

Liquid Avatar Technologies Provides Corporate Update

Toronto, Ontario--(Newsfile Corp. - November 3, 2023) - [Liquid Avatar Technologies Inc.](#) (CSE: LQID) (OTC Pink: LQAVF) (FSE: 4T5) ("Liquid Avatar" or the "Company") would like to provide the following update to its shareholders.

As part of its ongoing efforts to maximize available corporate resources, the Company continues to dedicate efforts to its Liquid Avatar Mobile App and Aftermath Islands Metaverse programs. However, given the difficult market conditions, changes in government's dedicated efforts with digital identity, changing market demands for new fintech services including financial card products, and despite the continuing efforts of Management and the Board of Directors, the Company continues to find itself having difficulty meeting its required capital objectives to further its program development and execution.

On August 21, 2023, the Company announced that it had received a non-binding offer for its controlled subsidiary, Aftermath Islands Metaverse Limited ("Aftermath Islands") and its Liquid Avatar Mobile App from a private Swiss based Metaverse and virtual experience organization. The offer was contingent on financing amounts and terms to be agreed between the Companies. The proposed buyer has been unsuccessful in its efforts to raise the requisite financing. The Company remains on cordial terms with the proposed buyer, but the non-binding offer has now expired, and it is not expected to be renewed at this time.

An ongoing result of these difficulties resulted in a cease trade order issued by the Ontario Securities Commission on May 5, 2023. The Company cannot raise capital directly into Liquid Avatar Technologies Inc. at this time due to both the cease trade order and its inability to file the Company's financial statements for the year ended 2022 and its subsequent quarters. The Company anticipates upon raising capital that it will have sufficient resources to file the necessary statements to apply for the removal, in part, or in whole of the cease trade order. However, currently, the Company does not envisage, at least in the foreseeable short term, a revocation of the current cease trade order under the current circumstances.

On June 30, 2023, the Company filed Form 51-102F6V, Statement of Director and Named Executive Officer Compensation. This statement reflected the compensation earned by each member of management and outlined the outstanding unpaid compensation owed to each as of December 31, 2022. No compensation has been paid to management from the date of that filing and accrued compensation now dates back from April 1, 2022, for each member of management. Additional compensation has also been accrued and is outstanding to other employees, consultants, and vendors. Despite the Company's inability to provide compensation, management, employees and select vendors have largely continued to support the Company's efforts, including some members of management, on a priority basis, have provided limited loans to the Company for certain critical expenses, which are deemed a related party transaction.

The Company would like to report the resignation of the Chief Financial Officer, Craig McCannell, effective November 1, 2023. Mr. McCannell has offered to make himself available as time allows to support the Company in any future requests related to his former position and / or transition efforts, and we thank him for his years of service to the Company and wish him success in his future endeavors. Management intends to work with the Board of Directors, in due course, to create a selection committee for a new CFO.

"Even under these most difficulty circumstances, the team is working to resolve the current challenges that we are facing as an organization. Further, we believe that the public markets for small and micro-cap markets have greatly suffered under the current market conditions, which may include naked and short selling that has occurred across North America. It is the Company's belief that it has been the

victim of these manipulative trading practices, negatively impacting the Company and our shareholders. We believe that this process has greatly affected the Company's share price contributing to the Company's inability to raise the necessary funds to proceed with normal operations, including the regulatory requirements for the Company's listing on the CSE and compensating its management, employees, and other partners. However, we remain resolved, to the best of our ability, to work to right the ship and continue to move forward," said David Lucatch, CEO Liquid Avatar Technologies.

The Company continues to dedicate efforts to Aftermath Islands and its complementary programs including Lost Kingdom of T'Sara (LKOt), its play to earn (P2E) platform. In its first year, LKOt users generated over 9.2 million Resource Pack NFTs. The Aftermath Islands metaverse platform has continued to operate in Beta having achieved approximately US\$3 Million in gross sales, and subject to further funding by Aftermath Islands, the Company expects Aftermath Islands to continue to develop the platform.

As part of the AIM Creator program (originally Meta Hero Project) Meta Karaoke, an online AI powered Avatar performance platform, was acquired by Aftermath Islands Metaverse Limited, as originally announced on August 3, 2022, from Pegasus (Gibraltar) Limited, a related party of the Company. Further to this agreement, given the current economic and changing market conditions, Aftermath Islands has not fulfilled its agreed upon obligations to pay the appropriate fees for program sales under the terms of the agreement as well as to continue to fund the further development of the program. The parties have agreed that rather than terminating the agreement, the matter will be settled by transferring back up to 80% ownership of the Meta Karaoke program, which is currently in a development stage, to Pegasus (Gibraltar) Limited. Aftermath Islands Metaverse Limited and Oasis Digital Studios will retain a combined initial minority equity interest in the new entity of approximately 20%. Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the transfer back to Pegasus (Gibraltar) Limited constitutes a "related party transaction". The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, specifically: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the Company's Common Shares are not listed on a market specified in MI 61-101, and (ii) the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the assets being transferred back do not exceed 25% of the Company's market capitalization (as determined under MI 61-101). A material change report will not be filed by the Company as the transfer does not constitute a material change.

About Liquid Avatar Technologies Inc. - www.liquidavatartechnologies.com

Liquid Avatar Technologies Inc. focuses on the verification, management and monetization of Self Sovereign Identity, empowering users to control and benefit from the use of their online identity.

The Liquid Avatar Mobile App, available in the Apple App Store and Google Play, is a verified Self Sovereign Identity platform that empowers users to create high quality digital icons representing their online personas. These icons will allow users to manage and control their digital identity and Verifiable Access and Identity Credentials, and to use Liquid Avatars to share public and permission based private data when they want and with whom they want.

The Liquid Avatar Verifiable Credentials Ecosystem (LAVCE) has been developed to support all participants in a digital credential ecosystem, including the Holder, Issuer and Verifier, using state-of-the-art blockchain and open standards technologies initially as a node on the Indicio Network. The Company is a voting and steering committee member of the Trust over IP Foundation, founding and steering committee member of Cardea, a Linux Foundation Public Health project, member of the Good Health Pass collaborative, DIACC and the Covid Credentials Initiative ("CCI").

The Meta Park Pass is a W3C verifiable credential designed for interoperability. The Meta Park Pass contains a verified phone number with country code and an AI reviewed self-attested age and can be

expanded to include other unique credentials. Users will be able to login into multiple supported Metaverses with little friction and the platform knows they are a real and unique user. Additional credentials can grant access as each Metaverse matures and provides additional services and experiences.

The Company's subsidiary, Oasis Digital Studios Limited, is focused on supporting the development of the Aftermath Islands Metaverse and related projects.

If you have not already joined our mailing list and would like to receive updates on Liquid Avatar Technologies Inc., please visit <https://hello.liquidavatar.com/liquid-avatar-updates>.

For more information, please visit www.liquidavatartechnologies.com.

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David Lucatch
Chief Executive Officer

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved."

The forward-looking information and forward-looking statements contained herein include, but is not limited to, expectations that Aftermath Islands will continue to develop its platform. The assumption made by the Company in making these statements is that the Metaverse will be a viable and growing opportunity that Aftermath Islands and the Company can capitalize on through the deployment of its products to drive an economic benefit.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such information and statements. In particular, if Liquid Avatar Technologies Inc. or Aftermath Islands fails to fund its operations or execute on its business plan, new opportunities with the metaverse will not have any benefit for the Company.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.



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