of loss and comprehensive loss for the year ended December 31, 2020;
- the statement of changes in shareholders' equity (deficiency) for the year ended December 31, 2020;
- the statement of cash flows for the year ended December 31, 2020; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year ended December 31, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Emphasis of Matter – Comparative information

Without modifying our opinion, we draw attention to Note 4 to the financial statements which describes that the Company adopted International Financial Reporting Standards on January 1, 2020 with a transition date of January 1, 2019. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2019 and January 1, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended December 31, 2019 and related disclosures. We were not engaged to report on the comparative information, and as such, it is unaudited.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has a deficit of $7,877,506 as at December 31, 2020, and for the year then ended incurred a net loss of $1,514,404. 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.

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

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

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In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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 Herve Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
September 29, 2021

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PODKAST ENTERTAINMENT CORP.
Statements of Financial Position
December 31, 2020 and 2019 and as at January 1, 2019
(Expressed in Canadian Dollars)

	Dec 31, 2020	Dec 31, 2019 (Unaudited)	Jan 1, 2019 (Unaudited)
Assets			
Current			
Cash	$ 23,704	$ 1,299	$ 820
Marketable securities (note 13)	4,006	8,583	114,444
Receivables	33,972	-	-
Due from related party (note 12)	245,890	-	-
	307,572	9,882	115,264
Deposits	6,000	6,000	6,000
Furniture and Equipment (note 8)	74,701	99,501	124,301
Right of Use Asset (note 7)	27,354	25,993	70,553
	108,055	131,494	200,854
Total Assets	$ 415,627	$ 141,376	$ 316,118
Liabilities			
Current			
Accounts payable and accrued liabilities	11,519	-	-
Due to related party (note 12)	175,884	212,800	174,301
Lease liability (note 7)	28,022	27,932	42,621
	215,425	240,732	216,922
Derivative Liability (notes 9, 10)	437,008	-	-
Lease liability (note 7)			27,932
	$ 652,433	$ 240,732	$ 244,854
Shareholders' Equity (Deficiency)			
Share Capital (note 10)	7,451,360	6,174,406	6,019,406
Obligation to Issue Shares (note 10)	100,000	-	-
Reserves (note 10)	89,340	89,340	89,340
Accumulated Deficit	(7,877,506)	(6,363,102)	(6,037,482)
	(236,806)	(99,356)	71,264
Total Liabilities and Shareholders' Equity (Deficiency)	$ 415,627	$ 141,376	$ 316,118

ON BEHALF OF THE BOARD OF DIRECTORS

"*Jesse Dylan*" "*Gene Valaitis*"

Jesse Dylan, CEO and Director **Eugene Valaitis, Director**

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

PODKAST ENTERTAINMENT CORP.
Statements of Comprehensive Loss
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	2020	2019
		(Unaudited)
Revenues	$ 326,744	$ -
Direct Expenses	(325,308)	-
Gross Profit	1,436	-
Expenses		
Accretion expense (note 7)	2,677	5,079
Advertising and promotion (notes 10, 12)	186,301	125,485
Bank charges and interests	6,035	35
Consulting fees (note 12)	415,785	29,000
Depreciation and amortization (notes 7, 8)	70,529	69,360
General and administrative (recovery)	36,913	(9,200)
Investor relationships	57,142	-
Professional fees	31,611	-
Research and development (note 12)	249,770	-
	1,056,763	219,759
	(1,055,327)	(219,759)
Other items		
Transaction costs (note 9)	(433,204)	-
Impairments and write-offs (note 13)	(4,577)	(105,861)
Foreign exchange gain (loss)	(17,492)	-
Fair value changes of derivative liability (note 9)	(3,804)	-
Net loss and comprehensive loss for the year	$ (1,514,404)	$ (325,620)
Basic and Diluted Loss Per Share	**$ (0.04)**	**$ (0.01)**
Weighted average number of common shares outstanding	37,259,420	34,227,639

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

PODKAST ENTERTAINMENT CORP.
Statements of Changes in Shareholders' Equity (Deficiency)
Years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Number	Share Capital	Reserves	Obligation to issue	Accumulated Deficit	Total
Balance, January 1, 2019 (Unaudited)	**34,004,625**	**$ 6,019,406**	**$ 89,340**	**$ -**	**$(6,037,482)**	**$ 71,264**
Shares issued for cash	300,000	30,000	-	-	-	30,000
Shares issued for services	500,000	125,000	-	-	-	125,000
Net loss for the year	-	-	-	-	(325,620)	(325,620)
Balance, December 31, 2019 (Unaudited)	**34,804,625**	**$ 6,174,406**	**$ 89,340**	**$ -**	**$(6,363,102)**	**$ (99,356)**
Shares issued for cash	5,775,000	1,155,000	-	-	-	1,155,000
Shares issued for services	650,000	130,000	-	-	-	130,000
Share issuance costs	-	(8,046)	-	-	-	(8,046)
Obligation to issue shares	-	-	-	100,000	-	100,000
Net loss for the year	-	-	-	-	(1,514,404)	(1,514,404)
Balance, December 31, 2020	**41,229,625**	**$ 7,451,360**	**$ 89,340**	**$ 100,000**	**$ (7,877,506)**	**$ (236,806)**

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

PODKAST ENTERTAINMENT CORP.
Statements of Cash Flows
Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	2020	2019
		(Unaudited)
Operating Activities		
Net loss for the year	$ (1,514,404)	$ (325,620)
Items not involving cash		
Depreciation and amortization	70,529	69,360
Impairments and write-offs	4,577	105,861
Shares issued for services	130,000	125,000
Warrants issued for transaction cost	433,204	-
Fair value changes of derivative liability	3,804	-
	(872,290)	(25,399)
Changes in non-cash working capital		
Receivables	(33,972)	-
Advance to related party	(245,890)	-
Accounts payable and accrued liabilities	11,519	-
Cash Used in Operating Activities	(1,140,633)	(25,399)
Investing Activities		
Repayment of lease liability	(47,000)	(42,621)
Cash Used in Investing Activities	(47,000)	(42,621)
Financing Activities		
Proceeds from share issuances	1,146,954	30,000
Obligation to issue shares	100,000	-
Proceeds from related party loan	-	38,499
Repayment of related party loan	(36,916)	-
Cash Provided by Financing Activities	1,210,038	68,499
Inflow of Cash	22,405	479
Cash, Beginning of Year	1,299	820
Cash, End of Year	$ 23,704	$ 1,299

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Podkast Entertainment Corp. (the “Company” or “Podkast”). was incorporated under the Business Corporations Act on April 16, 2016 as Empire Digital Corp. The Company changed its name to Gemini Digital Corp. on March 6, 2020 and then to Podkast Entertainment Corp. on December 20, 2020.

The Company is not a reporting issuer in any jurisdiction in Canada, nor does its common shares trade on any stock exchange. The Company operates in the broadcast services industry including providing audio and video subscription platform technology to clients, customer acquisition services, advertising and non-fungible tokens (“NFT”) creation to allow their clients to sell audio, video and music content to fans and talent management services. The principal office of the Company is located at 1090 Homer Street, suite #150, Vancouver, BC, Canada.

These 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 a net loss of $1,514,404 (2019 – $325,620) and as at December 31, 2020, has an accumulated deficit of $7,877,506 (2019 - $6,363,102).

The Company has only commenced earning revenue and does not have sufficient cash to meet its administrative overhead and service its obligations. 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 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. If necessary, the Company will curtail discretionary spending.

The Company’s ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing or its ability to attain profitable operations and generate funds therefrom sufficient to cover its operating costs and repay its liabilities. The business involves a high degree of risk and there can be no assurance that management’s plans will be successful. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company’s ability to continue as a going concern. These 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. Such adjustments could be material.

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. 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 financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

These financial statements represent the Company's initial presentation of its operating results and financial position under IFRS and, accordingly, the Company has applied IFRS 1 First Time Adoption of International Financial Reporting Standards (note 4).

These financial statements were approved and authorized for issue by the Board of Directors of the Company on September 29, 2021.

(b) Basis of presentation

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

(c) Use of estimates and judgments

The preparation of these 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 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 and derivative liabilities are valued using either an estimate of shares issued for services or the Black- Scholes Option Pricing Model at the date of grant and expensed in profit or loss over the 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 assumptions on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Management estimates the fair value of shares issued for services by reference to recent shares issued for cash consideration to third parties.

(ii) Useful lives of assets – Following initial recognition, the Company carries assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the assets resulting in a change in related amortization expense.

2. BASIS OF PRESENATION (CONTINUED)

(c) Use of estimates and judgments (continued)

(iii) The Company uses estimation in determining the incremental borrowing rate used to measure the lease liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

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 business development and working capital requirements.

(ii) Research and development expenditures. The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. Currently the Company expenses all of its research and development expenditures.

(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. 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 financial statements.

(iv) The Company applies judgment in determining whether the contract contains an identifiable asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create incentive to exercise renewal options.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(b) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance. The excess of fair value of common shares issued over par value is included in share premium. Common share issue costs are charged to share premium when the related shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

The Company reviewed its revenue streams and major contracts with customers using the IFRS 15 five step model as follows:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company currently generates revenue by providing broadcasting services. Revenue is recognized over time using the output method when the performance obligation is fulfilled. The performance obligation is satisfied over time delivered based on contract terms. The Company recognizes revenue when collection is reasonably assured.

(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) Equipment

Equipment is comprised of office furniture and computer equipment. Equipment is amortized on a straight-line basis over five years. Equipment is measured at cost less accumulated amortization and accumulated impairment loss.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. As at December 31, 2020, the Company has not capitalized any research and development costs. Expenses included in research and development include material costs, employee compensation, consulting, facility costs and equipment and technology costs.

(i) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, measured at fair value through profit or loss, or measured at fair value through other comprehensive income. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost
A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's deposits and due from related party are classified as financial assets measured at amortized cost.

Financial assets at fair value through profit or loss
Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized profit or loss. The Company classifies cash and marketable securities as measured at fair value through profit or loss.

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 cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's accounts payable and accrued liabilities, due to related party and lease liabilities are classified as financial liabilities measured at amortized cost. The Company's derivative liability is classified as financial liabilities at fair value through profit or loss.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company's cash and accounts payable are financial instruments classified as Level 1 in the fair value hierarchy. Their carrying values approximate their fair values due to short-term maturity of these instruments. The Company's derivative liability is a financial instrument classified as Level 3 in the fair value hierarchy. Their fair value is based on the Black-Scholes model. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

(j) 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 statements of comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

4. FIRST TIME ADOPTION OF IFRS

The Company's financial statements for the years ended December 31, 2020 and 2019 are the first annual financial statements prepared in accordance with IFRS. IFRS 1 First Time Adoption of International Financial Reporting Standards ("IFRS 1"), requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2019 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2020. However, it also provides for certain optional exemptions and certain mandatory exceptions for the first time IFRS adoption. Prior to transition to IFRS, the Company applied accounting concepts consistent with Canadian accounting standards for private enterprises ("ASPE") but did not prepare and present financial statements.

4. FIRST TIME ADOPTION OF IFRS (CONTINUED)

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions.

(i) Stock-based Payments Transactions – The Company elected not to retrospectively apply IFRS 2 Share-based Payments to equity instruments that were granted and fully vested before the Transition Date.
(ii) Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under ASPE were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Reconciliation of ASPE to IFRS

IFRS 1 requires an entity to reconcile equity, loss and comprehensive loss and cash flows for prior periods. As this is the first set of financial statements presented, all periods are prepared in accordance with IFRS and there are no changes to its accounting policies. Therefore, no reconciliations are required.

5. RISK MANAGEMENT

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 $23,704 (2019 - $1,299).

With respect to its due from related party, the Company assesses the credit rating of all parties and maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Company's credit risk with respect to due from related party and maximum exposure thereto is $245,890 (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 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 December 31, 2020, the Company has $23,704 (2019 - $1,299) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of $11,519 (2019 - $Nil) are due within three to six months. Amount due to related party of $175,884 (2019 - $212,800) has no set repayment terms, and other lease liabilities of $28,022 (2019 - $27,932) are due within twelve months.

The Company manages its liquidity risk by relying upon its revenues and will have to raise additional funds through equity or debt financing to fund its current liabilities and operations.

5. RISK MANAGEMENT (CONTINUED)

(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 not exposed to floating interest rate risk.

(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 not currently exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are denominated in its functional currency the Canadian dollar.

(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. The Company is exposed to other price risk with respect to its investment in marketable securities. At December 31, 2020, an approximate 50% change in market prices would change other comprehensive loss by $2,003.

6. CAPITAL MANAGEMENT

The Company's primary source of funds comes from equity financing and related party loans. The Company is not subject to any externally imposed capital requirements. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' deficiency. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the years ended December 31, 2020 and 2019.

(Expressed in Canadian Dollars)

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

As at December 31, 2020 and 2019, the Company had a lease agreement for its premises in Vancouver, British Columbia.

The continuity of the ROU asset and lease liability for the years ended December 31, 2020 and 2019 are as follows:

Right-of-use asset

	2020	2019
Right-of-use asset	$ 25,993	$ 70,553
Addition	47,090	-
Depreciation	(45,729)	(44,560)
Balance, December 31	$ 27,354	$ 25,993

Lease liability

	2020	2019
Lease liability recognized	$ 27,932	$ 70,553
Addition	47,090	-
Lease payments	(49,677)	(47,700)
Lease interest	2,677	5,079
Balance, December 31	$ 28,022	$ 27,932

During the year ended December 31, 2020, an amount of $30,000 was paid on behalf of the Company by a third party for co-leased office space.

During the year ended December 31, 2019, an amount of $41,315 was paid on behalf of the Company by a former director for co-leased office space.

8. FURNITURE AND EQUIPMENT

Cost	$
Balance at December 31, 2020 and 2019, and January 1, 2019	124,301
Accumulated depreciation	
Balance at January 1, 2019	-
Depreciation for the year	24,800
Balance at December 31, 2019	24,800
Depreciation for the year	24,800
Balance at December 31, 2020	49,600
Net book value at December 31, 2019	99,501
Net book value at December 31, 2020	74,701

9. DERIVATIVE LIABILITY

In October 2019, the Company entered into an asset purchase agreement with a third party where the Company was to acquire certain assets and complete a transaction to list its shares by January 2020. The Company was unable to complete the transaction with the third party and was required to issue 3,750,000 warrants to acquire common shares as a penalty for failure to close the transaction. Each warrant is exercisable into one common share of the Company at an exercise price of $0.20 USD. As the functional currency of the Company is the CAD the warrants do not meet the "fixed for fixed" criteria for equity classification and therefore the warrants are treated as derivative liabilities and fair valued at each reporting period using the Black-scholes option pricing model. On issuance of the warrants on January 21, 2020, they were fair valued at $433,204 and recorded as a transaction cost, based on the following assumptions:

- Risk-free interest rate 1.51%
- Expected term (in years) 2
- Estimated dividend yield 0%
- Weighted-average estimated volatility 125%

The warrants were revalued at December 31, 2020 at $437,008 with a fair value change of $3,804 recorded, based on the following assumptions:

- Risk-free interest rate 1.51%
- Expected term (in years) 2
- Estimated dividend yield 0%
- Weighted-average estimated volatility 125%

10. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

December 31, 2020

During the year ended December 31, 2020, pursuant to a private placement, the Company issued 5,775,000 shares at $0.20 per share for a total of $1,155,000. The Company also issued 650,000 shares valued at $0.20 each for advertising and promotion services. In addition, the Company received subscription proceeds of $100,000 which is recorded as an obligation to issue shares. The shares were issued subsequent to December 31, 2020 (note 15).

December 31, 2019

During the year ended December 31, 2019, pursuant to a private placement, the Company issued 300,000 common shares at a price of $0.10 per share for a total of $30,000. The Company also issued 500,000 shares valued at $0.25 each for consulting services.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)

(c) Warrants

During the year ended December 31, 2020, the Company issued 3,750,000 warrants with an exercise price of $0.20 USD pursuant to settlement terms of an agreement with Velocity Marketing Inc. The Company's warrants have been recognized as a derivative liability of $437,008 (note 9).

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

	Number of Warrants	Weighted Average Exercise Price
Outstanding, January 1, 2019	748,000	$ 0.50
Issued	-	-
Converted	-	-
Exercised	-	-
Outstanding, December 31, 2019	748,000	$ 0.50
Issued	3,750,000	0.25
Exercised	-	-
Outstanding, December 31, 2020	4,498,000	$ 0.29

The following warrants were outstanding at December 31, 2020:

Grant Date	Expiry Date	Exercise Price		Number of Warrants	Exercisable
May 16, 2018	May 16, 2021*	$	0.50	680,000	680,000
May 16, 2018	May 16, 2021*	$	0.50	68,000	68,000
July 1, 2020	July 1, 2022	US$	0.20	3,750,000	3,750,000
				4,498,000	4,498,000

* Expired unexercised subsequent to December 31, 2020.

The weighted average contractual life of warrants as at December 31, 2020 is 1.97 years (December 31, 2019 - 2.80 years).

The Company has no stock option plan and stock options outstanding as of December 31, 2020 and 2019.

(Expressed in Canadian Dollars)

11. INCOME TAXES

As at December 31, 2020, the Company has non-capital losses of approximately $1,825,000 available that may be carried forward and applied against future income for Canadian income tax purposes. The non-capital losses expire as follows:

2036	$ 17,000
2037	1,000
2038	278,000
2039	116,000
2040	1,413,000
	$ 1,825,000

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 financial statements:

	2020	2019
Non-capital losses	$ 1,824,878	$ 412,015
Share issue costs	6,437	-
Furniture and equipment	14,796	-
Marketable securities	44,748	-
Non-capital losses carried forward	-	-
Unrecognized deductible temporary differences	$ 1,890,859	$ 412,015

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
Loss before tax	$ (1,514,404)	$ (325,620)
Statutory tax rate	27%	27%
Expected income tax benefit	(408,889)	(87,917)
Permanent differences	3,687	-
Under(over)provided in prior years	6,041	-
Unrecognized benefit of deferred tax assets	399,288	87,917
Other adjustments for tax purposes	(127)	-
	$ -	$ -

12. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Company paid consulting fees of $405,509 (2019 - $29,000), advertising and promotion fees of $17,619 (2019 - $Nil), and research and development fees of $32,000 (2019 - $Nil) to companies controlled by directors/officers and family members of directors/officers.

During the year ended December 31, 2019, an amount of $41,315 (2020 - $Nil) was paid on behalf of the Company by a former director for co-leased office space.

At December 31, 2020, included in liabilities is a shareholder loan of $175,884 (2019 - $212,800) payable to a director and officer of the Company.

At December 31, 2020, the Company has advances to a related company with common officers and directors of $245,890 (2019 - $Nil).

The amounts due to or from related parties are without stated terms of repayment or interest and are unsecured.

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

Key management compensation

The Company's key management consists of executive officers and directors who were compensated an aggregate $273,487 (2019 - $29,000):

13. MARKETABLE SECURITIES

The Company has an investment in Aquarius AI Inc., a public company with common officers and directors, of 57,222 shares at market value of $4,006 (2019 - $8,583).

14. SEGMENTED INFORMATION

The Company currently operates in one reportable operating segment being broadcasting services. As at December 31, 2020, the Company's assets and operations are based in Canada. 100% of its current revenues were earned from one Canadian customer.

15. SUBSEQUENT EVENTS

(a) On January 1, 2021, the Company issued an aggregate 487,500 Warrants exercisable at $0.20 until expiry January 1, 2026 to two parties for contributions to the Company's development.

(b) On January 4, 2021, the Company completed a private placement for gross proceeds of $80,000 with the issuance of 400,000 shares at $0.20 per share.

(c) On January 13, 2021 the Company completed a private placement of 500,000 common shares at $0.20 per share, for gross proceeds of $100,000 which was received prior to December 31, 2020 (note 10).

(d) On February 17, 2021 the Company completed a private placement for gross proceeds of $30,000 with the issuance of 150,000 shares at $0.20 per share.

(e) On May 16, 2021, 748,000 warrants expired unexercised (note 10).

(f) On July 15, 2021 the Company entered into a Share Purchase Agreement (the "Agreement") with Aquarius AI Inc. ("AQUA"), and certain of the Company's shareholders. AQUA acquired approximately 83% of the issued and outstanding common shares of the Company from its shareholders in exchange for 28,558,250 common shares of AQUA. All of the common shares issued in connection with the acquisition are subject to escrow trading restrictions.