

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Alpha Metaverse Technologies Inc. (the "Issuer")**

Trading Symbol: **ALPA**

Number of Outstanding Listed Securities: **76,053,380 (as at April 30, 2022)**

Date: **May 5, 2022**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

The Issuer is a multi-fold, vertically-integrated Esports company with a core focus on competitive social gaming. The principal business is the operation of a dedicated online Esports arena and platform in North America and worldwide, designed and created to help gamers achieve a sense of competition while gaming on a social platform designed to encourage interaction and inclusiveness. The Issuer's platform permits gamers to play games alongside their peers and to compete in daily tournaments to earn prizes, all while live-streaming their gameplay for others to view around the world.

The Issuer's operations encompass intellectual property creation, production and broadcasting, charity fundraising, celebrity and industry influencer agreements, and publishing.

Global Outbreak of COVID-19 Disclosure: The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the Issuer operates and could continue to result in negative impacts on the stock market, including trading prices of the Issuer's shares, and the ability to raise capital and could impact the Issuer's operations.

During the month of April 2022, the Issuer actively continued general and corporate operations.

In addition, management of the Issuer spent significant time preparing the management proxy materials for the Annual General and Special Meeting of Shareholders being held on May 6, 2022.

2. **Provide a general overview and discussion of the activities of management.**

During the month of April 2022, management continued to support and control the Issuer's business activities, develop the Issuer's business, and search for strategic business relationships.

Management of the Issuer spent significant time preparing the management proxy materials (the "**Proxy Materials**") for the Annual General and Special Meeting of Shareholders (the "**Meeting**") being held on May 6, 2022.

Management of the Issuer continued to work with its legal counsel in connection with the acquisition of 100% of Shape Immersive Entertainment Inc.

On April 13, 2022, the Issuer filed its Proxy Materials in connection with the upcoming Meeting.

In addition, on April 13, 2022, the Issuer announced by way of news release further to the Issuer's news release dated January 24, 2022, that it has signed a definitive agreement (the "**Agreement**") with Shape Immersive Entertainment Inc. ("**Shape**") and all of the shareholders of Shape (the "**Shape Shareholders**"), to acquire (the "**Acquisition**") 100% of the issued and outstanding share capital of Shape.

Upon completion of the Acquisition, Shape will continue to function as a fully operational metaverse creator engaged in the development of non-fungible token ("**NFT**") technology, augmented reality experiences, and three dimensional ("**3D**") products to transform user experiences. Shape is a leader in 3D NFTs, holograms, augmented and virtual reality, and play-to-earn game development. Shape has also partnered or worked with many well-known Fortune 1000 and other category leading companies such as RTFKT® (recently acquired by Nike®), Red Bull®, Intel® and the Olympics®.

"Entering into this Agreement with Shape represents a major milestone for Alpha in our expansion into Web3 and Metaverse-based gaming and branded experiences," said Brian Wilneff, Alpha CEO. "We look forward to completing the Acquisition and growing Shape's continued studio work for major brands and leveraging its development capabilities to grow Alpha's existing gaming properties. This combination of internal and external studio work will also expand Alpha's business development pipeline and partnership growth."

Purchase Consideration:

On and subject to the conditions set forth in the Agreement, the Issuer will deliver the following consideration for the Acquisition:

- (a) Payment of an aggregate \$500,000 in cash to the Shape Shareholders (collectively) on the closing date of the Acquisition (the "**Closing Date**");
- (b) Issuance of an aggregate 14,000,000 common shares in the capital of the Issuer (each, a "**Alpha Share**") to the Shape Shareholders (collectively) on the Closing Date;

- (c) Payment of an aggregate \$500,000 in cash to the Shape Shareholders (collectively) within one hundred and eighty (180) days following the Closing Date (the “**Additional Cash Consideration**”); and
- (d) Issuance of an aggregate of 840,000 Alpha Shares to certain individuals for services rendered in connection with the successful completion of the transaction contemplated by the Agreement on the Closing Date.

The 14,000,000 Alpha Shares to be issued pursuant to the Acquisition shall be subject to escrow restriction whereby 10% of such Alpha Shares shall be released on the Closing Date, and thereafter, 18% of such remaining Alpha Shares shall be released after each subsequent four (4) month period following the Closing Date (the “**Escrow Arrangement**”).

The Issuer shall grant a general security interest in favour of the Shape Shareholders for the purposes of securing the payment of the Additional Cash Consideration. In the event the Additional Cash Consideration has not been paid within one-hundred and eighty (180) days following the Closing Date, the Issuer shall issue an additional aggregate 6,678,000 Alpha Shares to the Shape Shareholders (collectively), the Escrow Arrangement shall no longer apply and the Issuer shall maintain the obligation to pay the Additional Cash Consideration.

In addition, the Issuer has agreed to issue up to an aggregate of 9,000,000 Alpha Shares to certain Shape Shareholders (collectively) who will be joining Alpha, upon completion of the Acquisition, as employees or consultants (collectively, the “**Milestone Shares**”), on the following basis:

- (a) 500,000 Milestone Shares upon the market capitalization of Alpha being not less than \$50,000,000 for a period of 10 consecutive trading days;
- (b) 500,000 Milestone Shares upon the market capitalization of Alpha being not less than \$75,000,000 for a period of 10 consecutive trading days;
- (c) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$100,000,000 for a period of 10 consecutive trading days;
- (d) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$125,000,000 for a period of 10 consecutive trading days;
- (e) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$150,000,000 for a period of 10 consecutive trading days;
- (f) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$175,000,000 for a period of 10 consecutive trading days;
- (g) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$200,000,000 for a period of 10 consecutive trading days;
- (h) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$250,000,000 for a period of 10 consecutive trading days;
- (i) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$300,000,000 for a period of 10 consecutive trading days; and
- (j) 1,000,000 Milestone Shares upon the market capitalization of Alpha being not less than \$350,000,000 for a period of 10 consecutive trading days,

provided that each respective milestone must be achieved within five years after the Closing Date and that the market capitalization for each milestone shall be calculated based on the price per Alpha Share on the Canadian Securities Exchange multiplied by the number of Alpha Shares then outstanding.

Closing of the Acquisition is subject to customary conditions, including receipt of all necessary regulatory and other approvals.

The Issuer's aforementioned Proxy Materials and News Releases can be viewed under the Issuer's profile on SEDAR (www.sedar.com). The Issuer's aforementioned News Releases can also be viewed under the Issuer's Disclosure page on the website of the Canadian Securities Exchange.

- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

None to report during the month of April 2022.

- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

None to report during the month of April 2022.

- 5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements, etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

During the month of April, the Issuer entered into a definitive agreement with Shape Immersive Entertainment Inc. as outlined above.

The Agreement was entered into by way of arm's length negotiations and Shape is not considered to be related person to the Issuer.

See Item #2 for full details of the Agreement.

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

None to report during the month of April 2022.

- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

None to report during the month of April 2022.

8. Describe the acquisition of new customers or loss of customers.

None to report during the month of April 2022.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None to report during the month of April 2022.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report during the month of April 2022.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None to report during the month of April 2022.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None to report during the month of April 2022.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report during the month of April 2022.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
No Securities Sere Issued During the Month of April 2022.			

(1) Aggregate proceeds and intended allocation of proceeds

15. Provide details of any loans to or by Related Persons.

None to report during the month of April 2022.

16. Provide details of any changes in directors, officers, or committee members.

None to report during the month of April 2022.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Form 2A - Listing Statement dated May 12, 2021 (the "**Listing Statement**"), under the heading "Item 17. Risk Factors" and the Issuer's Management Discussion and Analysis dated February 25, 2022 (the "**MD&A**"), under the heading "Risk Factors". The Listing Statement was posted on the CSE

website on May 13, 2021. In addition, the Listing Statement and the MD&A can be viewed under the Issuer's profile on SEDAR (www.sedar.com).

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Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 5, 2022

Eli Dusenbury
Name of Director or Senior Officer

/s/ Eli Dusenbury
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer Alpha Metaverse Technologies Inc.	For Month End April 2022	Date of Report YYYY / MM / DD 2022 / 05 / 05
Issuer Address Suite 1930, 1177 West Hastings Street Vancouver, British Columbia, V6E 4T5	Issuer Fax No. N/A	Issuer Telephone No. 604-359-1256
Contact Name Eli Dusenbury	Contact Position Chief Financial Officer	Contact Telephone No. 604-359-1256
Contact Email Address info@alphametaverse.com	Web Site Address https://alphametaverse.com/	