

**EARLY WARNING REPORT  
Form 62-103F1**

***Required Disclosure under the Early Warning Requirements***

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Liquid Avatar Technologies Inc. (the “**Company**”)  
7030 Woodbine Avenue, Ste 500  
Markham, Ontario L3R 6G2

This report relates to common shares (“**Common Shares**”) of the Company.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Benjamin Kessler (“**BK**”)  
15 Split Rock Lane  
New Rochelle, NY 10804

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

As of August 30, 2020 BK had beneficial ownership and/or control over 13,875,000 Common Shares representing approximately 20.77% of the issued and outstanding Common Shares, on a partially diluted basis. Such shares consisted of 12,500,000 Common Shares held by Crypto KABN Holdings Inc. (“**CK**”), of which BK may have had shared control or direction as an officer of CK, plus 600,000 Common Shares, 176,000 Common Share Purchase Warrants and options to purchase 600,000 Common Shares. As of August 31, 2020, BK resigned as an officer of CK and, as a result, no longer had shared control or direction over the 12,500,000 Common Shares held by CK. No sales or dispositions of Common Shares occurred to reduce BK’s position to below 10%.

**2.3 State the names of any joint actors.**

Not applicable.

### **Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

As of August 30, 2020, BK had beneficial ownership and/or control over 14,561,250 Common Shares representing approximately 20.77% of the issued and outstanding Common Shares, on a partially diluted basis. Such shares consisted of 12,500,000 Common Shares held by CK, of which BK may have had shared control or direction as an officer of CK, plus 600,000 Common Shares, 175,000 Common Share Purchase Warrants and options to purchase 600,000 Common Shares. As of August 31, 2020, BK resigned as an officer of CK and, as a result, no longer had shared control or direction over the 12,500,000 Common Shares held by CK. No sales or dispositions of Common Shares occurred to reduce BK’s position to below 10%.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

No sales or dispositions of Common Shares occurred to reduce BK’s position to below 10%. As of August 30, 2020, BK resigned as an officer of CK and, as a result, no longer had shared control or direction over the 12,500,000 Common Shares held by CK.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

As of August 30, 2020, BK had beneficial ownership and/or control over 13,875,000 Common Shares representing approximately 20.77% of the issued and outstanding Common Shares, on a partially diluted basis. Such shares consisted of 12,500,000 Common Shares held by CK, of which BK may have had shared control or direction as an officer of CK, plus 600,000 Common Shares, 175,000 Common Share Purchase Warrants and options to purchase 600,000 Common Shares. As of August 31, 2020, BK resigned as an officer of CK and, as a result, no longer had shared control or direction over the 12,500,000 Common Shares held by CK. No sales or dispositions of Common Shares occurred to reduce BK’s position to below 10%.

**3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.1 and Item 3.4.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Not applicable.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

No disposition. BK resigned as an officer of CK, resulting in BK no longer having shared control of the Common Shares.

## **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

BK resigned as an officer of CK for personal reasons, resulting in BK no longer having shared control of the Common Shares.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

The Common Shares held by BK are being held in escrow pursuant to an escrow agreement (the "**Escrow Agreement**") in the form provided under National Policy 46-201 – Escrow for Initial Public Offerings. In accordance with the Escrow Agreement, the Acquired Shares and the Warrants will be released as follows: 10% on the date the Common Shares are listed on the Canadian Securities Exchange and six subsequent releases of 15% each six months thereafter (as such percentage amounts refer to the original number of Acquired Shares and the Warrants deposited into escrow pursuant to the Escrow Agreement)

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

**Certificate**

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: July 15, 2022

*“Benjamin Kessler”*

\_\_\_\_\_  
Signature

Benjamin Kessler

\_\_\_\_\_  
Name/Title